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Tom Rinearson, Superintendent

## LINCOLN COUNTY SCHOOL DISTRICT CONSTRUCTION EXCISE TAX INFORMATION SHEET

### What is SB1036 – Construction Excise Tax?

“SB 1036” is a new law which allows school districts to impose a construction excise tax. When implemented, it will generate revenue for schools from new construction.

### What is the process?

The school district’s Board of Directors is required to:

- Prepare and adopt a long-term facility plan.
- Enter into an Intergovernmental Agreement with each taxing entity within the District.
- Adopt a resolution imposing the tax.

### How would this work? What is the cost?

- The tax is imposed on all new development – residential & commercial.
- \$1.00 per square foot residential (single & multi-family).
- \$0.50 per square foot commercial (subject to \$25,000 cap).
- Owners/Builders pay the tax when they seek their building permits.
- The taxing agent (city or county) remits the funds to the school district.
- The District spends the \$\$ on capital improvements in their facility plan.
- Precludes cities and counties from imposing new taxes on construction.
- Excludes developments of private schools, public improvements (libraries, city halls, police stations, sewer plants, etc.), affordable housing, hospitals, religious facilities and agricultural buildings defined in ORS 455.315 (2)(a).

### How much money will this tax generate?

The state revenue forecast was \$60,000,000 a year. A District with moderate growth, such as Lincoln County, could receive over \$1 million a year.

### How will the money be used?

The revenue can only be spent on capital improvements as detailed by law:

- Acquisition of land.
- Construction, reconstruction or improvement of school facilities.
- Acquisition or installation of equipment, furnishing or other tangible property.
- Architectural, engineering, legal or other similar costs related to capital improvements.
- Payment of obligations and costs related to finances or refinance of capital improvements.
- Does NOT include operating costs or costs of routine maintenance.

### Questions?

Please contact Lincoln County School District - Rich Belloni at (541) 336-2058.