

Chapter 310

(Partial)

2005 EDITION

Property Tax Rates and Amounts; Tax Limitations

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REVENUE AND TAXATION

PROCEDURE TO CERTIFY TAXES AND DETERMINE TAX RATES**310.070 Procedure when taxes exceed limitations or are incorrectly categorized.**

(1) If the ad valorem property taxes reported to the clerk, assessor or tax supervising and conservation commission under ORS 310.060 are in excess of the constitutional or statutory limitations, or both, the assessor, upon the advice of the Department of Revenue, shall extend upon the tax roll of the county only such part of the taxes as will comply with the constitutional and statutory limitations and requirements governing the taxes.

(2) If any part of the taxes on property certified under ORS 310.060 is incorrectly categorized as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, the Department of Revenue shall notify the taxing unit governing body and the county assessor and the county assessor shall extend the taxes on the roll in a manner that complies with the Oregon Constitution. For purposes of this section, taxes are incorrectly categorized only if:

(a) The sole authority of the taxing unit to impose taxes on property is provided by statute and the statute does not authorize the imposition of taxes on property categorized as reported under ORS 310.060; or

(b) The Oregon Tax Court or the Oregon Supreme Court has finally determined the correct manner in which a tax on property of the taxing unit should be categorized and that determination is different from the category reported under ORS 310.060. For purposes of this paragraph, "finally determined" means that the Oregon Tax Court has entered a decision which has become final as described under ORS 305.440 or that, upon appeal from the Oregon Tax Court, the Supreme Court has entered a decision.

(3) If any item certifying ad valorem property taxes under ORS 310.060 incorrectly characterizes the item attributes under section 11, Article XI of the Oregon Constitution, the Department of Revenue shall notify the taxing district governing body and the county assessor, and the county assessor shall extend the taxes on the roll in a manner that complies with the Oregon Constitution. [Amended by 1967 c.293 §5; 1971 c.646 §3; 1981 c.790 §13; 1983 s.s. c.5 §19; 1985 c.319 §2; 1993 c.270 §46; 1997 c.541 §247; 2005 c.750 §2]

TAX LIMITATIONS**310.150 Segregation into categories; category limits; determination if amount of taxes on property is within limits; method of reducing taxes to meet limits.**

(1) The three categories within which ad valorem property tax items are to be categorized in the notice to be filed under ORS

310.060 and for which category rates of ad valorem property taxes are to be computed under ORS 310.090 and tentative consolidated category rates are to be computed for each code area under ORS 310.147 are as follows:

(a) Taxes levied or imposed for the purpose of funding exempt bonded indebtedness.

(b) Taxes levied or imposed for the purpose of funding the public school system and that are not described in paragraph (a) of this subsection.

(c) Taxes levied or imposed for the purpose of funding government operations other than public school system operations and that are not described in paragraph (a) of this subsection.

(2) After computation of the tentative ad valorem property tax consolidated rate for each category under ORS 310.147, and after calculation of the amount of ad valorem property taxes to be imposed on properties in the county, but before extending any taxes on the assessment and tax roll, the assessor shall determine whether the total amount of taxes on property to be imposed on each property in the code area in each category is within the limits described in subsection (3) of this section.

(3)(a) The assessor shall determine whether the ad valorem property taxes to be imposed on any property exceed the limits described in this subsection in order to ensure, as guaranteed in section 11 (11) and 11b, Article XI of the Oregon Constitution, that taxes imposed in each geographic area taxed by the same local taxing districts do not exceed \$5 (public school system) and \$10 (other government) per \$1,000 of real market value.

(b) For the category of taxes imposed for the purpose of funding the public school system that are not for the purpose of paying principal and interest on exempt bonded indebtedness, if the tentative consolidated ad valorem property tax rate determined under subsection (2) of this section exceeds \$5 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in this section so that the consolidated rate for the public school system category equals \$5 per \$1,000 of real market value.

(c) For the category of taxes imposed for the purpose of funding government operations other than the public school system and that are not for the purpose of paying principal and interest on exempt bonded indebtedness, if the tentative consolidated ad valorem property tax rate exceeds \$10 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in this section so that the consolidated rate for the

other government category equals \$10 per \$1,000 of real market value.

(d) For the category of taxes imposed for the purpose of paying principal and interest on exempt bonded indebtedness, the tentative consolidated rate determined under subsection (2) of this section shall be the consolidated rate for the exempt bonded indebtedness category.

(4) If the taxes on property in either category to be imposed on any property in the code area exceed the limit established for that category in subsection (3) of this section, the assessor shall reduce the taxes by applying a reduction ratio.

(5)(a) If local option taxes described under ORS 280.040 to 280.145 have been adopted by one or more taxing districts in the code area, the reduction ratio shall be calculated under this subsection and applied only to the local option taxes imposed on the property for which the taxes are being determined.

(b) Local option taxes subject to compression under this subsection include urban renewal division of tax revenue that is derived from the division of local option tax authority.

