

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

**Fiscal:** May have fiscal impact, but no statement yet issued

Sub. Referrals: House Committee On Rules

**Revenue:** May have revenue impact, but no statement yet issued

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**Action Date:**

**Action:**

**Meeting Dates:**

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**WHAT THE MEASURE DOES:**

Submits to the people for their approval or rejection proposed revision to Oregon Constitution to be voted on at next primary election. Revision allows local option ad valorem property tax to be imposed outside of certain constitutional limits. Requires taxing district to submit local option levy to voters at an election in November of an even-numbered year and obtain majority approval of voters voting. Limits local option levy to no more than ten years. Allows taxing district to submit to voters for approval, at election in November of an even-numbered year, renewal of local option levy within two years of the expiration of the levy. Requires statement presented to voters regarding new or renewal of local option levy to include length of time for which levy will be imposed and statement that taxes paid under the levy will not be subject to constitutional limits in section 11b, article XI. Requires Legislative Assembly to enact homestead property tax relief program available to persons meeting certain eligibility requirements based on age or disability. Relief program required to not allow assessed value of homestead to increase while eligible person is enrolled in the program.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Local option taxes are a temporary type of taxing authority generally used in addition to a district's permanent rate authority. Typically, local option levies are established to fund specific district operations. Voters are required to approve local option levies for no more than five years, or ten in the case of levies used to fund capital projects. Local option levies must be approved by a majority vote at an election held in May or November of each year. Prior to HJR 15 (2007), a double majority (i.e. - majority of at least 50% of eligible voters) was needed to approve a local option levy if the levy was not voted on at a November even-numbered year election. In instances where a property is in compression, imposed local option levy taxes are the first to be "compressed".