

D R A F T

SUMMARY

Limits rate of tax that city or county may impose on commercial construction.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to taxation of commercial construction; creating new provisions; amending section 8, chapter 59, Oregon Laws 2016; and prescribing an effective date.

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

SECTION 1. Section 8, chapter 59, Oregon Laws 2016, is amended to read:

Sec. 8. (1) The governing body of a city or county may impose a construction tax by adoption of an ordinance or resolution that conforms to the requirements of this section and section 9, [*of this 2016 Act*] **chapter 59, Oregon Laws 2016.**

(2)(a) A tax may be imposed on improvements to residential real property that result in a new residential structure or additional square footage in an existing residential structure, including remodeling that adds living space.

(b) An ordinance or resolution imposing the tax described in paragraph (a) of this subsection must state the rate of the tax. The tax may not exceed one percent of the permit valuation for residential construction permits issued by the city or county either directly or through the [*Building Codes Division of the*] Department of Consumer and Business Services.

(3)(a) A tax may be imposed on improvements to commercial and industrial real property, including the commercial and industrial portions of

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

3 (b) An ordinance or resolution imposing the tax described in paragraph
4 (a) of this subsection must state the rate [*and base*] of the tax. **The tax may**
5 **not exceed one percent of the permit valuation for commercial con-**
6 **struction permits issued by the city or county either directly or**
7 **through the Department of Consumer and Business Services.**

8 (4) Taxes imposed pursuant to this section shall be paid at the time
9 specified in ORS 320.189 to the city or county that imposed the tax.

10 (5)(a) This section and section 9, [*of this 2016 Act*] **chapter 59, Oregon**
11 **Laws 2016**, do not apply to a tax described in section 1 (2), chapter 829,
12 Oregon Laws 2007.

13 (b) Conformity of a tax imposed pursuant to this section by a city or
14 county to the requirements of this section and section 9, [*of this 2016 Act*]
15 **chapter 59, Oregon Laws 2016**, shall be determined without regard to any
16 tax described in section 1 (2), chapter 829, Oregon Laws 2007, that is imposed
17 by the city or county.

18 **SECTION 2. (1) The amendments to section 8, chapter 59, Oregon**
19 **Laws 2016, by section 1 of this 2017 Act apply to taxes imposed pursu-**
20 **ant to section 8 (3), chapter 59, Oregon Laws 2016, before, on or after**
21 **the effective date of this 2017 Act.**

22 (2) **Notwithstanding subsection (1) of this section, a city or county**
23 **that imposed and collected taxes pursuant to section 8 (3), chapter 59,**
24 **Oregon Laws 2016, on or before the effective date of this 2017 Act at a**
25 **rate higher than the rate allowed under section 8 (3), chapter 59,**
26 **Oregon Laws 2016, as amended by section 1 of this 2017 Act, is not re-**
27 **quired to refund the amount of the excess for the period ending on the**
28 **effective date of this 2017 Act.**

29 **SECTION 3. This 2017 Act takes effect on the 91st day after the date**
30 **on which the 2017 regular session of the Seventy-ninth Legislative**
31 **Assembly adjourns sine die.**

