

House Joint Resolution 20

Sponsored by Representative ESQUIVEL; Representatives OLSON, SMITH G

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**.

Proposes revision of Oregon Constitution directing Legislative Assembly to adopt sales tax on sales of tangible personal property and services and use tax on tangible personal property. Requires exemption from taxes for necessities. Preempts local sales and use taxes not approved on or before November 6, 2018.

Exempts from property taxation first \$500,000 of assessed value of owner-occupied primary residence. Requires Legislative Assembly to annually index exemption amount. Requires Legislative Assembly to establish property tax relief fund. Requires that _____ percent of revenue from sales and use taxes be transferred to fund for purpose of compensating local taxing jurisdictions for property tax revenue forgone as consequence of \$500,000 owner-occupied primary residence exemption. Provides that exemption does not apply to local option ad valorem property taxes or local bond levies approved by voters of local taxing jurisdiction on or after November 6, 2018.

Requires Legislative Assembly to establish traffic law enforcement fund. Requires that _____ percent of revenue from sales and use taxes be transferred to fund for purpose of maintaining state police force to enforce traffic laws in number equal to or greater than per capita national average. Provides that amounts in excess of amount necessary for maintaining state police force shall be expended to pay unfunded liabilities of public employees retirement system.

Refers proposed revision to people for their approval or rejection at next primary election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon, two-thirds of all the members of each house concurring:

PARAGRAPH 1. The Constitution of the State of Oregon is revised by creating a new section 16 to be added to and made a part of Article IX, such section to read:

SECTION 16. (1) The Legislative Assembly shall provide by law for a sales and use tax law that complies with the provisions of this section. The law may be based on an interstate sales and use tax agreement.

(2)(a) A sales tax is imposed at a rate of four and one-half percent on the purchase price of tangible personal property and services.

(b) A use tax is imposed at a rate of four and one-half percent on the purchase price of tangible personal property purchased outside this state for storage, use or consumption in this state.

(c) Sales of water, food, clothing, drugs, medical and mobility equipment and utilities, as defined by law, are exempt from the sales tax and use tax.

(d) A sales tax may not be imposed on transfers of real property.

(3) Notwithstanding any other provision of law, a unit of local government may not impose a sales or use tax that is not approved on or before November 6, 2018.

(4)(a) The Legislative Assembly shall establish a property tax relief fund, separate and distinct from the General Fund. _____ percent of the revenue from the taxes imposed under this section shall be transferred to the property tax relief fund for the purpose of compensating local taxing jurisdictions for the property tax revenue forgone as a consequence

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 of the exemption granted under section 11m, Article XI of this Constitution.

2 (b)(A) The Legislative Assembly shall establish a traffic law enforcement fund, separate
3 and distinct from the General Fund. _____ percent of the revenue from the taxes imposed
4 under this section shall be transferred to the traffic law enforcement fund for the purpose
5 of funding the enforcement of the traffic laws of this state by the state police force.

6 (B) Each year, the Legislative Assembly shall determine the amount of moneys necessary
7 to maintain the state police force to enforce the traffic laws of this state in a number that
8 is equal to or greater than the per capita national average. Any moneys in the traffic law
9 enforcement fund in excess of the amount so determined shall be expended to pay unfunded
10 liabilities of the public employees retirement system.

11 **PARAGRAPH 2.** The Constitution of the State of Oregon is revised by creating a new section
12 11m to be added to and made a part of Article XI, such section to read:

13 **SECTION 11m. (1)(a)** Notwithstanding section 11 of this Article, the first \$500,000 of as-
14 sessed value, as defined by law, of an owner-occupied primary residence is exempt from
15 property taxation.

16 (b) The Legislative Assembly shall provide for annual indexing of the amount described
17 in paragraph (a) of this subsection, according to the increase in the national average con-
18 sumer price index published by an agency of the United States government, to prevent the
19 devaluation of the exemption amount by inflation.

20 (2) Notwithstanding subsection (1) of this section, the exemption granted under this
21 section does not apply to local option ad valorem property taxes and local bond levies ap-
22 proved by voters of a local taxing jurisdiction on or after November 6, 2018.

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24 **PARAGRAPH 3.** The revision proposed by this resolution shall be submitted to the people
25 for their approval or rejection at the next primary election.
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