

Chapter 280

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Taxation for Local Public Improvements

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TAXATION FOR LOCAL PUBLIC IMPROVEMENTS

280.040 Definitions for ORS 280.040 to 280.145; use of certain tax revenues. (1) As used in ORS 280.040 to 280.145:

(a) "Local option tax" means a tax described under section 11 (4) or (7)(c), Article XI of the Oregon Constitution.

(b) "Subdivision" includes only such counties, municipal corporations, quasi-municipal corporations and civil or political corporations or subdivisions as are empowered by law to levy ad valorem property taxes, except that "subdivision" does not include an education service district.

(2) All ad valorem tax revenues that are received by any subdivision as a result of a levy under ORS 280.040 to 280.090 and that are derived from an ad valorem tax levied for purposes other than general operations shall be:

(a) Kept by the treasurer or other financial officer in a fund that is separate and distinct from other funds of the subdivision.

(b) Expended only for the purpose for which the taxes were imposed. [Amended by 1997 c.541 §302; 1999 c.632 §21; 1999 c.1094 §1]

280.050 Providing funds for financing cost of services, projects, property and equipment. Funds may be obtained as prescribed in ORS 280.040 to 280.145 for the purpose of financing the cost of any service, project, property or equipment which a subdivision has lawful power to perform, construct or acquire, and of repairs and improvements thereto and of maintenance and replacement thereof. [Amended by 1967 c.203 §4]

280.055 Obtaining and advancing of funds to county service districts. Funds may be obtained by a county as prescribed by ORS 280.040 to 280.145 for the purpose of advancing funds to a district established under ORS 451.410 to 451.610 to finance the cost of any service facility which the district is authorized to construct, maintain and operate. [1969 c.646 §17]

280.057 Local option taxes for community colleges; maximum amount. A local option tax levied by a community college district or community college service district may not exceed the amount of reduction in ad valorem property taxes caused under ORS 310.200 to 310.242. [1997 c.541 §308b]

Note: 280.057 was added to and made a part of ORS 280.040 to 280.145 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

280.060 Levy of local option taxes outside constitutional limitation; duration of levy; approval of levy as approval of bonds. (1) Upon approval of a majority of the electors of a subdivision in a manner that qualifies under section 11 (8), Article XI

of the Oregon Constitution, a subdivision may levy local option taxes outside the limitation imposed by section 11 (3), Article XI, Oregon Constitution, over the period of time that is authorized by the electors. The amount levied each year shall be:

(a) Uniform, or substantially so, throughout the period during which the taxes are levied; or

(b) Computed annually at the same dollar rate per thousand dollars assessed value in the subdivision, such rate to be declared in and made a part of the ballot measure to be submitted to the electorate.

(2) Notwithstanding subsection (1) of this section, a subdivision may certify for extension on the assessment and tax roll under ORS 310.060 a lesser amount of local option tax or a lesser rate of local option tax if the subdivision decides to collect less than the entire local option tax authorized by electors. The subdivision shall certify the lesser amount or rate in the written notice required to be made under ORS 310.060.

(3)(a) The period of time authorized by the electors shall not exceed five years or, if the local option tax is for capital projects, the lesser of:

(A) The expected useful life of the capital projects to be financed by the tax; or

(B) Ten years.

(b) A local option tax for capital projects does not exceed the expected useful life of the capital projects financed by the tax if the estimated weighted average life of the tax does not exceed the estimated dollar weighted average of the capital assets comprising the capital projects that are to be financed by the tax. The estimated dollar weighted average life of capital projects shall be calculated under rules of the Department of Revenue that ensure that a local option tax for capital projects is levied for no more than 10 years and no more than the useful life of the component of the capital projects financed by the tax that has the longest useful life.

(4)(a) All local option taxes authorized by ORS 280.040 to 280.145 that are for capital projects and that have a term of more than five years shall be submitted to electors separately from local option taxes with a term of five years or less.

(b) For purposes of this subsection, "capital project" means the acquisition of land upon which to construct an improvement, the acquisition of a building, the acquisition or construction of improvements, the acquisition of an addition to a building which increases the square footage of the building, the construction of a building, the construction of an addition to an existing building

which increases the square footage of the building or the acquisition of and installation of machinery and equipment which will become an integral part of a building or an addition to a building, the purchase of furnishings, equipment or other tangible property with an expected useful life of more than one year or a combination of those items.

