

# House Bill 2672

Sponsored by Representative BUCKLEY (Pre-session 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**.

Requires each county in which exempt strategic investment program property is located to certify to Oregon State Lottery Commission amount of property tax that school districts within county do not receive due to strategic investment program. Requires commission to withhold from county's distribution from Administrative Services Economic Development Fund amount equal to property tax that school districts within county do not receive and to transfer amount to State School Fund.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to property taxes received by school districts; creating new provisions; amending ORS  
3 327.008; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 285C.600 to**  
6 **285C.639.**

7 **SECTION 2. (1) As soon as practicable after January 1 of each year, each county in which**  
8 **property granted exemption under ORS 307.123 is located shall certify to the Oregon State**  
9 **Lottery Commission the amount of property taxes that school districts within the county did**  
10 **not receive due to the exemption granted under ORS 307.123 for the current property tax**  
11 **year.**

12 **(2) Notwithstanding ORS 461.547, the commission shall withhold distributions to the**  
13 **county under ORS 461.547 for the current property tax year until an amount equal to the**  
14 **amount certified under subsection (1) of this section has been withheld from the county.**

15 **(3) The commission shall transfer the amounts withheld pursuant to subsection (2) of**  
16 **this section to the State School Fund established under ORS 327.008.**

17 **(4) The commission shall determine the schedule of the withholding and transfers re-**  
18 **quired under this section.**

19 **SECTION 3. ORS 327.008, as amended by section 6, chapter 81, Oregon Laws 2014, is amended**  
20 **to read:**

21 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist  
22 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education  
23 Stability Fund **and the Administrative Services Economic Development Fund**. The State School  
24 Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006  
25 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,  
26 343.243, 343.533 and 343.961 and sections 1 to 3, chapter 735, Oregon Laws 2013, and section 2,  
27 chapter 81, Oregon Laws 2014.

28 (2) There shall be apportioned from the State School Fund to each school district a State School

**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 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant  
2 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-  
3 vided in ORS 327.011 and 327.013.

4 (3) There shall be apportioned from the State School Fund to each education service district a  
5 State School Fund grant as calculated under ORS 327.019.

6 (4) All figures used in the determination of the distribution of the State School Fund shall be  
7 estimates for the same year as the distribution occurs, unless otherwise specified.

8 (5) Numbers of students in average daily membership used in the distribution formula shall be  
9 the numbers as of June of the year of distribution.

10 (6) A school district may not use the portion of the State School Fund grant that is attributable  
11 to the facility grant for capital construction costs.

12 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-  
13 ceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this  
14 limitation, the Department of Education shall prorate the amount of funds available for facility  
15 grants among those school districts that qualified for a facility grant.

16 (8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-  
17 ity Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay  
18 the costs of educational services provided to students admitted to pediatric nursing facilities as  
19 provided in section 2, chapter 81, Oregon Laws 2014.

20 (9) Each fiscal year, the Department of Education shall transfer the amount of \$18 million from  
21 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

22 (10)(a) Each biennium, the Department of Education shall transfer \$33 million from the State  
23 School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

24 (b) For the purpose of making the transfer under this subsection:

25 (A) The total amount available for all distributions from the State School Fund shall be reduced  
26 by \$5 million;

27 (B) The amount distributed to school districts from the State School Fund under this section and  
28 ORS 327.013 shall be reduced by \$14 million; and

29 (C) The amount distributed to education service districts from the State School Fund under this  
30 section and ORS 327.019 shall be reduced by \$14 million.

31 (c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall  
32 be adjusted by the same percentage by which the amount appropriated to the State School Fund for  
33 that biennium is increased or decreased compared to the preceding biennium, as determined by the  
34 Department of Education after consultation with the Legislative Fiscal Officer.

35 (11) Each fiscal year, the Department of Education may expend up to \$550,000 from the State  
36 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
37 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
38 amount expended by the department under this subsection.

39 (12) Each biennium, the Department of Education may expend up to \$350,000 from the State  
40 School Fund to provide administration of and support for the development of talented and gifted  
41 education under ORS 343.404.

