

PRELIMINARY

REVENUE:

FISCAL:

Action:

Vote:

Yeas:

Nays:

Exc.:

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Meeting Dates: 3/16

MEASURE: HJR 14  
EXHIBIT: B  
HOUSE REVENUE COMMITTEE  
DATE: 3/17/2011 PAGES: 1  
SUBMITTED BY: PAUL WARNER

**WHAT THE BILL DOES:** Proposes an amendment to the Oregon Constitution to allow common school districts and union high school districts to impose taxes to specifically fund the public school system at the maximum allowable rate of \$6.50 for each \$1,000 of property's real market value, or \$7.50 for each \$1,000 of property's real market value if the district submits the question of the rate to the voters in the district. Declares that the Section 11 of the Article XI of the Oregon Constitution does not apply to such taxes. Provides that the taxes imposed under this bill in excess of a school district's permanent rate may not be taken into account for purposes of apportioning state funds to common school districts and union high school districts. Applies to tax years beginning on or after July 1, 2012. Refers the proposed amendment to the people for their approval or rejection at the next regular general election.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENTS:**

**BACKGROUND:** Constitutionally, for school districts, education service districts, and community colleges combined, the maximum allowable tax rate per \$1,000 of property's real market value is \$5.

Currently, when a school district imposes local option taxes, it can keep locally to the district, an amount equal to the lesser of (1) 20% of the total school formula money, or (2) \$1,000 per district extended ADMw that is indexed to increase annually. Money over and above this limit will be added to the total resources for purposes of state school fund distribution.