(c) The numerator of the reduction ratio shall be the amount obtained (but not less than zero) by subtracting the tentative consolidated category rate of ad valorem property taxes that are not local option taxes from the maximum rate of ad valorem property taxes for the category described in subsection (3) of this section.

(d) The denominator for the ratio shall be the total rate of all local option taxes for the category.

(e) The assessor shall multiply the reduction ratio determined under this subsection by each local option tax amount to which the property is subject in the category.

(f) So reduced, the assessor shall again determine if the total taxes for the category to be imposed on the property exceed the limits described in subsection (3) of this section. If the reduced taxes for the category do not exceed the category limit, such taxes shall be the taxes used to compute the consolidated rate for the code area in which the property is located. If the reduced taxes for the category still exceed the category limit after all local option taxes have been eliminated, the taxes in the category shall be subject to further reduction under subsection (6) of this section.

(6)(a) If the property is not subject to local option taxes or if all local option taxes have been eliminated as a result of the ap-

plication of the reduction ratio calculated under subsection (5) of this section, and the tentative consolidated rate determined under ORS 310.147 for the category exceeds the maximum rate of ad valorem property taxes for the category described in subsection (3) of this section, the reduction ratio shall be determined under this subsection.

(b) The numerator of the reduction ratio shall be the maximum rate permitted for the category described in subsection (3) of this section.

(c) The denominator of the reduction ratio shall be the tentative consolidated category rate under ORS 310.147 (or the category rate applicable to the property after the reduction under subsection (5) of this section, if applicable).

(d) The assessor shall multiply the reduction ratio determined under this subsection by the amount of each taxing district item of ad valorem property tax that is a component of the tentative consolidated category rate for the code area in which the property is located.

(7) In determining whether the taxes described in subsection (1)(c) of this section exceed the limitation under subsection (3)(c) of this section, all moneys raised through the urban renewal special levy described in ORS 457.435 and all moneys raised through the urban renewal division of tax, including amounts derived from exempt bonded indebtedness authority and local option tax authority, must be categorized as subject to the limitation described in subsection (3)(c) of this section. [1991 c.459 §213; 1997 c.541 §260; 2003 c.198 §1]

310.200 Purpose. The purpose of ORS 310.200 to 310.242 is to set forth the procedure by which tax reductions caused by implementation of section 11, Article XI of the Oregon Constitution, and caused by additional statutory reductions, for the tax year beginning July 1, 1997, are to be distributed to the property taxpayers and taxing districts of this state and to derive each district's permanent rate limit for operating taxes and statutory rate limit for operating taxes for tax years beginning on or after July 1, 1997. [1997 c.541 §20]

310.202 Definitions for ORS 310.200 to 310.242. As used in ORS 310.200 to 310.242:

(1) "Local option taxes" means taxes described under section 11 (4) or (7)(c), Article XI of the Oregon Constitution, and does not include serial levies or continuing levies first imposed in the tax year beginning July 1, 1997, that merely replace serial or one-year levies imposed in the tax year beginning July 1, 1996.

(2) "Measure 5 assessed value rate" means the rate determined under ORS 310.238.

(3) "Measure 5 imposed tax estimate" means the amount determined under ORS 310.210 solely for purposes of tax reduction distribution and is not the amount of tax actually to be imposed on property for the tax year.

(4) "Measure 5 value" means the real market value of taxable property that is not subject to special assessment or the specially assessed value of property subject to special assessment.

(5) "Measure 47 comparison taxes" means taxes calculated under ORS 310.212. The Legislative Assembly is expressly not adopting by reference any provision of repealed Ballot Measure 47 (1996) under ORS 310.200 to 310.242.

(6) "Operating taxes" has the meaning given that term in ORS 310.055.

(7) "Permanent rate limit on operating taxes" means a taxing district's maximum rate of operating taxes allowed under section 11 (3), Article XI of the Oregon Constitution.

(8) "Pre-reduction Measure 50 taxes" means the amount determined by subtracting those taxes not subject to reduction under section 11 (3), Article XI of the Oregon Constitution, from the Measure 5 imposed tax estimate.

(9) "Qualified taxing district obligations" means any portion of a local taxing district levy that is used to repay:

(a) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem property taxes;

(b) Principal and interest for any other formal, written borrowing of moneys executed before December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

(c) Principal and interest for any bond issued to refund an obligation described in paragraph (a) or (b) of this subsection; or

(d) Local government pension and disability plan obligations that commit ad valorem property taxes and the ad valorem property taxes imposed to fulfill those obligations.

(10) "Statutory rate limit on operating taxes" means the maximum rate of operating taxes that may be imposed after supplemental statutory reduction under ORS 310.222 (6).

(11) "Urban renewal increment" has the meaning given the term "increment" in ORS 457.010. [1997 c.541 §21; 2003 c.46 §25]

310.204 "Hospital facility" defined. In order to determine if ad valorem property taxes are used to support a hospital facility and therefore are subject to section 11 (6), Article XI of the Oregon Constitution, the term "hospital facility" means a facility with an organized medical staff, with permanent facilities that include inpatient beds, and with medical services, including physician services and continuous nursing services under the supervision of registered nurses, providing diagnosis and medical or surgical treatment primarily for but not limited to acutely ill patients and accident victims. [1997 c.541 §266; 2005 c.94 §62]

Note: 310.204 was added to and made a part of ORS chapter 310 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.206 1997-1998 tax certification notice. (1) Notwithstanding ORS 310.060, for the tax year beginning July 1, 1997, the notice required under ORS 310.060 shall be as provided in this section.

