BEAVERTON SCHOOL DISTRICT

School Board Meeting
November 10, 2026

ITEM FOR ACTION

TIGARD ENTERPRISE ZONE FEE

SUMMARY

Legislation passed in 2023 requires school districts with identified enterprise zones within the district boundaries to establish a "school support fee" rate that applies only to businesses that qualify for both the enterprise zone and extended benefits beyond the standard enterprise zone duration. Any revenues received from the fee will be redistributed statewide via the school funding equalization formula.

BACKGROUND

House Bill 2009, passed during the 2023 legislative session, included provisions that created a new "school support fee" to be paid to school districts in lieu of property tax by businesses that are granted tax exemptions in enterprise zones. This does not apply during the standard enterprise zone duration, only to years 4 and 5 if a company applies and qualifies for extended benefits.

The school support fee rate must be set between 15% and 30% of the amount the qualifying business would otherwise have paid in property taxes. For example, if the business were waived $10,000 in property taxes in year 4 of the exemption, that business would now pay between $1,500 and $3,000 in the form of a school support fee instead.

The school support fee will be paid to school districts and will be counted as district local revenue in the State School Fund formula, similar to the existing process in which locally collected property taxes are calculated into the State School Fund formula. The effect is that any revenue received from the school support fee will be redistributed statewide via the school funding equalization formula rather than solely benefiting the individual districts.

Based on an assessment of several commercial properties around the affected area, the total average assessed value for the commercial properties was about $2.5 million and had an average property tax payment of about $46,000, without enterprise zone tax reductions. Hence, if the school support fee applied to any properties in our district, the estimated impact would be roughly:

Per $1 million assessed value of improvements	**Total waived taxes, including school taxes**	**Estimated revenue to Oregon schools**	**Estimated revenue to Beaverton schools**
Year 1	$18,400	$0	$0
Year 2	$18,400	$0	$0
Year 3	$18,400	$0	$0
Year 4, if EZ is extended	$18,400	15%: $2,760 – 30%: $5,520	15%: $190 – 30%: $381
Year 5, if EZ is extended	$18,400	15%: $2,760 – 30%: $5,520	15%: $190 – 30%: $381
After EZ benefits expire	Increased property tax revenues based on value of improvements		

Beaverton School District does not discriminate in any programs or activities on any basis protected by law, including but not limited to, an individual's actual or perceived race, color, religion, sex, sexual orientation, gender identity, gender expression, national or ethnic origin, marital status, age, mental or physical disability, pregnancy, familial status, economic status, veteran status, or because of a perceived or actual association with any other persons within these protected classes.

RECOMMENDATION
The administration recommends establishing the rate of 15% for enterprise zones within our district boundaries, consistent with the City of Beaverton, the City of Hillsboro, and the rate established by the Tigard-Tualatin School District.

SUGGESTED MOTION
I move to approve the school support fee as presented.