

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Revenue**

**Fiscal:** No Fiscal Impact

**Revenue:** Revenue impact issued

---

**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Dae Baek, Economist

---

**WHAT THE MEASURE DOES:**

Repeals the sunset of the law authorizing school districts to impose local construction taxes.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

A school district may impose a tax on a new construction in the district. This is the taxing authority that the 2007 Legislature granted to school districts. At the time of legislation, the tax rate was set at the maximum of \$1 per square foot for residential use and \$0.50 for nonresidential use. The maximum tax on nonresidential use was also set at \$25,000 per structure or building permit, whichever was less. These taxes are being indexed starting from the year 2009. The legislation exempted certain properties from this tax.

In the school year 2012-13, 56 school districts used this option, raising a total of \$15.5 million. School districts are to use revenues from this tax only for capital improvements. This taxing authority is set to sunset on January 2, 2018.