(2) Every city, school district or other public corporation authorized to levy or impose a tax on property shall file a notice in writing of the ad valorem property tax levy made by it and any other taxes on property imposed by it on property subject to ad valorem property taxation that is required or authorized to be placed on the assessment and tax roll for the current fiscal year. The notice shall be accompanied by a copy of a lawfully adopted ordinance or resolution that categorizes the tax, fee, charge, assessment or toll as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(3) For any ad valorem property taxes levied by the taxing district, the notice shall state as a separate item:

(a) The total amount of money, prior to reduction under section 11 (3), Article XI of the Oregon Constitution, that the taxing district would have been entitled to levy under the property tax laws of this state as described in ORS 310.210 (2);

(b) If the taxing district is a taxing district other than a city, county or school district:

(A) The amount of the levy that is used to support a hospital facility; and

(B) The amount of any levy certified in the tax year beginning July 1, 1995, that was used to support a hospital facility;

(c) The amount of any levy of ad valorem property taxes that is not subject to consti-

tutional reduction because the levy is described in section 11 (7)(a), Article XI of the Oregon Constitution;

(d) The amount of any serial or one-year levy that replaces an existing serial or one-year levy approved by a majority of the voters voting on the question in an election held on or after December 5, 1996, and first imposed for a tax year beginning on July 1, 1997, if the rate or the amount of the levy is not greater than the rate or amount of the levy replaced;

(e) The total rate or amount of the taxing district's local option tax that is imposed pursuant to ORS 280.040 to 280.145 or that is treated as a local option tax under section 11 (7)(c), Article XI of the Oregon Constitution, and the date the local option tax was approved by voters;

(f) The amount levied for the payment of exempt bonded indebtedness or interest thereon that is not subject to limitation under section 11 (11) or section 11b, Article XI of the Oregon Constitution;

(g) The amount levied to pay qualified taxing district obligations, identifying the extent to which the amount levied is to be used to repay:

(A) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem property taxes;

(B) Principal and interest for any other formal, written borrowing of moneys executed before December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

(C) Principal and interest for any bond issued to refund an obligation described in subparagraph (A) or (B) of this paragraph; or

(D) Local government pension and disability plan obligations that commit ad valorem property taxes and the ad valorem property taxes imposed to fulfill those obligations; and

(h) For any levy certified under paragraph (g) of this subsection, the amount levied to pay the same qualified obligation (or a predecessor obligation that has been refunded by the current qualified obligation) in the tax year beginning July 1, 1995.

(4)(a) If the taxing district chooses not to levy the entire amount that the taxing district would have been entitled to levy under subsection (3)(a) of this section, the taxing district shall state the amount as prescribed in subsection (3)(a) of this section under the

heading "For Permanent Rate Limit Determination Only."

(b) The taxing district shall then state the lesser amount that the district has determined as the maximum amount to be raised for operating tax purposes for the tax year beginning July 1, 1997, under the heading "1997-1998 Operating Tax Amount."

(5)(a) The notice shall also list each rate or amount subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(b) If an item as described in subsection (3) of this section is allocable to more than one category under ORS 310.150, then notwithstanding subsection (3) of this section, the notice shall list as a separate item each portion that is allocable to a category.

(6) The notice and the taxing district filing the notice shall comply with ORS 310.060 (3). [1997 c.541 §22]

310.208 1997-1998 urban renewal certification. (1) Notwithstanding ORS 457.440, for the tax year beginning July 1, 1997, an urban renewal agency shall certify to the assessor for each urban renewal plan the amount that would have been certified under ORS 457.440 (1995 Edition) and the other laws of this state applicable to the certification as set forth in Oregon Revised Statutes (1995 Edition) and as further modified by the laws of this state applicable to the tax year beginning July 1, 1997, other than:

(a) Section 11, Article XI of the Oregon Constitution, and the other provisions of House Joint Resolution 85 (1997) (Ballot Measure 50 (1997)); and

(b) ORS 310.212 to 310.242.

(2) If the urban renewal plan is an existing urban renewal plan, as defined in ORS 457.010, the urban renewal agency shall include in the certification a notice of a potential special levy made by the municipality, as defined in ORS 457.010, as permitted under section 11 (16), Article XI of the Oregon Constitution, in an amount to be subsequently determined under ORS 310.240 (4). If the urban renewal plan is not an existing urban renewal plan, no special levy described in this subsection shall be made.

(3) For purposes of making the certification described in this section, the real market value of property shall be determined as provided in section 11 (11)(a)(A), Article XI of the Oregon Constitution. [1997 c.541 §23]

310.210 Measure 5 imposed tax estimate. (1) After the assessor has received all certifications of levy under ORS 310.206 for the tax year beginning July 1, 1997, the as-

essor shall first calculate the Measure 5 imposed tax estimate under this section.

