

HB 3374 -A2 STAFF MEASURE SUMMARY

House Committee On Revenue

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/26

WHAT THE MEASURE DOES:

Establishes the Oregon County Assistance Fund (Fund). Directs Department of Revenue to make grants from the Fund in amounts not to exceed \$150,000 to counties seeking to consolidate or share services. Specifies counties receiving this grant must have received payments from the Secure Rural Schools Program beginning July 1, 2008 in an amount that was greater than 30 percent of the total property taxes imposed on that county in that year. Sunsets the Fund on July 1, 2026.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A2 The amendment allows for grants over 4 years to the O&C counties which adopt changes through a vote of residents in property tax rates for districts within the counties. The level of payment varies by year, rate, and by previous level of federal payments. The Oregon County Assistance Fund is seeded through an appropriation of \$37 million.

BACKGROUND:

The federal Secure Rural Schools (SRS) program provided assistance to rural counties and school districts affected by the decline in revenue from timber harvests on federal lands. Historically, rural communities and schools have relied on a share of receipts from timber harvests to supplement local funding for education services and roads. During the 1980s, forest management practices changed substantially, diminishing the revenue-generating activity permitted. The resulting steep decline in timber sales decreased the revenues that rural counties and school districts received from forest management activities. The SRS program expired in September 2015. House Bill 3374 A would create the Oregon County Assistance Fund (Fund), and direct the Oregon Department of Revenue to use moneys from the Fund to provide grants to counties seeking to consolidate or share services if they received at least 30 percent of their total county general fund budget from SRS funding in 2008.