

**SB 543 STAFF MEASURE SUMMARY**

**Carrier:** Sen. Riley

**Senate Committee On Finance and Revenue**

---

**Action Date:** 03/05/19

**Action:** Do pass.

**Vote:** 5-0-0-0

**Yeas:** 5 - Bentz, Boquist, Hass, Riley, Taylor

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 2/14, 3/5

---

**WHAT THE MEASURE DOES:**

Authorizes formation of children's special districts and provides districts the authority to assess, levy and collect taxes to pay the cost of children's services within the boundaries of the district. Defines children's services as services that support children's total health and well-being that are provided to children outside of school hours. Requires district to discontinue a project if an action is filed claiming that any revenue of the district is subject to the \$5 limitation per \$1,000 of real market value under Article XI, section 11b, of Oregon Constitution. Requires petition for formation of children's special district to be signed by greater of 10 percent or more of electors in territory or 100 electors. Aligns formation and changes of organization of children's special districts with existing special district statutes.

**ISSUES DISCUSSED:**

- City of Gresham's estimate of compression had a children's special district been imposing property taxes at \$1 per 1,000 of property value
- Why City of Gresham believes a district would be created overlapping city district boundaries
- Requirement that formation of a children's special district be approved by a vote of the people if district is seeking permanent property tax rate authority
- Where "action is filed" would be filed, potential to severely limit expenditures of a children's special district by repeatedly filing an "action".

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Changes to current law provided by the measure will allow for the creation of children's special districts, however, no children's special districts will be created directly because of the measure. ORS 198.705 - 198.955 provide the general requirements for formation of new special districts. ORS 198.815 requires proposals for formation that include a permanent rate limit for operating taxes of a proposed district to be voted on in either a May or November election.

Article XI, Section 11b. of the Oregon Constitution states:

Property tax revenues are deemed to be dedicated to funding the public school system if the revenues are to be used exclusively for educational services, including support services, provided by some unit of government, at any level from pre-kindergarten through post-graduate training.