(2) The assessor shall compute ad valorem property taxes on each property under the property tax laws of this state as set forth in the Oregon Revised Statutes (1995 Edition), including section 11, Article XI of the Oregon Constitution (1995 Edition), as further modified by the property tax laws of this state applicable to the tax year beginning July 1, 1997, except for the following laws:

(a) Section 11, Article XI of the Oregon Constitution, and the other provisions of House Joint Resolution 85 (1997) (Ballot Measure 50 (1997));

(b) ORS 310.212 to 310.242; and

(c) Any provision of law requiring an offset against a local taxing district levy.

(3) The amount of taxes determined under subsection (2) of this section for each property shall be the property's Measure 5 imposed tax estimate. The amount determined for each district shall be the district's Measure 5 imposed tax estimate.

(4) In calculating the Measure 5 imposed tax estimate, the assessor shall not take into account any local option taxes that have been certified under ORS 310.206.

(5) For purposes of calculating the Measure 5 imposed tax estimate under this section, the real market value of property shall be determined as provided in section 11 (11)(a)(A), Article XI of the Oregon Constitution. [1997 c.541 §24]

310.212 Measure 47 comparison taxes.

(1) The assessor shall determine Measure 47 comparison taxes for each property under this section.

(2)(a) The assessor shall subtract the following taxes from the ad valorem property taxes imposed on each property for the tax year beginning July 1, 1995:

(A) Taxes imposed to pay principal and interest on exempt bonded indebtedness;

(B) Urban renewal taxes; and

(C) Taxes imposed to pay qualified taxing district obligations, as calculated under subsection (3) of this section.

(b) The assessor shall calculate the dollar value of offsets against ad valorem property taxes for the tax year beginning July 1, 1995, and shall add to the amount determined under paragraph (a) of this subsection each property's share of such offsets if:

(A) The county contains a taxing district with offsets from appeals for the tax year beginning July 1, 1995, that exceed 10 percent of the district's net levy for the tax year beginning July 1, 1995; and

(B) The taxing district is not a school district, education service district, community college or community college service district.

(3)(a) The amount subtracted for qualified taxing district obligations under subsection (2)(a)(C) of this section shall be determined for each category described in ORS 310.150.

(b) For each category, the assessor shall multiply the total amount imposed by a district on a property, less those taxes described in subsection (2)(a)(A) and (B) of this section, by a ratio, the numerator of which is the total amount of qualified obligations that were certified by the district for the tax year beginning July 1, 1995, and the denominator of which is the total amount of the district's imposed taxes, other than taxes imposed to pay principal and interest on exempt bonded indebtedness and urban renewal taxes, in the category.

(c) The total of the amounts determined under this subsection for all three categories shall be the amount subtracted under subsection (2)(a)(C) of this section.

(4) The assessor shall reduce the amount determined under subsection (2) of this section by 10 percent.

(5) The assessor shall determine for each property the value that has been added to the assessment roll for the tax year beginning July 1, 1997, that is attributable to changes in the value of the property for the tax year beginning July 1, 1996, or July 1, 1997, as the result of:

(a) New property or improvements to property;

(b) A partition or subdivision of property;

(c) A rezoning of property and use of the property consistent with the rezoning;

(d) Omitted property; or

(e) The disqualification of property from exemption, partial exemption or special assessment.

(6) The assessor shall divide the amount determined in subsection (4) of this section by the Measure 5 value in the code area on the assessment roll for the tax year beginning July 1, 1997, reduced by the total value determined in the code area under subsection (5) of this section to arrive at a Measure 47 comparison tax rate.

(7)(a) The assessor shall multiply the total value determined for each property under subsection (5) of this section by the Measure 47 comparison tax rate in the code area determined under subsection (6) of this section.

(b) The assessor shall add the amount determined under paragraph (a) of this sub-

section to the amount determined in subsection (4) of this section to arrive at the total amount of Measure 47 comparison taxes for each property.

(c) The assessor shall total the amounts determined under paragraph (b) of this subsection for all property in the code area to determine the total Measure 47 comparison taxes for the code area.

(8) The assessor shall allocate the Measure 47 comparison taxes to each taxing district in the code area in the proportion that each taxing district's share of the Measure 5 imposed tax estimate in the code area (excluding taxes for exempt bonded indebtedness and urban renewal and the amount certified for qualified taxing district obligations) bears to the total Measure 5 imposed taxes for the code area (excluding taxes for exempt bonded indebtedness and urban renewal and the amount certified for qualified taxing district obligations). The total of the amounts so allocated to a district from all of the district's code areas shall be the taxing district's Measure 47 comparison tax.

(9) If the taxing district is other than a city, county or school district and supports a hospital facility through ad valorem property taxes, the Measure 47 comparison tax shall be further adjusted by subtracting the allocated portion of taxes used to support a hospital facility from the total amount allocated to the district under subsection (8) of this section.

