

House Joint Resolution 47

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 authorizing cities and counties to adopt site value taxation system in lieu of uniform ad valorem property taxation.

Refers proposed amendment to people for their approval or rejection at next general election held throughout this state.

JOINT RESOLUTION

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

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating new sections 11L and 11m to be added to and made a part of Article XI, a new section 32a to be added to and made a part of Article I and a new section 1d to be added to and made a part of Article IX, such sections to read:

SECTION 11L. (1) A city or county may adopt a site value taxation system in lieu of the uniform ad valorem property tax system, if the voters of the city or county approve the system as provided in subsection (7) of this section. All local taxing districts within the jurisdiction adopting a site value taxation system shall implement the system.

(2) Taxes imposed under this section are exempt from sections 11 and 11b of this Article.

(3) A jurisdiction adopting a site value taxation system shall set an annual land tax rate ratio, defined as the proportion of the total rate that applies to land assessments. The remaining proportion shall determine the rate applied to improvement assessments. The annual differential tax rates apply to all taxing districts within the adopting jurisdiction.

(4) All taxable parcels of the same class, as defined by land use, must be taxed at the same differential rate.

(5) The tax rate on improvement assessments may not equal or exceed the tax rate on land assessments.

(6) A site value taxation system adopted under this section does not apply to taxes imposed to pay principal and interest on bonds issued prior to the effective date of this section.

(7) A measure submitting the question of whether to adopt a site value taxation system to voters of the city or county may be referred by resolution of the local governing body or by initiative petition. The measure may be voted on only at a general election.

(8) The Legislative Assembly shall direct the Department of Revenue to establish operational guidelines for administering the site value taxation system. The department shall devise a method for calculating differential tax rates.

SECTION 11m. (1) Section 11L of this Article applies to tax years beginning on or after July 1, 2012.

(2) This section is repealed on January 1, 2013.

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 **SECTION 32a.** The requirement in section 32 of this Article that taxes upon the same
2 class of subjects be uniform does not forbid the subclassification of real property into land
3 and improvements for purposes of property taxation.

4 **SECTION 1d.** The requirement in section 1 of this Article for uniform rules of assess-
5 ment and taxation does not prohibit the taxation of land and improvement assessments at
6 different rates.

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

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