

CHAPTER 33

AN ACT

HB 4117

Relating to the calculation of Local Revenues for the purpose of State School Fund calculations; creating new provisions; amending ORS 327.011; and prescribing an effective date.

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

SECTION 1. ORS 327.011 is amended to read: 327.011. For the purpose of State School Fund distributions for school districts:

- (1) Local Revenues are the total of the following:
 - (a) The amount of revenue offset against local property taxes as determined by the Department of Revenue under ORS 311.175 (3)(a)(A).
 - (b) The amount of property taxes actually received by the district, including penalties and interest on taxes.
 - (c) The amount of revenue received by the district from the Common School Fund under ORS 327.403 to 327.410.
 - (d) The amount of revenue received by the district from the county school fund.
 - (e) The amount of revenue received by the district from the 25 percent of federal forest reserve revenues required to be distributed to schools by ORS 294.060 (1).
 - (f) The amount of revenue received by the district from state managed forestlands under ORS 530.115 (1)(b) and (c).
 - (g) Moneys received in lieu of property taxes.
 - (h) Federal funds received without specific application by the school district and that are not deemed under federal law to be nonsupplantable.
 - (i) Any positive amount obtained by subtracting the operating property taxes actually imposed by the district, based on the rate certified pursuant to ORS 310.060, from the amount that would have been imposed by the district if the district had certified the maximum rate of operating property taxes allowed by law.
 - (j) Any amount distributed to the district in the prior fiscal year under ORS 327.019 (8).
- (2) Local Revenues do not include:
 - (a) If a school district imposes local option taxes pursuant to ORS 280.040 to 280.145, an amount equal to the least of:

- (A) The amount of revenue actually received by the district from local option taxes imposed pursuant to ORS 280.040 to 280.145;

- (B) [*Twenty*] **Twenty-five** percent of the total received by the school district from the general purpose grant, the transportation grant, the facility grant and the high cost disabilities grant of the district, as those grants are calculated under ORS 327.013; or

- (C) [*\$1,000*] **\$2,000** per district extended ADMw, as calculated under ORS 327.013, increased each fiscal year by three percent above the amount allowed per district extended ADMw for the prior fiscal year.

- (b) For a school district with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, the amount of property taxes actually received by the district, including penalties and interest on taxes, that results from an increase in the rate of ad valorem property tax of the district allowed under [*section 11 (5)(d),*] Article XI, **section 11 (5)(d)**, of the Oregon Constitution.

SECTION 2. (1) The amendments to ORS 327.011 by section 1 of this 2018 Act apply to State School Fund distributions commencing with the 2018-2019 distributions.

(2) Notwithstanding ORS 327.099, 327.101 and 327.120, the Superintendent of Public Instruction may not make any adjustments in apportionments of State School Fund moneys or otherwise require a payment from, or withhold a payment to, a school district if:

- (a) The amount of Local Revenues, as described in ORS 327.011, actually received by the school district exceeded the amount specified in:

- (A) ORS 327.011 (2)(a)(B) by more than 20 percent of the total grants but not more than 25 percent; or

- (B) ORS 327.011 (2)(a)(C) by more than \$1,000 per district extended ADMw but not more than \$2,000 per district extended ADMw; and

- (b) The amount described in paragraph (a) of this subsection was received in fiscal year 2015-2016, 2016-2017, 2017-2018 or 2018-2019.

SECTION 3. This 2018 Act takes effect on July 1, 2018.

Approved by the Governor March 16, 2018
 Filed in the office of Secretary of State March 21, 2018
 Effective date July 1, 2018