(10) The Measure 47 comparison tax shall be further adjusted by subtracting the allocated portion of taxes that are imposed pursuant to an operating tax levy approved by voters prior to December 5, 1996, in an election and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(a) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(b) That was the general election in an even-numbered year. [1997 c.541 §25]

310.214 Measure 47 comparison tax adjustments for certain nonschool taxing districts. (1) This section applies to a taxing district if:

(a) The district is not a school district, education service district, community college district or community college service district;

(b) The additions to value in the district under ORS 310.212 (5) exceed 10 percent of the Measure 5 value for the district (before the addition of any value described in ORS 310.212 (5)); and

(c) There has been no voter approval of a new tax base under section 11, Article XI of the Oregon Constitution (1995 Edition), or other tax levy that would first take effect in a tax year beginning July 1 of 1995, 1996 or 1997 (other than the approval of taxes to pay bonded indebtedness).

(2) Notwithstanding ORS 310.212, the Measure 47 comparison taxes of a taxing district described in subsection (1) of this section shall be increased by reducing the preliminary reduction percentage in ORS 310.218 by each percentage point, or fraction thereof, that the additions to value in the district identified in subsection (1)(b) of this section exceed 10 percent. [1997 c.541 §25a]

310.216 Pre-reduction Measure 50 taxes. (1) The assessor shall determine pre-reduction Measure 50 taxes under this section.

(2) For each taxing district in the county, the assessor shall subtract from the taxing district's Measure 5 imposed tax estimate all of the following:

(a) The total amount imposed to pay principal and interest on exempt bonded indebtedness;

(b) The amount certified to pay qualified obligations of the taxing district;

(c) The amount imposed to repay indebtedness of an urban renewal area;

(d) If the taxing district is other than a city, county or school district, the amount imposed that is used to support a hospital facility; and

(e) The amount imposed pursuant to an operating tax levy approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(A) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(B) That was the general election in an even-numbered year.

(3) The amount determined under subsection (2) of this section shall be the taxing district's pre-reduction Measure 50 tax. [1997 c.541 §26]

310.218 Preliminary reduction percentages. (1) The assessor shall compare the pre-reduction Measure 50 tax for the district with the Measure 47 comparison tax for the district, and determine the percentage by which the Measure 47 comparison tax is less than the pre-reduction Measure 50 tax for the district.

(2) The percentage determined under this section shall be the preliminary reduction percentage for the district. [1997 c.541 §27]

310.220 Assessor certification to Department of Revenue; contents. The assessor shall certify to the Department of Revenue for each taxing district and code area in the county:

(1) A preliminary reduction percentage determined under ORS 310.218;

(2) The pre-reduction Measure 50 tax applicable to the district, as determined under ORS 310.216;

(3) The Measure 47 comparison tax applicable to the district, as determined under ORS 310.212;

(4) The assessed value of the additions of value described in ORS 310.212 (5)(a) and (b);

(5) The Measure 47 comparison taxes attributable to the additions of value, as determined under ORS 310.212 (7)(a);

(6) Taxes used to pay qualified obligations, if the qualified obligations consist of local government pension and disability plan obligations;

(7) Urban renewal taxes other than urban renewal taxes used to pay principal and interest on bonded indebtedness;

(8) Operating tax levies approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(a) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(b) That was the general election in an even-numbered year; and

(9) Any other information required by the department. [1997 c.541 §28]

310.222 Computation of 1997 Measure 50 reduction and supplemental statutory reduction; certification to assessor. (1) Upon receipt of all certifications made under ORS 310.220, the Department of Revenue shall compute:

(a) A statewide constitutional reduction percentage for pre-reduction Measure 50 taxes so as to achieve a statewide average reduction in Measure 50 taxes of 17 percent; and

(b) A supplemental statutory reduction percentage so as to achieve a statewide average reduction of 17 percent in all of the following taxes:

(A) Pre-reduction Measure 50 taxes;

(B) Taxes used to pay qualified obligations of the taxing districts, if the qualified

obligations consist of local government pension and disability plan obligations;

(C) Urban renewal taxes other than urban renewal taxes used to pay principal and interest on bonded indebtedness; and

(D) An operating tax levy approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(i) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(ii) That was the general election in an even-numbered year.

(2) The department shall compute a constitutional reduction percentage for Measure 50 taxes by comparing the total statewide pre-reduction Measure 50 tax amount with the total statewide Measure 47 comparison tax amount and calculating the statewide percentage by which the total Measure 47 comparison tax amount is less than the total pre-reduction Measure 50 tax amount.

(3) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section equals 17 percent, the constitutional reduction percentage for each district shall equal the percentage certified to the district under ORS 310.220. The department shall proceed to calculate the supplemental statutory reduction under subsection (6) of this section.

(4) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section is greater than 17 percent, each taxing district's preliminary reduction percentage shall be multiplied by a fraction, the numerator of which is the percentage point difference between the statewide reduction percentage and 17 percent, and the denominator of which is the statewide reduction percentage. The product shall then be subtracted from the preliminary reduction percentage to obtain the taxing district's constitutional reduction percentage. The department shall then calculate the supplemental statutory reduction under subsection (6) of this section.

