

HB 2978 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/27

WHAT THE MEASURE DOES:

Allows governing body of a taxing district to exempt from district imposed operating and/or local option taxes, a stated dollar amount of the assessed value of taxable real property located within taxing district. Requires approval by a majority of the voters of the taxing district voting at a general or special election. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

ORS 310.055 defines operating taxes as: “operating taxes” means ad valorem property taxes that are subject to a permanent rate limit under section 11, Article XI of the Oregon Constitution, or statutory rate limit under ORS 310.236 (4) or 310.237, if applicable.

A local option tax is a voter approved district levy that is in addition to the permanent rate imposed by a local taxing district. Local option taxes are limited to no more than five years, or ten years in the case of a local option tax imposed for a capital project.