

# Senate Joint Resolution 27

Sponsored by COMMITTEE ON FINANCE AND REVENUE

## 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 repealing ad valorem property tax system created by Ballot Measure 50 (1997), eliminating equalization grant system established with respect to local option taxes approved pursuant to Ballot Measure 50 and directing Legislative Assembly to provide for exemption from ad valorem property taxes for owner-occupied primary residences.

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. Sections 11 and 11k, Article XI of the Constitution of the State of Oregon, are repealed.**

**PARAGRAPH 2.** Section 8, Article VIII of the Constitution of the State of Oregon, is revised to read:

**Sec. 8. Adequate and Equitable Funding.** [(1)] The Legislative Assembly shall appropriate in each biennium a sum of money sufficient to ensure that the state's system of public education meets quality goals established by law, and publish a report that either demonstrates the appropriation is sufficient, or identifies the reasons for the insufficiency, its extent, and its impact on the ability of the state's system of public education to meet those goals.

[(2) *Consistent with such legal obligation as it may have to maintain substantial equity in state funding, the Legislative Assembly shall establish a system of Equalization Grants to eligible districts for each year in which the voters of such districts approve local option taxes as described in Article XI, section 11 (4)(a)(B) of this Constitution. The amount of such Grants and eligibility criteria shall be determined by the Legislative Assembly.*]

**PARAGRAPH 3.** Section 11L, Article XI of the Constitution of the State of Oregon, is revised to read:

**Sec. 11L.** (1) The limitations of [sections 11 and] **section** 11b of this Article do not apply to bonded indebtedness incurred by local taxing districts if the bonded indebtedness was incurred on or after January 1, 2011, to finance capital costs as defined in subsection (5) of this section.

(2) Bonded indebtedness described in subsection (1) of this section includes bonded indebtedness issued to refund bonded indebtedness described in subsection (1) of this section.

(3) [Notwithstanding subsection (1) of this section, subsection (8) of section 11 of this Article, as limited by section 11k of this Article, applies to measures] **Measures** that authorize bonded indebtedness described in subsection (1) of this section **may be approved only if at least 50 percent of registered voters eligible to vote on the measure cast a ballot, unless the election is held in May or November of any year.**

(4) The weighted average life of bonded indebtedness incurred on or after January 1, 2011, to

**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 finance capital costs may not exceed the weighted average life of the capital costs that are financed  
2 with that indebtedness.

3 (5)(a) As used in this section, "capital costs" means costs of land and of other assets having a  
4 useful life of more than one year, including costs associated with acquisition, construction, im-  
5 provement, remodeling, furnishing, equipping, maintenance or repair.

6 (b) "Capital costs" does not include costs of routine maintenance or supplies.

7 **PARAGRAPH 4.** The Constitution of the State of Oregon is revised by creating a new section  
8 16 to be added to and made a part of Article IX, such section to read:

9 **SECTION 16. The Legislative Assembly shall provide by law for an exemption from ad**  
10 **valorem property taxes for owner-occupied primary residences.**

11  
12 **PARAGRAPH 5. The revision proposed by this resolution shall be submitted to the people**  
13 **for their approval or rejection at the next primary election.**