(5) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section is less than 17 percent, each taxing district's preliminary reduction percentage shall be multiplied by a fraction, the numerator of which is the percentage point difference between the statewide reduction percentage and 17 percent, and the denominator of which is the statewide reduction percentage. The product shall then be added to the preliminary reduction percentage to obtain the constitu-

tional reduction percentage for the district. The department shall then calculate the supplemental statutory reduction under subsection (6) of this section.

(6)(a) Following the determination made under subsection (3), (4) or (5) of this section, the department shall compute a supplemental statutory reduction percentage so that the statewide total amount of all of the taxes described in subsection (1)(b) of this section is reduced by 17 percent, using the procedure in this subsection.

(b) The department shall compute a statewide total amount of the taxes certified under ORS 310.220 (6), (7) and (8), and shall multiply this amount by 17 percent.

(c) The supplemental reduction shall be the percentage equivalent of a fraction, the numerator of which is the amount calculated under paragraph (b) of this section and the denominator of which is the statewide total pre-reduction Measure 50 tax amount plus the total amount of taxes certified under ORS 310.220 (6), (7) and (8).

(d) For each taxing district, the department shall:

(A) Add the supplemental reduction percentage to the constitutional reduction percentage determined for the district under subsection (3), (4) or (5) of this section to determine a total reduction percentage for taxes that are subject to constitutional reduction; and

(B) Reduce the district's other taxes that were certified by the assessor under ORS 310.220 (6), (7) and (8) by the supplemental statutory reduction percentage.

(7)(a) If the statewide constitutional reduction percentage no longer equals 17 percent after the department estimates compression of Measure 50 taxes on a code area basis, the department shall recalculate the constitutional reduction percentages as described in subsections (4) and (5) of this section until the statewide reduction percentage equals 17 percent. Constitutional reduction percentages for each district shall be finally determined prior to any determination of supplemental statutory reduction.

(b) The reduction percentages determined under this section shall be adjusted so that the appropriate pre-compression rate is the rate used under ORS 310.236.

(8) The department shall certify to the assessor:

(a) The constitutional reduction percentages and reduction amounts for each district as determined under subsections (3), (4) and (5) of this section; and

(b) The statutory reduction percentages and reduction amounts determined under subsection (6) of this section. [1997 c.541 §29]

310.228 Determination of state replacement obligation. (1) Based on the constitutional reduction amounts computed under ORS 310.222, the Department of Revenue shall determine the statewide total amount of constitutionally required reduction certified under ORS 310.222 (8), excluding statutory reduction amounts, for:

- (a) School districts;
- (b) Education service districts;
- (c) Community college districts; and
- (d) Community college service districts.

(2) Amounts appropriated to districts in the categories described in subsection (1) of this section for the fiscal year that equal the amounts determined under subsection (1) of this section shall constitute the state's replacement obligation under section 11 (9), Article XI of the Oregon Constitution. [1997 c.541 §29a]

310.230 Adjustment of Measure 47 comparison taxes and supplemental statutory reduction to account for certain additions of value. (1) If the total statewide amount of additions of value certified to the Department of Revenue under ORS 310.220 (4) exceeds four percent of the assessed value of taxable property in this state for the tax year beginning July 1, 1997 (not taking into account the additions of value certified under ORS 310.220), the department shall subtract the portion of the Measure 47 comparison taxes attributable to additions of value in excess of four percent from the statewide total of Measure 47 comparison taxes, prior to making the computation under ORS 310.222.

(2) The supplemental statutory reduction percentage determined under ORS 310.222 (6) shall be adjusted so as to achieve the same total reduction percentage for the taxes described in ORS 310.222 (1)(b) as is achieved for the statewide constitutional reduction percentage following the calculation in subsection (1) of this section. [1997 c.541 §30]

310.232 Subtraction of urban renewal increment from assessed value. The assessed value of taxable property of a taxing district shall be further adjusted by the assessor for purposes of determining the district's amount of taxes before compression under ORS 310.242 by subtracting any assessed value in the district attributable to an urban renewal increment in the district. [1997 c.541 §31]

310.234 Nonschool taxing district 1997-1998 operating tax adjustment for timber offsets. If the taxing district is a district other than a school district, education service district, community college district or community college service district and is a district for which the assessor is directed to offset timber harvest privilege tax revenues against the district's ad valorem property taxes under ORS 321.312 or 321.515 (1997 Edition), the operating tax rate calculated under ORS 310.236 (3), (4) or (5), whichever is applicable, shall be further adjusted to reflect the amount of the offset. Except as provided in this section, the adjusted rate shall not be used for any purpose under ORS 310.200 to 310.242 other than determination of the district's ad valorem property taxes for the tax year beginning July 1, 1997. [1997 c.541 §32a; 1999 c.1078 §71]

310.236 Determination of taxing district 1997-1998 operating taxes and permanent and statutory rate limits for tax years after 1997-1998; 1997-1998 pre-compression consolidated rates for code areas and categories. (1) Upon receipt of the reduction percentages for each district, the assessor shall determine the district's post-reduction Measure 50 taxes for the tax year beginning July 1, 1997, under this section.

