

House Bill 3084

Sponsored by Representative 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**.

Requires that moneys from corporate income and excise tax kicker be used for funding of school construction projects and infrastructure improvements. Limits availability to certain districts.

Applies to biennia ending on or after June 30, 2025.

Takes effect only if House Joint Resolution 17 (2023) is approved by people at next regular general election. Takes effect on effective date of constitutional amendment proposed in House Joint Resolution 17 (2023).

A BILL FOR AN ACT

1
2 Relating to capital funding for schools; creating new provisions; amending ORS 291.345, 291.349 and
3 327.330; and prescribing an effective date.

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

5 **SECTION 1.** ORS 291.345 is amended to read:

6 291.345. (1) For purposes of implementing Article IX, section 14 (3), of the Oregon Constitution,
7 if revenues received by the General Fund from the corporate income and excise taxes during the
8 biennium exceed the amount estimated to be received from such taxes for the biennium by two
9 percent or more, the Legislative Assembly shall appropriate an amount equal to the total amount
10 of the excess to the [*State School Fund established by ORS 327.008 for apportionment as provided in*
11 *ORS 327.008*] **School Facility Improvement Fund created in ORS 327.320, for appropriation as**
12 **provided in ORS 327.330 (4).**

13 (2) The amount appropriated under this section shall be in addition to the total amount of re-
14 venues the Legislative Assembly would otherwise appropriate, allocate or make available for the
15 biennium for funding [*kindergarten through grade 12 public education*] **public school construction**
16 **projects and infrastructure improvements** if excess revenues described in subsection (1) of this
17 section were not available.

18 **SECTION 2.** ORS 327.330 is amended to read:

19 327.330. (1) Subject to the rules of the State Board of Education, the Superintendent of Public
20 Instruction shall make grants to school districts that apply therefor for the purpose of construction
21 and maintenance of public school facilities.

22 (2) Grants shall not exceed \$500,000 in any biennium to any school district. In addition, a com-
23 bination of districts may submit a joint grant application in an amount not to exceed \$500,000.
24 However, a district or combination thereof may apply in subsequent bienniums for additional grants
25 for the same facility. Grants must be matched at least one local dollar for four state dollars by the
26 district or combination thereof.

27 (3) The state board by rule shall establish criteria for grant approval. Such criteria shall include
28 but not be limited to:

29 (a) The age of public school facilities, the degree of overcrowding and the absence of facilities

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 that are considered necessary to accomplish the educational goals of the district and this state; and

2 (b) Maintenance and reconstruction needs related to the deterioration of existing public school
3 facilities, which deterioration has the potential of affecting the health and safety of students.

4 **(4) Notwithstanding subsections (1) to (3) of this section, grants made under this section**
5 **from moneys appropriated pursuant to ORS 291.345 (1) shall be awarded for funding of school**
6 **construction projects and infrastructure improvements and shall be granted only to school**
7 **districts that:**

8 (a) **Have submitted general obligation bonds to electors of the district during the pre-**
9 **ceding three years;**

10 (b) **Have not received voter approval for general obligation bonds during the preceding**
11 **10 years; and**

12 (c) **Have reserve funds of not more than eight percent of the district's adopted budget.**

13 **SECTION 3.** ORS 291.349 is amended to read:

14 291.349. (1) As soon as practicable after adjournment sine die of the odd-numbered year regular
15 session of the Legislative Assembly, the Oregon Department of Administrative Services shall report
16 to the Legislative Revenue Officer and the Legislative Fiscal Officer the estimate as of July 1 of the
17 first year of the biennium of General Fund and State Lottery Fund revenues that will be received
18 by the state during that biennium. The Oregon Department of Administrative Services shall base its
19 estimate on the last forecast given to the Legislative Assembly before adjournment sine die of the
20 odd-numbered year regular session on which the printed, adopted budget prepared in the Oregon
21 Department of Administrative Services is based, adjusted only insofar as necessary to reflect
22 changes in laws adopted at that session. The report shall contain the estimated revenues from cor-
23 porate income and excise taxes separately from the estimated revenues from other General Fund
24 sources. The Oregon Department of Administrative Services may revise the estimate if necessary
25 following adjournment sine die of a special session or an even-numbered year regular session of the
26 Legislative Assembly, but any revision does not affect the basis of the computation described in
27 subsection (3) or (4) of this section.

