

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**House Committee On Revenue**

**MEASURE: HB 2486 A**  
**CARRIER: Rep. Davis**

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 04/23/15

**Action:** Do Pass As Amended And Be Printed Engrossed.

**Meeting Dates:** 02/16, 02/26, 04/23

**Vote:**

Yeas: 6 - Bentz, Davis, Johnson, Lininger, Read, Vega Pederson

Exc: 3 - Barnhart, Smith Warner, Whitsett

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**WHAT THE MEASURE DOES:**

Removes statutory provisions relating to categorization of property tax revenue under Measure 5 that were held unconstitutional by Oregon courts. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Effect change would have upon education related compression
- Effect of past court decisions
- Alignment of OR Constitution and statute
- Impact of amendment upon bill as introduced

**EFFECT OF COMMITTEE AMENDMENT:**

The Amendment replaces the content of the bill. It removes statutory provisions relating to categorization of property tax revenue under Measure 5 that were held unconstitutional by Oregon courts. Takes effect on 91st day following adjournment sine die.

**BACKGROUND:**

In *Urhausen v. Eugene*, the Oregon Supreme Court upheld the Tax Court's judgment holding subsections (2) and (3) of ORS 310.155 as unconstitutional. The measure as amended removes the two subsections from statute. The Oregon Supreme Court Opinion in *Urhausen v. Eugene*, determined that "Property tax revenues are deemed to be dedicated to funding the public school system if the revenues are used exclusively for educational services". The court explained that it was the use of revenues not the source that determines under what category (education or general government) that Measure 5 limits are calculated.