

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	5 - 2 - 2
<b>Yeas:</b>	Gallegos, Gorsek, Greenlick, Harker, Dembrow
<b>Nays:</b>	Johnson, Whisnant
<b>Exc.:</b>	Gilliam, Huffman
<b>Prepared By:</b>	Victoria Cox, Administrator
<b>Meeting Dates:</b>	3/13, 4/5

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**WHAT THE MEASURE DOES:** Establishes Next Generation Fund. Directs estate tax revenue to Next Generation Fund. Appropriates moneys to Oregon University System for higher education, to Department of Education for early childhood education programs and to Community College Support Fund. Specifies one third distribution to each entity. Applies to revenues received by Department of Revenue on or after January 1, 2015. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Estate taxes currently collected of approximately \$200 million per biennium
- Dedication of currently collected revenue to early childhood and higher education
- Analogy to setting up an educational fund through a community foundation

**EFFECT OF COMMITTEE AMENDMENT:** Adds Community College Support Fund to entities receiving appropriation. Specifies one third distribution to each entity.

**BACKGROUND:** Revenues generated by estate taxes are currently credited to the General Fund to be available any expense or obligation of this state lawfully incurred. House Bill 3025-A provides that estate tax revenues are deposited into the Next Generation Fund (Fund) created by this measure. Moneys in the Fund are distributed as follows: One-third to the Oregon University System for the purpose of funding higher education; one-third to the Department of Education for childhood education programs; and one-third to the Community College Support Fund.