

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
79th Oregon Legislative Assembly  
2018 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>HB 4117</b>
<b>Revenue Area:</b>	<b>School Finance</b>
<b>Economist:</b>	<b>Dae Baek</b>
<b>Date:</b>	<b>2/10/2018</b>

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:** Increases the upper limit of local option property tax revenues that school districts can keep and use, starting from July 1, 2018. Makes provisions so that a school district that exceeded binding caps in listed school years can keep and use specified over-the-cap amounts without sending them to a pool of formula revenues to be distributed among all school districts and education service districts. Takes effect on July 1, 2018.

**Revenue Impact (in \$Millions):** This measure does not change the formula revenue available for distribution to school districts and education service in the 2015-17 and 2017-19 biennia.

**Impact Explanation:** If not for the changes in this bill, the Portland Public Schools (PPS) would have been in a position to send to the pool of formula revenue for the purpose of State School Fund distribution, over-the-cap local option property taxes they collected in the 2015-16, 2016-17, and 2017-18 school years. Based on the data provided by PPS, Oregon Department of Education, and Oregon Department of Revenue, estimated over-the-cap collections for 2015-16 and 2016-17 are \$3.8 million and \$8.7 million respectively. For 2017-18, it is most likely that PPS will go over the cap in local option property taxes they can keep and use within the district, but lack of data at this point does not warrant a formal analysis.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No