

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

**MEASURE: HJR 13A  
CARRIER:**

**REVENUE: Revenue Impact Issued**

**FISCAL: Potential Fiscal, no statement issued**

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**Action:** Without Recommendation as to Adoption, with Amendments, be Printed Engrossed and be referred to Rules by prior Reference.

**Vote:** 10-0-0

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

**Nays:** 0

**Exc.:** 0

**Prepared By:** Steve Meyer, Economist

**Meeting Dates:** 4/14

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**WHAT THE BILL DOES:** Revises the Oregon constitution subject to voter approval. Exempts taxing districts from Measures 5 and 50 bond limitations if bonds incurred after January 1, 2011 to finance capital costs. Defines capital costs and limits life of bonds. Allows the State to issue general obligation bonds up to 0.5% of the market value of real property. Requires that bond proceeds be used to match school district general obligation bonds approved by voters for capital costs. Provides for repayment of state bonds from (1) General Fund appropriations, (2) appropriations or allocations from other funds or (3) other available moneys. Prohibits use of property taxes for the repayment of these state bonds. Creates a school capital matching fund. Repeals the school capital matching subaccount in the Education Stability Fund. Transfers any subaccount ending balance to the new fund. Directs 15% of net lottery proceeds to the new fund when the Education Stability Fund is capped out. Requires new fund to be used to provide matching grants to school districts for capital costs and to repay state bonds issued for capital matching grants. Defines capital costs as costs of land and other assets with a useful life of more than one year including construction, remodeling, furnishing, maintenance or repair. Submits revision resolution to the voters at the May 2010 primary election.

**ISSUES DISCUSSED:**

Using bond proceeds to purchase furnishings and equipment

Requiring subsequent legislation, if approved by voters, for bond sales and distribution criteria

Evaluating the magnitude of school district capital needs

Shifting of capital needs burden from school districts to a statewide funding source

Helping small districts with low fiscal capacity

**EFFECT OF COMMITTEE AMENDMENTS:**

Revises the constitution with basically the content described under what the bill does.

**BACKGROUND:**

There have been similar constitutional amendments in prior legislative sessions to assist school districts with capital construction funding. School districts do not currently have access to state assistance for capital funding needs other than the facility grant in the school equalization formula. The facility grant funds up to 8% of construction costs but the grant is limited to \$25 million per biennium and is prorated if 8% of eligible costs exceed \$25 million.

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