

House Joint Resolution 44

Sponsored by COMMITTEE ON REVENUE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Proposes amendment to Oregon Constitution to prohibit imposition of ad valorem property taxes on real property with assessed value of less than \$10 million. Creates retail and service sales tax of \$0.05 per \$1. Allocates _____ percent of sales tax to cities, counties and local taxing districts in same proportional share as ad valorem property tax revenues prior to enactment. Provides that amount of sales tax may not increase without voter approval.

Refers proposed amendment to people for their approval or rejection at next regular general election.

JOINT RESOLUTION

1
2 Whereas Oregon needs a more stable tax system that ensures a more reliable source of funds
3 for public safety, education and access to health care; and

4 Whereas increases in property values are causing unsustainable increases in property taxation
5 that threaten the financial security of Oregon homeowners and small business and farm owners; and

6 Whereas all Oregon residents should have the right and opportunity to own their homes, small
7 businesses and farms without the constant burden of property taxation and the threat of foreclosure
8 for failure to pay property taxes thereon; and

9 Whereas Oregon cities, counties and other units of local government have a declining ability to
10 afford services vital to the well-being of Oregon residents, especially with the loss of federal forest
11 safety net funds; and

12 Whereas Oregonians deserve a tax structure that is shared by all for the benefit of all; and

13 Whereas the following shall be known as the Tax Freedom Act; now therefore,

14 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

15 **PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new section
16 11k to be added to and made a part of Article XI, such section to read:

17 **SECTION 11k. (1)(a) Notwithstanding any other provision of this Constitution, ad**
18 **valorem property taxes on real property and improvements may not be imposed on property**
19 **with an assessed value of less than \$10 million.**

20 **(b) The assessed value shall be determined by the fair market value listed on the county**
21 **tax roll for the tax year beginning on July 1, 2007. Assessed value of all property in the state**
22 **shall be adjusted annually to reflect the increase or decrease in the housing price index of**
23 **the Portland-Salem, OR-WA, area as published by the Bureau of Labor Statistics of the**
24 **United States Department of Labor, or a comparable publication of the United States De-**
25 **partment of Labor.**

26 **(2)(a) In addition to all other taxes of every kind, for the privilege of selling tangible**
27 **personal property or services at retail, a tax is imposed upon all retailers at the rate of five**
28 **percent of the gross receipts of any retailer from the sale of tangible personal property sold**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 at retail in this state.

2 (b) _____ percent of the retail sales tax is allocated annually to cities, counties and
3 local taxing districts to replace revenues lost when subsection (1) of this section is imple-
4 mented. The annual allocation to each city, county or local taxing district under this para-
5 graph shall equal the proportional share of ad valorem property tax revenues allocated to the
6 city, county or local taxing district as of December 31, 2008.

7 (c) A retailer may add sales tax reimbursement to the sales price of tangible personal
8 property sold at retail to a purchaser, if the retailer complies with laws enacted by the
9 Legislative Assembly to regulate reimbursement of sales tax.

10 (d) The percentage of retail sales tax may be changed only by the approval of a majority
11 of voters voting on the question.

12 (3) The Legislative Assembly may enact such laws as may be necessary to carry out the
13 purposes of this section.

14
15 **PARAGRAPH 2.** The amendment proposed by this resolution shall be submitted to the
16 people for their approval or rejection at the next regular general election held throughout
17 this state.

18 _____