

Requested by Representative MCLAIN (at the request of Metro)

**PROPOSED AMENDMENTS TO  
B-ENGROSSED SENATE BILL 1533**

1 On page 5 of the printed B-engrossed bill, delete lines 9 through 45.

2 On page 6, delete lines 1 through 8 and insert:

3 **“SECTION 8. (1) As used in this section and section 9 of this 2016**  
4 **Act, ‘construction tax jurisdiction’ means a city or county or a met-**  
5 **ropolitan service district formed under ORS chapter 268.**

6 **“(2) The governing body of a construction tax jurisdiction may im-**  
7 **pose a construction tax by adoption of an ordinance or resolution that**  
8 **conforms to the requirements of this section and section 9 of this 2016**  
9 **Act.**

10 **“(3)(a) A tax may be imposed on improvements to residential real**  
11 **property within the jurisdiction that result in a new residential**  
12 **structure or additional square footage in an existing residential**  
13 **structure, including remodeling that adds living space.**

14 **“(b) An ordinance or resolution imposing the tax described in par-**  
15 **agraph (a) of this subsection must state the rate of the tax. The tax**  
16 **may not exceed one percent of the permit valuation for residential**  
17 **construction permits issued by the construction tax jurisdiction either**  
18 **directly or through the Building Codes Division of the Department of**  
19 **Consumer and Business Services.**

20 **“(4)(a) A tax may be imposed on improvements to commercial and**  
21 **industrial real property, including the commercial and industrial**

1 portions of mixed-use property, within the jurisdiction that result in  
2 a new structure or additional square footage in an existing structure,  
3 including remodeling that adds living space.

4 “(b) An ordinance or resolution imposing the tax described in par-  
5 agraph (a) of this subsection must state the rate and base of the tax.

6 “(5) Taxes imposed pursuant to this section shall be paid at the time  
7 specified in ORS 320.189 to the construction tax jurisdiction that im-  
8 posed the tax.

9 “(6)(a) This section and section 9 of this 2016 Act do not apply to a  
10 tax described in section 1 (2), chapter 829, Oregon Laws 2007.

11 “(b) Conformity of a tax imposed pursuant to this section by a  
12 construction tax jurisdiction to the requirements of this section and  
13 section 9 of this 2016 Act shall be determined without regard to any  
14 tax described in section 1 (2), chapter 829, Oregon Laws 2007, that is  
15 imposed by the construction tax jurisdiction.

16 “SECTION 9. (1) As soon as practicable after the end of each fiscal  
17 quarter, a construction tax jurisdiction that imposes a construction  
18 tax pursuant to section 8 of this 2016 Act shall deposit the construction  
19 tax revenues collected in the fiscal quarter just ended in the general  
20 fund of the construction tax jurisdiction.

21 “(2) Of the revenues deposited pursuant to subsection (1) of this  
22 section, the construction tax jurisdiction may retain an amount not  
23 to exceed four percent as an administrative fee to recoup the expenses  
24 of the jurisdiction incurred in complying with this section.

25 “(3) After deducting the administrative fee authorized under sub-  
26 section (2) of this section and paying any refunds, the construction tax  
27 jurisdiction shall use the remaining revenues received under section 8  
28 (3) of this 2016 Act as follows:

29 “(a) If the construction tax jurisdiction is a city or county:

30 “(A) Fifty percent to fund developer incentives allowed or offered

1 pursuant to ORS 197.309 (5)(c) and (d) and (7);

2 “(B) Fifteen percent to be distributed to the Housing and Commu-  
3 nity Services Department to fund home ownership programs that  
4 provide down payment assistance; and

5 “(C) Thirty-five percent for programs and incentives of the city or  
6 county related to affordable housing as defined by the city or county,  
7 respectively, for purposes of this section and section 8 of this 2016 Act.

8 “(b) If the construction tax jurisdiction is a metropolitan service  
9 district:

10 “(A) Fifteen percent to be distributed to the Housing and Commu-  
11 nity Services Department to fund home ownership programs that  
12 provide down payment assistance; and

13 “(B) Eighty-five percent for programs and incentives of the metro-  
14 politan service district related to affordable housing as defined by the  
15 district for purposes of this section and section 8 of this 2016 Act.

16 “(4) After deducting the administrative fee authorized under sub-  
17 section (2) of this section and paying any refunds, the construction tax  
18 jurisdiction shall use 50 percent of the remaining revenues received  
19 under section 8 (4) of this 2016 Act to fund programs of the jurisdiction  
20 related to housing.”.

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