

**A-Engrossed**  
**House Bill 2014**

Ordered by the House April 29  
Including House Amendments dated April 29

Sponsored by Representative HUNT; Representatives HOLVEY, KOMP

**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.

*[Provides for collection of construction taxes by state agencies and state officials.]* **Requires specified entities or officials, including state agencies and certain state officials, to collect construction taxes imposed by school district.** Expands types of construction that are exempt from construction taxes. *[Increases percentage of tax that may be retained for collection expenses.]*

**Authorizes entity or official collecting taxes to recoup collection expenses in an amount that does not exceed four percent of tax revenues. Allows Department of Consumer and Business Services to impose specified administrative fee until June 30, 2011.**

Applies to collection of construction taxes on or after effective date of Act.  
Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to school construction taxes; creating new provisions; amending ORS 320.170, 320.173,  
3 320.179 and 320.189; and prescribing an effective date.

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

5 **SECTION 1.** ORS 320.170 is amended to read:

6 320.170. (1) Construction taxes may be imposed by a school district, as defined in ORS 330.005,  
7 in accordance with ORS 320.170 to 320.189.

8 (2) *[Notwithstanding subsection (1) of this section,]* Construction taxes imposed by a school dis-  
9 trict *[may]* **must** be collected, **subject to ORS 320.179**, by *[another]* a local government, local ser-  
10 vice district, *[or]* special government body, **state agency or state official that issues a permit**  
11 **for structural improvements regulated by the state building code** *[pursuant to a written agree-*  
12 *ment with a school district].*

13 **SECTION 2.** ORS 320.173 is amended to read:

14 320.173. Construction taxes may not be imposed on the following:

15 (1) Private school improvements.

16 (2) Public improvements as defined in ORS 279A.010.

17 (3) Residential housing that is guaranteed to be affordable, under guidelines established by the  
18 United States Department of Housing and Urban Development, to households that earn no more  
19 than 80 percent of the median household income for the area in which the construction tax is im-  
20 posed, for a period of at least 60 years following the date of construction of the residential housing.

21 (4) Public or private hospital improvements.

22 (5) Improvements to religious facilities primarily used for worship or education associated with  
23 worship.

24 (6) Agricultural buildings, as defined in ORS 455.315 (2)(a).

**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 (7) Facilities that are operated by a not-for-profit corporation and that are:

2 (a) Long term care facilities, as defined in ORS 442.015;

3 (b) Residential care facilities, as defined in ORS 443.400; or

4 (c) Continuing care retirement communities, as defined in ORS 101.020.

5 **SECTION 3.** ORS 320.179 is amended to read:

6 320.179. (1) A school district imposing a construction tax shall impose the tax by a resolution  
7 adopted by the district board of the school district. The resolution shall state the rates of tax, sub-  
8 ject to ORS 320.176.

9 (2) Prior to *[adopting a resolution under subsection (1) of this section]* **collecting a construction**  
10 **tax**, a school district shall enter into an intergovernmental agreement with each local government,  
11 local service district, *[or]* special government body, **state agency or state official** collecting the  
12 tax that *[establishes]* **includes:**

13 (a) Collection duties and responsibilities;

14 (b) The specific school district accounts into which construction tax revenues are to be depos-  
15 ited and the frequency of such deposits; and

16 (c) The amount of the administrative fee that the entity **or official** collecting the tax may *[retain*  
17 *to recoup its expenses in collecting the tax, not to exceed one percent of tax revenues.]* **use to recoup**  
18 **expenses incurred in collecting the construction tax, either through retention or reimburse-**  
19 **ment. An administrative fee under this paragraph may not exceed four percent of tax re-**  
20 **venues and shall be reduced by the amount of the administrative fee, if any, established**  
21 **under subsection (3) of this section.**

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

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

26 320.179. (1) A school district imposing a construction tax shall impose the tax by a resolution  
27 adopted by the district board of the school district. The resolution shall state the rates of tax, sub-  
28 ject to ORS 320.176.

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

32 (a) Collection duties and responsibilities;

33 (b) The specific school district accounts into which construction tax revenues are to be depos-  
34 ited and the frequency of such deposits; and

35 (c) The amount of the administrative fee that the entity or official collecting the tax may use  
36 to recoup expenses incurred in collecting the construction tax, either through retention or re-  
37 imbursement. An administrative fee under this paragraph may not exceed four percent of tax re-  
38 venues *[and shall be reduced by the amount of the administrative fee, if any, established under*  
39 *subsection (3) of this section].*

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

43 **SECTION 5.** ORS 320.189 is amended to read:

44 320.189. Construction taxes *[shall]* **must** be paid by the person undertaking the construction at  
45 the time that a permit authorizing the construction **or the expansion of square footage of a fa-**

1 **cility or building** is issued.

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

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

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

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