



## SCHOOL BOARD MEETING REPORT

Board Meeting Date: 21-Jul-15 Agenda #                     

Staff/Administrator: Lisa Cross Superintendent: Dave Holmes

Type of Item:   Action

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

Does the Board want to increase the CET tax rate imposed on new construction to match the Oregon Department of Revenue 2015-2016 limit of \$1.20 for residential use and \$0.60 for nonresidential use?

**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. SB 1036 defined and required revenues to be used for capital improvements, which the district classifies under Fund 405. Those taxes are collected by the local government (City of Grants Pass and Josephine County). SB 1036 set the tax rate limits at \$1 per square foot for residential use and \$0.50 for nonresidential use, along with a \$25,000 tax limit on nonresidential properties. Beginning in 2009, tax rates were indexed to inflation using the Engineering News-Record Construction Cost Index. As prescribed in statute, DOR updates and notifies school districts. To date, Three Rivers School District has not chosen to increase the tax rate limits.

**List the advantages of your proposal:**

Using an estimate of the tax revenue collected last year, \$229,500, at the new rate of \$1.20 for residential use the district would realize an increase of \$45,900 in 2015-16.

**List possible disadvantages of your proposal:**

A hardship for homeowners to make improvements.

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

Superintendent's recommendation(s):

Approve: Yes  No