

Enrolled House Bill 2014

Sponsored by Representative HUNT; Representatives HOLVEY, KOMP

CHAPTER

AN ACT

Relating to school construction taxes; creating new provisions; amending ORS 320.170, 320.173, 320.179 and 320.189; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 320.170 is amended to read:

320.170. (1) Construction taxes may be imposed by a school district, as defined in ORS 330.005, in accordance with ORS 320.170 to 320.189.

(2) *[Notwithstanding subsection (1) of this section,]* Construction taxes imposed by a school district *[may]* **must** be collected, **subject to ORS 320.179**, by *[another]* a local government, local service district, *[or]* special government body, **state agency or state official that issues a permit for structural improvements regulated by the state building code** *[pursuant to a written agreement with a school district].*

SECTION 2. ORS 320.173 is amended to read:

320.173. Construction taxes may not be imposed on the following:

- (1) Private school improvements.
- (2) Public improvements as defined in ORS 279A.010.
- (3) Residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction of the residential housing.
- (4) Public or private hospital improvements.
- (5) Improvements to religious facilities primarily used for worship or education associated with worship.
- (6) Agricultural buildings, as defined in ORS 455.315 (2)(a).
- (7) Facilities that are operated by a not-for-profit corporation and that are:**
 - (a) Long term care facilities, as defined in ORS 442.015;**
 - (b) Residential care facilities, as defined in ORS 443.400; or**
 - (c) Continuing care retirement communities, as defined in ORS 101.020.**

SECTION 3. ORS 320.179 is amended to read:

320.179. (1) A school district imposing a construction tax shall impose the tax by a resolution adopted by the district board of the school district. The resolution shall state the rates of tax, subject to ORS 320.176.

(2) Prior to *[adopting a resolution under subsection (1) of this section]* **collecting a construction tax**, a school district shall enter into an intergovernmental agreement with each local government,

local service district, [or] special government body, **state agency or state official** collecting the tax that [establishes] **includes**:

- (a) Collection duties and responsibilities;
- (b) The specific school district accounts into which construction tax revenues are to be deposited and the frequency of such deposits; and
- (c) The amount of the administrative fee that the entity **or official** collecting the tax may [retain to recoup its expenses in collecting the tax, not to exceed one percent of tax revenues.] **use to recoup expenses incurred in collecting the construction tax, either through retention or reimbursement. An administrative fee under this paragraph may not exceed four percent of tax revenues and shall be reduced by the amount of the administrative fee, if any, established under subsection (3) of this section.**

(3) The Department of Consumer and Business Services may establish by rule an administrative fee of 0.25 percent of tax revenues. The administrative fee shall be collected and remitted to the department by the entity or official collecting the construction tax.

SECTION 4. ORS 320.179, as amended by section 3 of this 2009 Act, is amended to read:

320.179. (1) A school district imposing a construction tax shall impose the tax by a resolution adopted by the district board of the school district. The resolution shall state the rates of tax, subject to ORS 320.176.

(2) Prior to collecting a construction tax, a school district shall enter into an intergovernmental agreement with each local government, local service district, special government body, state agency or state official collecting the tax that includes:

- (a) Collection duties and responsibilities;
- (b) The specific school district accounts into which construction tax revenues are to be deposited and the frequency of such deposits; and
- (c) The amount of the administrative fee that the entity or official collecting the tax may use to recoup expenses incurred in collecting the construction tax, either through retention or reimbursement. An administrative fee under this paragraph may not exceed four percent of tax revenues [and shall be reduced by the amount of the administrative fee, if any, established under subsection (3) of this section].

[*(3) The Department of Consumer and Business Services may establish by rule an administrative fee of 0.25 percent of tax revenues. The administrative fee shall be collected and remitted to the department by the entity or official collecting the construction tax.*]

SECTION 5. ORS 320.189 is amended to read:

320.189. Construction taxes [shall] **must** be paid by the person undertaking the construction at the time that a permit authorizing the construction **or the expansion of square footage of a facility or building** is issued.

SECTION 6. The amendments to ORS 320.170, 320.173, 320.179 and 320.189 by sections 1, 2, 3 and 5 of this 2009 Act apply to the collection of construction taxes on or after the effective date of this 2009 Act.

SECTION 7. The amendments to ORS 320.179 by section 4 of this 2009 Act apply to the collection of construction taxes on or after June 30, 2011.

SECTION 8. This 2009 Act takes effect on the 91st day after the date on which the regular session of the Seventy-fifth Legislative Assembly adjourns sine die.

Passed by House May 1, 2009

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Chief Clerk of House

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Speaker of House

Passed by Senate June 3, 2009

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President of Senate

Received by Governor:

.....M,....., 2009

Approved:

.....M,....., 2009

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Governor

Filed in Office of Secretary of State:

.....M,....., 2009

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Secretary of State