



SCHOOL BOARD MEETING REPORT

Board Meeting Date: 13-Feb-12

Agenda #

Staff/Administrator: Lisa Cross

Superintendent: Dan Huber-Kantola

Type of Item: ☐ Informational ☒ Action

Please state your proposal briefly and clearly. What do you want the board to know, discuss, or decide?

The Oregon Department of Revenue has increased the allowable rate for Construction Excise Tax. Jackson County is asking for a decision from the Board as to what they would like to do; there are 3 choices:

- 1) Leave the rate at the original 2009-2010 rate, currently being charged; \$1.00 psf residential, and \$.50 psf non-residential.
- 2) Pass a resolution to increase the rate to the 2011-12 rate of \$1.07 psf residential, and \$.54 psf non-residential.
- 3) Pass a resolution stating that for years beginning after June 30, 2010 the tax rates stated in this resolution shall be adjusted for changes in School Construction Tax Limits, issued by the Oregon Department of Revenue.

Provide history/background information on your proposal.

Passed in 2007, SB 1036 allowed school districts to impose a tax on new construction measured by the square footage of improvements at a rate of \$1.00 psf for residential and \$.50 psf for non-residential buildings. The maximum allowable rates were increased by the Oregon Dept of Revenue in the fall of 2011 to \$1.07 psf for residential and \$.54 psf for non-residential. Because the Jackson County system can only use one rate for all school districts collecting the tax, they are asking school boards if they will be approving the tax increase. The Medford School District Board has already passed a resolution to increase to the 2011 rate and Ashland's resolution allows for the DOR adjustment automatically. In addition, both Klamath City and Klamath County have agreed to the increase. The District has collected \$5,380.75 in FY11 and \$2,755.68 to date in FY12 from Jackson County.

List the advantages of your proposal:

Passing a resolution to either increase the rate to the 2011-12 amount, or amending the language to read that the tax be adjusted automatically upon notification from DOR will allow all districts to collect the rates requested by their boards. Passing a resolution to adjust the rate according to the Department of Revenues also eliminates the need to address this every year.

List possible disadvantages of your proposal:

Jackson County is unable to collect different tax rates for different districts and would be put in a position to collect the least amount requested. Those districts choosing to increase the rate to the Department of Revenue's schedule would be required to collect the additional amount themselves.

List possible alternatives that could also offer a solution to your proposal. Why were they not recommended?

Superintendent's recommendation(s):

Approve: Yes ☐ No ☐