(2) The assessor shall multiply the certified constitutional reduction percentage by the pre-reduction Measure 50 tax amount determined under ORS 310.216 and then add to the product any of the following taxes applicable to the district:

(a) If the taxing district is other than a city, county or school district, taxes imposed to support a hospital facility; and

(b) Taxes imposed pursuant to an operating tax levy approved by voters prior to December 5, 1996, for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(A) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(B) That was the general election in an even-numbered year.

(3) The assessor shall then calculate the operating tax rate for the district by dividing the amount determined under subsection (2) of this section by the assessed value of taxable property in the district determined under ORS 310.232. The rate so determined shall be the district's permanent rate limit for operating taxes.

(4)(a) If the taxing district is a district for which a supplemental statutory reduction

percentage has been certified to the assessor, the assessor shall repeat the calculation described in subsection (2) of this section, substituting the total reduction percentage for the constitutional reduction percentage. Any district taxes that are described in subsection (2)(b) of this section shall be reduced by the supplemental reduction percentage in determining the amount.

(b) The assessor shall then calculate the operating tax rate for the district by dividing the amount determined under paragraph (a) of this subsection by the assessed value of taxable property in the district determined under ORS 310.232. The rate so determined shall be the district's statutory rate limit for operating taxes.

(5) If, in the written notice made under ORS 310.206, the district made a separate certification for permanent rate limit purposes and for 1997 operating tax purposes, and the rate determined under subsection (3) of this section, or subsection (4) of this section (if applicable), will produce operating taxes greater than the amount certified for operating taxes, the rate determined under subsection (3) or (4) of this section shall be adjusted so as to produce the amount certified by the district. Except as provided in ORS 310.234, the adjusted rate shall not be used for any purpose under ORS 310.200 to 310.242 other than determination of the district's ad valorem property taxes for the tax year beginning July 1, 1997.

(6) The assessor shall determine a rate per \$1,000 of assessed value for any of the following taxes applicable to the district:

(a) Taxes imposed to pay qualified obligations of the district;

(b) Local option taxes; and

(c) Taxes imposed to pay exempt bonded indebtedness.

(7) The rates per \$1,000 of assessed value determined under subsection (6) of this section shall be determined by dividing the amount of the tax for which a rate is being determined by the assessed value of taxable property in the district under ORS 310.232.

(8) The assessor shall determine a total rate for the district and a rate for each category described in ORS 310.150 for the district.

(9) Based on the rates determined under subsection (8) of this section, the assessor shall determine a pre-compression consolidated rate for each code area and a pre-compression consolidated rate per category described in ORS 310.150 for each code area. [1997 c.541 §32]

310.237 Reallocation of Measure 47 comparison taxes and adjustment of rate limits for certain districts for 2000-2001 and later tax years. (1) This section applies to a taxing district that is located in a county in which:

(a) For the tax year beginning July 1, 1996, a taxing district imposed one or more serial or one-year levies that expired before the tax year beginning July 1, 1997;

(b) Between December 5, 1996, and July 1, 1997, voters approved one or more temporary levies to replace the levies described in paragraph (a) of this subsection and increased the amount being replaced;

(c) Each levy described in paragraph (b) of this subsection is treated as a local option tax under section 11 (7)(c), Article XI of the Oregon Constitution;

(d) The total amount of local option taxes described in paragraph (c) of this subsection that were imposed by the taxing district for the tax year beginning July 1, 1997, exceeded \$1.2 million; and

(e) The total amount of replacement authority for the taxing district exceeds \$900,000.

(2) For each taxing district described in subsection (1) of this section, the Department of Revenue shall recompute the amount of property taxes that would have been imposed by the taxing district for the tax year beginning July 1, 1997, making the following changes in the calculation of 1997-1998 operating taxes for all taxing districts within the county in which the taxing district is located:

(a) The total Measure 5 imposed tax estimate determined under ORS 310.210 shall consist of the total Measure 5 imposed tax estimate determined for the tax year beginning July 1, 1997, plus that portion of any local option taxes that represent replacement authority for a serial or one-year levy imposed for the tax year beginning July 1, 1996, and described in subsection (1)(a) of this section;

(b) A taxing district's Measure 5 imposed tax estimate shall take the replacement authority into account only if that taxing district imposed the serial or one-year levy for the tax year beginning July 1, 1996; and

(c) Measure 47 comparison taxes shall be allocated to taxing districts in the county based on the ratio described in ORS 310.212 (8), substituting the Measure 5 imposed tax estimate determined under paragraphs (a) and (b) of this subsection.

(3) The rate of tax that would have been achieved for the tax year beginning July 1, 1997, had the operating taxes of the taxing

district been calculated as provided for in this section, shall serve as the taxing district's statutory rate limit on operating taxes, to the extent the rate limit is less than or equal to the lesser of the district's permanent rate limit on operating taxes or statutory rate limit on operating taxes as determined under ORS 310.200 to 310.242 (1997 Edition).

(4) The department shall recalculate taxes for each taxing district under this section separately.

