

Senate Joint Resolution 16

Sponsored by Senator SHIELDS (at the request of Jeff Strang) (Presession filed.)

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 to establish land-value lease fee imposed on real market value of land with proceeds distributed pro rata to residents of state. Establishes Resident's Dividend Agency to administer collection of fee and distribution of dividend. Applies to assessment years beginning on or after January 1, 2016.

Refers proposed amendment to people for their approval or rejection at next regular general election.

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 16 and 16a to be added to and made a part of Article XI, such sections to read:

SECTION 16. (1) The Legislative Assembly by law shall establish a resident's dividend, payable as provided in subsection (2) of this section from the Resident's Dividend Account established pursuant to subsection (3) of this section to each individual:

(a) Who is:

(A) A citizen of the United States;

(B) An individual lawfully admitted for permanent residence in the United States;

(C) An individual with refugee status under federal law; or

(D) An individual granted asylum under federal law; and

(b) Who provides proof to the Resident's Dividend Agency established pursuant to subsection (5) of this section that the individual's primary residence was in Oregon for the 12 months immediately preceding January 1 of the assessment year.

(2)(a) The resident's dividend payable to each individual described in subsection (1) of this section shall equal the amount of moneys in the Resident's Dividend Account established pursuant to subsection (3) of this section as of January 1 of each year, minus the administrative costs retained by the Resident's Dividend Agency pursuant to subsection (5) of this section, divided by the total number of individuals described in subsection (1) of this section as of December 31 of the immediately preceding year.

(b) Notwithstanding paragraph (a) of this subsection, 50 percent of the resident's dividend payable to an individual who is under the age of 18 shall be deposited in the individual's name in a college savings network account established pursuant to the laws of this state.

(3)(a) The Legislative Assembly by law shall establish a Resident's Dividend Account in the State Treasury, separate and distinct from the General Fund.

(b) All moneys in the account shall be continuously appropriated by law to the Resident's Dividend Agency and used only for the operating expenses of the agency and to pay the resident's dividend established pursuant to subsection (1) of this section.

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 (c) All moneys collected by the Resident's Dividend Agency pursuant to this section must
2 be deposited in the Resident's Dividend Account.

3 (4)(a) A land-value lease fee is imposed on all land in this state in an amount equal to
4 four percent of the real market value of the land as of January 1 of each year as determined
5 by the county assessor of the county in which the land is located.

6 (b) Notwithstanding paragraph (a) of this subsection, a land-value lease fee is imposed
7 on land in this state in an amount equal to one percent of the real market value of the land
8 as of January 1 of each year as determined by the county assessor of the county in which
9 the land is located if the land is owned by:

10 (A) A nonprofit corporation organized and existing under ORS chapter 65; or

11 (B) An organization described in section 501(c)(3) of the Internal Revenue Code that is
12 exempt from income tax under section 501(a) of the Internal Revenue Code.

13 (c) Notwithstanding paragraph (a) of this subsection, land in this state is exempt from
14 the land-value lease fee if the land is owned by:

15 (A) The United States;

16 (B) The State of Oregon or a political subdivision of the State of Oregon;

17 (C) A city, county or local service district or a political subdivision of a city, county or
18 local service district; or

19 (D) A federally recognized Indian tribe.

20 (5) The Legislative Assembly shall establish a Resident's Dividend Agency that shall:

21 (a) Administer the land-value lease fee imposed under subsection (4) of this section;

22 (b) Verify the eligibility of individuals to be paid a resident's dividend under this section;

23 (c) Deposit all moneys collected from land-value lease fees into, and pay resident's divi-
24 dends out of, the Resident's Dividend Account established pursuant to subsection (3) of this
25 section; and

26 (d) Take other actions as required by the Legislative Assembly or pursuant to rules
27 adopted by the agency for the implementation of this section.

28 (6) The Legislative Assembly may provide for a phase-in period of up to eight years for
29 the land-value lease fee imposed under subsection (4) of this section.

30 (7) The limitations of sections 11 and 11b of this Article do not apply to the land-value
31 lease fee imposed under subsection (4) of this section.

32 **SECTION 16a.** (1) The land-value lease fee imposed under section 16, Article XI, applies
33 to assessment years beginning on or after January 1, 2016.

34 (2)(a) Section 16, Article XI, becomes operative on January 1, 2016.

35 (b) The Resident's Dividend Agency may take any action before the operative date spec-
36 ified in paragraph (a) of this subsection that is necessary to enable the agency to exercise,
37 on and after the operative date specified in paragraph (a) of this subsection, all the duties,
38 functions and powers conferred on the agency pursuant to section 16, Article XI.

39 (3) This section is repealed on January 2, 2019.

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