



Umatilla School District strives to live its motto, "Building Bridges to Successful Futures" by:

- providing quality educational opportunities that recognize the individual needs of students,
- exposing students to career options and pathways,
- helping students develop a sense of self and community, and
- embracing the power of parent and community partnerships

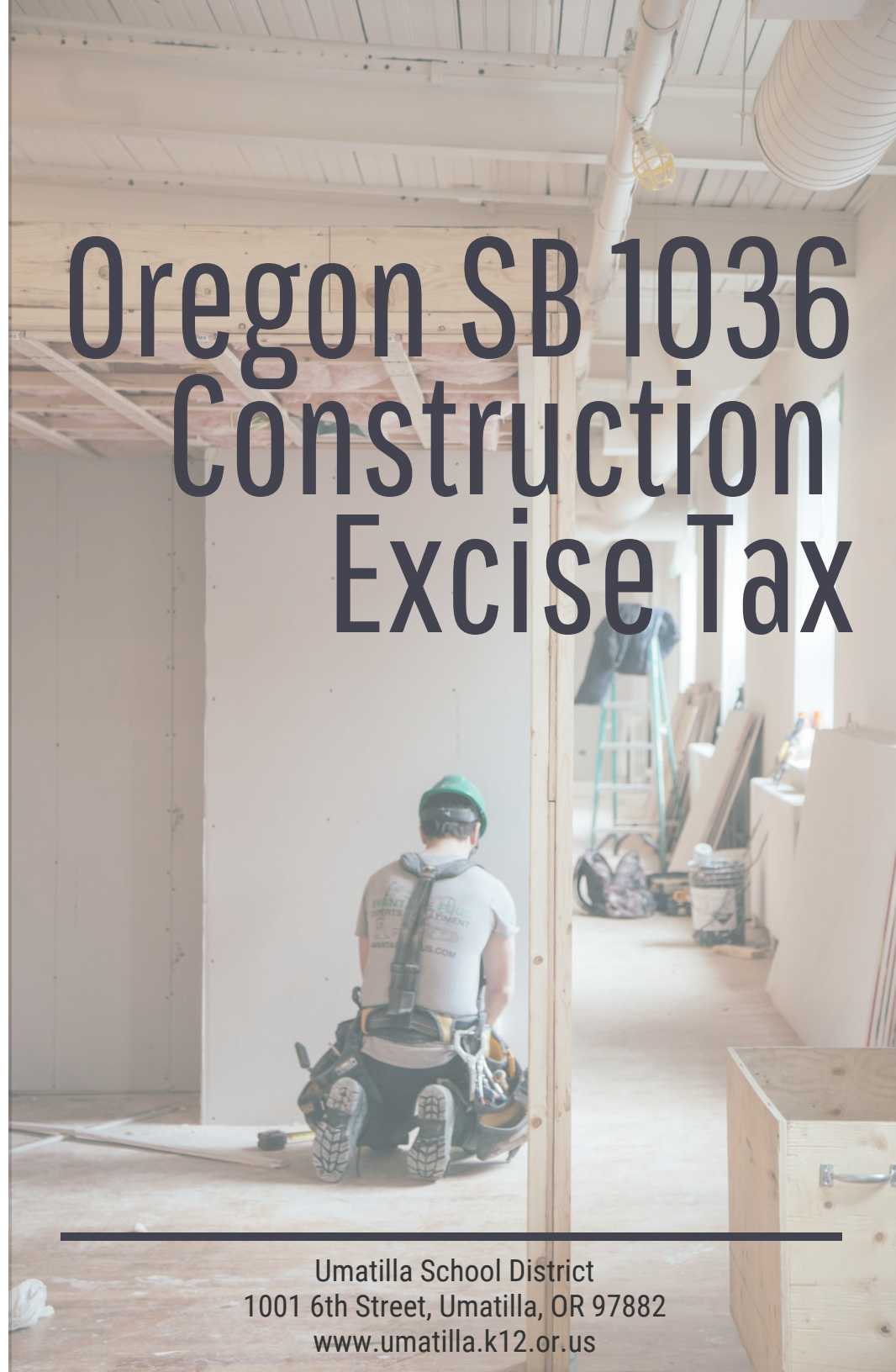
www.umatilla.k12.or.us

For daily insights follow us on

 @umatillaschools

 @UmatillaSchoolDistrict

Oregon SB 1036 Construction Excise Tax



Umatilla School District
1001 6th Street, Umatilla, OR 97882
www.umatilla.k12.or.us

Oregon SB 1036

Assisting Schools in Growing Communities

The Oregon Legislature passed Senate Bill 1036 to help growing school districts, such as Umatilla, pay for a portion of the cost of new or expanded facilities to accommodate growth.

Senate Bill 1036 allows school districts, in cooperation with cities and counties, to tax new residential and non-residential construction. This excise tax option was created with bipartisan support by the Oregon Legislature.

The revenue generated from SB 1036 alone will not raise sufficient revenue to cover the cost of new or expanded schools; voter approved bonds are still necessary. However, funds collected by the tax may reduce taxpayer costs in bond measures.

School districts may only spend construction excise tax revenue on capital improvements, including:

- land acquisition, construction, reconstruction or improvement of school facilities,
- costs to purchase and install equipment and furnishings or other tangible property that has a useful life of more than one year, or
- architectural, engineering, legal or similar costs related to capital improvements.

School districts may NOT spend construction excise tax funds on operating costs or costs of routine maintenance.

To impose the tax, the school district is required to:

- adopt a long-term capital facility plan,
- enter into an intergovernmental agreement with local cities and counties that will oversee the collection and disbursement of the construction excise tax, and
- adopt a resolution establishing the amount and terms of the tax.

1. How much will be collected?



The total amount the district may collect will vary based on the amount and type of new construction. The District will collect \$1.39 per square foot on structures or portions of structures intended for residential use, including, but not limited to, single unit or multiple unit housing. The District will collect \$0.69 per square foot on structures or portions of structures intended for nonresidential use, not including multiple unit housing of any kind (with maximum cap of \$34,600).



2. Is all development subject to the tax?

No. The law exempts private schools, public improvements (schools, libraries, fire stations, etc.), affordable housing, hospitals, religious facilities, agricultural structures and limited developments on environmentally contaminated sites (brownfields.)

3. How are construction excise taxes collected?



The tax is collected by the city or county and is paid by the person undertaking the construction at the time a building permit is issued. Under an intergovernmental agreement, the city or county collecting the construction excise tax passes the funds through to the local school district. The city or county cannot charge more than one percent of the amount collected as an administrative fee.

4. Who do I contact for questions?



Umatilla School District:
Superintendent Heidi Sipe
sipeh@umatillasd.org

City of Umatilla
Community Development Director Brandon Seitz
brandon@umatilla-city.org