

## HJR 9 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Dae Baek, Economist

**Meeting Dates:** 3/1

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#### **WHAT THE MEASURE DOES:**

Proposes an amendment to the Oregon Constitution to allow the surviving or successor district, following a merger of a union high school district and a common school district, to maintain respective permanent rate limits of each taxing district before the merger, for purposes of imposing ad valorem property taxes. Refers the proposed amendment to the people for their approval or rejection at the next regular general election.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

#### **BACKGROUND:**

#### **Oregon Constitution Article XI**

Section 11. (3) (d) If two or more local taxing districts seek to consolidate or merge, the limit on the rate of ad valorem property tax to be imposed by the consolidated or merged district shall be the rate that would produce the same tax revenue as the local taxing districts would have cumulatively produced in the year of consolidation or merger, if the consolidation or merger had not occurred.

#### **ORS 330.003**

(1)(a) "Merger" includes any alteration, annexation, merger, consolidation, lengthening the course of study or other change under ORS 330.090 to 330.107, 334.710 to 334.770 and 335.490 to 335.505.

(b) "Merger" includes only those proceedings in which the entire territory of an involved school district is merged. The permanent rate limit for operating taxes for a school district after merger shall be the rate that would produce the same operating tax revenue as the school districts prior to merger would have cumulatively produced in the year of merger if the merger, not taking into account any applicable statutory rate limit, had not occurred.