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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.