28 (2) As soon as practicable after the end of the biennium, the Oregon Department of Adminis-
29 trative Services shall report to the Legislative Revenue Officer and the Legislative Fiscal Officer,
30 or the Legislative Assembly if it is in session, the amount of General Fund revenues collected as
31 of the last June 30 of the preceding biennium. The report shall contain the collections from corpo-
32 rate income and excise taxes separately from collections from other sources.

33 (3) If the revenues received from the corporate income and excise taxes during the biennium
34 exceed the amounts estimated to be received from such taxes for the biennium, as estimated after
35 adjournment sine die of the odd-numbered year regular session, by two percent or more, the total
36 amount of that excess shall be retained in the General Fund and used, in the manner described in
37 ORS 291.345, to provide additional funding for [*public education,*] **public school construction**
38 **projects and infrastructure improvements, for the benefit of pupils enrolled in** kindergarten
39 through grade 12.

40 (4) If the revenues received from General Fund revenue sources, exclusive of those described in
41 subsection (3) of this section, during the biennium exceed the amounts estimated to be received from
42 such sources for the biennium, as estimated after adjournment sine die of the odd-numbered year
43 regular session, by two percent or more, there shall be credited to personal income taxpayers an
44 amount equal to the total amount of that excess, reduced by the cost certified by the Department
45 of Revenue under ORS 291.351 as being allocable to credits described under this subsection. The

1 excess amount to be credited shall be credited to personal income taxpayers in a percentage amount
2 of prior year personal income tax liability as determined under subsection (5) of this section.

3 (5)(a) If there is an excess to be credited under subsection (4) of this section, on or before Oc-
4 tober 1, following the end of each biennium, the Oregon Department of Administrative Services shall
5 determine and certify to the Department of Revenue the percentage amounts of credit for purposes
6 of subsection (4) of this section. The percentage amounts determined shall be percentage amounts
7 to the nearest one-tenth of a percent that will distribute the excess to be credited to personal in-
8 come taxpayers.

9 (b) The percentage amount applicable to subsection (4) of this section shall equal the amount
10 distributed under subsection (4) of this section divided by the estimated total personal income tax
11 liability for all personal income taxpayers for tax years beginning in the calendar year immediately
12 preceding the calendar year in which the excess is determined.

13 (c) The amount of the surplus credit under subsection (4) of this section is determined by
14 multiplying the percentage amount determined under paragraph (b) of this subsection by the total
15 amount of a personal income taxpayer's tax liability for the tax year beginning in the calendar year
16 immediately preceding the calendar year in which the excess is determined in order to calculate the
17 amount to be credited to the taxpayer.

18 (d) The credit shall be determined based on the tax liability as shown on the return of the tax-
19 payer or as corrected by the Department of Revenue.

20 (e) The credit shall be computed after the allowance of a credit provided under ORS 316.082,
21 316.131 or 316.292, but before the allowance of any other credit or offset against tax liability allowed
22 or allowable under any provision of law of this state, and before the application of estimated tax
23 payments, withholding or other advance tax payments.

24 (f) For personal income taxpayers, if a credit applied against tax liability as described in para-
25 graph (e) of this subsection reduces tax liability to zero and an amount of the credit remains unused,
26 the remaining unused amount shall be refunded to the taxpayer. For purposes of ORS chapters 305,
27 314, 315 and 316, refunds issued under this paragraph are refunds of an overpayment of tax imposed
28 under ORS chapter 316.

29 (g) The Department of Revenue may prescribe by rule the manner of calculating and claiming
30 a credit if the filing status of a taxpayer changes between the tax year for which a credit may be
31 claimed and the succeeding tax year.

32 (6) A refund may not be made under this section to a taxpayer if the amount of the refund is
33 less than \$1.

34 (7) Not later than October 15 following the end of the biennium, the Department of Revenue
35 shall provide information and guidance to taxpayers relating to the calculation of the credit. The
36 department may make the information and guidance available electronically or otherwise.

37 (8) The Department of Revenue may adopt rules specifying the manner for issuing refunds under
38 this section to taxpayers who filed returns for the tax year on which the credit is computed but who
39 are not required to file returns for the year in which the credit could be claimed.

40 **SECTION 4. The amendments to ORS 291.345, 291.349 and 337.330 by sections 1, 2 and 3**
41 **of this 2023 Act apply to biennia ending on or after June 30, 2025.**

42 **SECTION 5. This 2023 Act does not take effect unless the amendment to the Oregon**
43 **Constitution proposed by House Joint Resolution 17 (2023) is approved by the people at the**
44 **next regular general election held in November 2024. This 2023 Act takes effect on the ef-**
45 **fective date of that constitutional amendment.**

