

**75TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
HOUSE REVENUE COMMITTEE**

**MEASURE: HB2014 A  
CARRIER: Speaker Hunt**

**REVENUE: Yes -Revenue Impact issued**

**FISCAL: Yes - Fiscal Impact issued**

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**Action:** Do Pass as Amended and be printed A Engrossed

**Vote:** 9-0-1

**Yeas:** Bailey, Bentz, Berger, Bruun, Kahl, Read, Riley, Sprenger, Barnhart

**Nays:** 0

**Exc.:** Gelser

**Prepared By:** Steve Meyer, Economist

**Meeting Dates:** 4/17

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**WHAT THE BILL DOES:** Requires collection of school district construction taxes by a government entity including a state agency or official that issues a permit for structural improvements. Exempts construction of nonprofit long term and residential care facilities and nonprofit continuing care retirement communities. Increases maximum administrative collection fee allowed from one percent to 4 percent of tax revenue. Allows the Department of Consumer and Business Services to establish an administrative fee of 0.25% of tax revenue only for the 2009-11 biennium within the 4%. Clarifies collection to be at time permit is issued to increase square footage. Applies to construction taxes on or after the effective date. Takes effect on the 91<sup>st</sup> day after adjournment sine die.

**ISSUES DISCUSSED:**

Voluntary versus involuntary collection by a government entity

Expansion of construction exempt from the tax

Amount of an administrative collection fee

Temporary Department of Administrative Services fee

Timing of adopting a resolution to tax and intergovernmental collection agreement discussions

**EFFECT OF COMMITTEE AMENDMENTS:**

The amendment replaces the original bill content.

**BACKGROUND:**

The 2007 Legislature authorized school district to impose a tax on new construction measured by square footage of improvements. The maximum rate is \$1 per square foot for residential use and \$0.50 for nonresidential use with a nonresidential limit of \$25,000. Rates are indexed beginning in 2010. Construction exempted includes affordable housing, public buildings, agricultural buildings, private schools, hospitals and religious facilities. The administrative fee to be retained for collection is limited to 1% of tax revenue.

It was unknown during committee discussions that a state agency or official issued building permits. Also some collecting entities, besides retaining 1% of tax revenue for collection expense, may also be billing school districts for additional collection costs.

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