42 (13) Each biennium, the Department of Education may expend up to \$150,000 from the State  
43 School Fund for the administration of a program to increase the number of speech-language  
44 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

45 (14) Each fiscal year, the Department of Education shall transfer the amount of \$2.5 million from

1 the State School Fund to the Small School District Supplement Fund established in section 3, chap-  
2 ter 735, Oregon Laws 2013.

3 **SECTION 4.** ORS 327.008, as amended by section 7, chapter 735, Oregon Laws 2013, and section  
4 7, chapter 81, Oregon Laws 2014, is amended to read:

5 327.008. (1) There is established a State School Fund in the General Fund. The fund shall consist  
6 of moneys appropriated by the Legislative Assembly and moneys transferred from the Education  
7 Stability Fund **and the Administrative Services Economic Development Fund.** The State School  
8 Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006  
9 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 342.173,  
10 343.243, 343.533 and 343.961 and section 2, chapter 81, Oregon Laws 2014.

11 (2) There shall be apportioned from the State School Fund to each school district a State School  
12 Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant  
13 and a transportation grant and a high cost disabilities grant minus local revenue, computed as pro-  
14 vided in ORS 327.011 and 327.013.

15 (3) There shall be apportioned from the State School Fund to each education service district a  
16 State School Fund grant as calculated under ORS 327.019.

17 (4) All figures used in the determination of the distribution of the State School Fund shall be  
18 estimates for the same year as the distribution occurs, unless otherwise specified.

19 (5) Numbers of students in average daily membership used in the distribution formula shall be  
20 the numbers as of June of the year of distribution.

21 (6) A school district may not use the portion of the State School Fund grant that is attributable  
22 to the facility grant for capital construction costs.

23 (7) The total amount of the State School Fund that is distributed as facility grants may not ex-  
24 ceed \$20 million in any biennium. If the total amount to be distributed as facility grants exceeds this  
25 limitation, the Department of Education shall prorate the amount of funds available for facility  
26 grants among those school districts that qualified for a facility grant.

27 (8) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facil-  
28 ity Account established in section 5, chapter 81, Oregon Laws 2014, the amount necessary to pay  
29 the costs of educational services provided to students admitted to pediatric nursing facilities as  
30 provided in section 2, chapter 81, Oregon Laws 2014.

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32 the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

33 (10)(a) Each biennium, the Department of Education shall transfer \$33 million from the State  
34 School Fund to the Network of Quality Teaching and Learning Fund established under ORS 342.953.

35 (b) For the purpose of making the transfer under this subsection:

36 (A) The total amount available for all distributions from the State School Fund shall be reduced  
37 by \$5 million;

38 (B) The amount distributed to school districts from the State School Fund under this section and  
39 ORS 327.013 shall be reduced by \$14 million; and

40 (C) The amount distributed to education service districts from the State School Fund under this  
41 section and ORS 327.019 shall be reduced by \$14 million.

42 (c) For each biennium, the amounts identified in paragraph (b)(B) and (C) of this subsection shall  
43 be adjusted by the same percentage by which the amount appropriated to the State School Fund for  
44 that biennium is increased or decreased compared to the preceding biennium, as determined by the  
45 Department of Education after consultation with the Legislative Fiscal Officer.

1 (11) Each fiscal year, the Department of Education may expend up to \$550,000 from the State  
2 School Fund for the contract described in ORS 329.488. The amount distributed to education service  
3 districts from the State School Fund under this section and ORS 327.019 shall be reduced by the  
4 amount expended by the department under this subsection.

5 (12) Each biennium, the Department of Education may expend up to \$350,000 from the State  
6 School Fund to provide administration of and support for the development of talented and gifted  
7 education under ORS 343.404.

8 (13) Each biennium, the Department of Education may expend up to \$150,000 from the State  
9 School Fund for the administration of a program to increase the number of speech-language  
10 pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

11 **SECTION 5. Section 2 of this 2015 Act and the amendments to ORS 327.008 by sections**  
12 **3 and 4 of this 2015 Act apply to property tax years beginning on or after July 1, 2015.**

13 **SECTION 6. This 2015 Act takes effect on the 91st day after the date on which the 2015**  
14 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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