(5) If a ballot measure authorizing a local option tax states that the taxing district may issue bonds that are payable from that tax, voter approval of the tax shall constitute voter approval of the bonds, except that the approval shall not entitle the taxing district to collect a greater amount of tax than the taxing district would have been entitled to collect if the ballot measure only authorized local option taxes and did not authorize bonds. If the local option tax is approved by voters in a manner that qualifies under section 11 (8), Article XI of the Oregon Constitution, then the taxing body may issue the bonds in a principal amount that, together with the estimated interest to be paid on the bonds while the bonds are outstanding, does not exceed the revenues estimated to be received from the local option tax levy. A taxing district may pledge the revenues received from the local option tax and the taxing district's full faith and credit to pay bonds authorized under this subsection. [Amended by 1953 c.134 §2; 1977 c.730 §1; 1979 c.241 §24; 1981 c.804 §79; 1989 c.658 §1; 1997 c.541 §303; 1999 c.21 §6; 1999 c.559 §4; 1999 c.1094 §2]

280.064 Period for use of revenues raised by local option tax. Subject to ORS 294.305 to 294.565 and the applicable provisions of a charter, ordinance or resolution of a subdivision, a subdivision may use revenues raised by a local option tax beyond the period of years during which the subdivision is authorized to levy the local option tax if the revenue is used for the purpose authorized by the electors. [2003 c.195 §6]

Note: 280.064 was added to and made a part of 280.040 to 280.145 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

280.070 Manner of holding elections for local option tax or permanent rate limit; additional statements in ballot title. (1) An election within a county for the purpose of approving a tax levy or tax rate under ORS 280.060 shall be called by the county court or board of county commissioners and shall be held on a date specified in ORS 203.085.

(2) An election within a city for the purpose of approving a tax levy or tax rate under ORS 280.060 or under section 11 (3)(c), Article XI of the Oregon Constitution, shall be called by the governing body of the city and held on a date specified in ORS 221.230.

(3) An election within a political subdivision other than a county or city for the purpose of approving a tax levy or tax rate under ORS 280.060 or under section 11 (3)(c), Article XI of the Oregon Constitution, shall be called by the governing body of the subdivision and held on a date specified in ORS 255.345.

(4)(a) The ballot title for a measure authorizing the imposition of local option taxes shall contain the following additional statement:

This measure may cause property taxes to increase more than three percent.

(b) The statements required by this subsection shall not be considered for purposes of the word count limitations under ORS 250.035.

(c) The statements required by this subsection shall be placed after the question on the ballot title.

(5) As part of the question, the ballot title for a measure authorizing the imposition of local option taxes shall state:

(a) The length in years of the period during which the proposed local option tax will be imposed.

(b) The first fiscal year in which the proposed local option tax will be imposed.

(6) As part of the question, the ballot title for a measure authorizing the establishment of a permanent rate limitation shall contain the following information:

(a) The tax rate per \$1,000 of assessed value of the proposed permanent rate limitation.

(b) The first fiscal year in which the proposed permanent rate limitation will be imposed.

(7) The ballot title for a measure authorizing the imposition of local option taxes or a permanent rate limitation shall be in compliance with ORS 250.036. [Amended by 1983 c.350 §133; 1997 c.541 §304; 1999 c.632 §22]

280.075 Ballot statements for local option tax measures. (1) Notwithstanding any other law and when not inconsistent with or otherwise provided for in the Oregon Constitution, whenever a proposed local option tax is submitted to a vote of the people by any subdivision, the statement in the ballot title for the measure that explains the chief purpose of the measure and gives reasons for the measure shall state the total amount of money to be raised by the proposed local option tax, in dollars and cents. If the statement in the ballot title for the measure

submitted includes an estimated tax impact, it shall be based on the most current estimate of assessed value from the county assessor. The measure shall bear the statement: "The estimated tax cost for this measure is an ESTIMATE ONLY based on the best information available from the county assessor at the time of estimate."

(2) Subsection (1) of this section does not apply to a local option tax described in ORS 280.060 (1)(b). For a levy described in ORS 280.060 (1)(b), an estimate of the total amount of money to be raised for each year of the proposed local option tax shall be stated in dollars and cents. If the levy described in ORS 280.060 (1)(b) raises more money than estimated, the excess collections above that estimate shall be considered a budget resource for the levy fund in the next fiscal year of the subdivision. This section has no application to elections and levies with respect to bonds, for which provision is made in ORS 287.004 to 287.022 and 287.052 to 287.488 or other laws.

(3) The statement or statements required by subsections (1) and (2) of this section shall be added to and made a part of the 175-word statement required by ORS 250.035. The number of words contained in the statements described in subsections (1) and (2) of this section shall not be included in the 175-word limitation. [Formerly 310.395]

Note: 280.075 was added to and made a part of 280.040 to 280.145 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

280.080 Contents of order, resolution or ordinance calling election. The order, resolution or ordinance, as the case may be, pursuant to which the election required by ORS 280.060 is called and held, shall set forth:

(1) The purpose for which the funds to be provided by the tax levies are to be expended.

(2) The estimated total outlay for such purpose.

(3) The period of time authorized by the electors pursuant to ORS 280.060 (3). [Amended by 1977 c.730 §2; 1997 c.541 §305; 1999 c.1094 §3]

280.090 Submission of several proposals to impose local option taxes. If more than one proposal to impose local option taxes is submitted to the electors at the same election, the several ballot measures shall be voted upon separately. However, not more than four separate ballot measures proposing local option taxes may be submitted to the electors under the provisions of ORS 280.040 to 280.145 within a single calendar year. [Amended by 1979 c.241 §25; 1981 c.804 §80; 1999 c.21 §7]

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