

House Bill 2939

Sponsored by COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

1
2 Relating to taxation of commercial construction; creating new provisions; amending section 8,
3 chapter 59, Oregon Laws 2016; and prescribing an effective date.

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

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

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

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

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

16 (3)(a) A tax may be imposed on improvements to commercial and industrial real property, in-
17 cluding the commercial and industrial portions of mixed-use property, that result in a new structure
18 or additional square footage in an existing structure, including remodeling that adds living space.

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

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

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

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

31 **SECTION 2.** (1) **The amendments to section 8, chapter 59, Oregon Laws 2016, by section**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **1 of this 2017 Act apply to taxes imposed pursuant to section 8 (3), chapter 59, Oregon Laws**
2 **2016, before, on or after the effective date of this 2017 Act.**

3 **(2) Notwithstanding subsection (1) of this section, a city or county that imposed and**
4 **collected taxes pursuant to section 8 (3), chapter 59, Oregon Laws 2016, on or before the ef-**
5 **fective date of this 2017 Act at a rate higher than the rate allowed under section 8 (3),**
6 **chapter 59, Oregon Laws 2016, as amended by section 1 of this 2017 Act, is not required to**
7 **refund the amount of the excess for the period ending on the effective date of this 2017 Act.**

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

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