(5) As used in this section, "replacement authority" means that portion of the levy described in subsection (1)(c) of this section that would have been incorporated into the permanent rate limit of the taxing district if the levy described in subsection (1)(c) of this section were treated as a levy described in section 11 (7)(b), Article XI of the Oregon Constitution. [1999 c.186 §1]

Note: 310.237 was added to and made a part of 310.200 to 310.242 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.238 Rate conversion; Measure 5 assessed value rate.

(1) In order to ensure that the consolidated rates for each code area do not exceed the \$5 per \$1,000 of real market value limit for the public school system and \$10 per \$1,000 of real market value limit for other government operations that is guaranteed in section 11 (11) and 11b, Article XI of the Oregon Constitution, the assessor shall, for each code area, convert the constitutional rate limit for each category into a rate per \$1,000 of assessed value by multiplying the applicable rate limit by a fraction, the numerator of which is the code area market value and the denominator of which is the code area assessed value.

(2) The assessor shall add the rates determined under subsection (1) of this section and the consolidated rate under ORS 310.236 for the exempt bonded indebtedness category. The total shall be the Measure 5 assessed value rate. [1997 c.541 §33]

310.239 Effect of increase of permanent rate limit of certain school districts.

(1) If the permanent rate limit on operating taxes of a school district is increased on or after November 26, 2003, pursuant to section 11 (5)(d), Article XI of the Oregon Constitution, the statutory rate limit on operating taxes of the school district shall remain at the same rate as before the increase in the permanent rate limit on operating taxes of the district.

(2) This section applies only to school districts with a statutory rate limit on operating taxes on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value. [2003 c.715 §35]

Note: 310.239 was added to and made a part of 310.200 to 310.242 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.240 Calculation of taxes imposed on urban renewal increment for 1997-1998; special levies. (1) In the case of a code area in which urban renewal taxes are to be imposed for the tax year beginning July 1, 1997, the assessor shall determine the rate of taxes to be imposed on the urban renewal increment under this section.

(2) The assessor shall use the lesser of the total consolidated rate for the code area determined under ORS 310.236, or the total consolidated Measure 5 assessed value rate, for purposes of the remainder of the calculation under this section.

(3) The assessor shall multiply the rate determined under subsection (2) of this section by the urban renewal increment for the code area. The assessor shall determine the total amount under this subsection for all code areas within an urban renewal plan to determine the total amount of taxes to be raised on the urban renewal increment.

(4) For each urban renewal plan, the assessor shall compare the amount determined under subsection (3) of this section with the amount certified by the urban renewal agency under ORS 310.208. If the amount determined under subsection (3) of this section is less than the amount certified, the assessor shall determine a special levy in the amount of the difference.

(5) The assessor shall determine a rate per \$1,000 of assessed value for the special levy described in subsection (4) of this section by dividing the amount of the special levy by the assessed value of the municipality that activated the urban renewal agency and all taxable property in the urban renewal area lying outside the city or county, including the value of the urban renewal increment, and shall add the rate to the pre-compression consolidated rate for each code area in which the special levy is to be extended.

(6) For tax years beginning on or after July 1, 1998, urban renewal tax increment calculations shall be made as provided in ORS 457.420 to 457.460. [1997 c.541 §34; 1999 c.579 §24]

310.242 1997-1998 compression of consolidated rates. (1) For each property, the assessor shall adjust the pre-compression consolidated rates for each category determined under ORS 310.236 including any special levy under ORS 310.240 (5) (and as further modified by ORS 310.234) to be rates per \$1,000 of real market value.

(2) The assessor shall compare the pre-compression consolidated rates for each category as modified under subsection (1) of this section with the rate of \$5 per \$1,000 of real market value of the property for the public school system category and \$10 per \$1,000 of real market value of the property for the other government operations category.

(3) If a pre-compression consolidated category rate for a property, as modified under subsection (1) of this section, exceeds the \$5 or \$10 per \$1,000 category rate limits set forth in subsection (2) of this section (whichever is applicable), the consolidated category rate shall be compressed as provided in subsection (4) or (5) of this section.

(4)(a) If local option taxes in the category for which compression is being determined have been adopted by one or more taxing districts that impose taxes on the property, the reduction ratio shall be calculated under this subsection and applied only to the local option taxes imposed on the property.

(b) The numerator of the reduction ratio shall be the amount obtained, but not less than zero, by subtracting the property's pre-compression consolidated category rate of ad valorem property taxes that are not local option taxes from the maximum rate of ad valorem property taxes for the category.

(c) The denominator for the reduction ratio shall be the total rate of all local option taxes for the category.

(d) The assessor shall multiply the reduction ratio determined under this subsection by the rate of each local option tax in the category to which the property is subject. After reduction, the assessor shall recompute:

(A) The rates per \$1,000 of assessed value for the property;

(B) The total amount of local option taxes to be raised in the code area; and

(C) The local option tax rates per \$1,000 of assessed value for the code area and incorporate those rates into the consolidated rate for the code area.

(5)(a) If no local option taxes have been adopted by a taxing district in the category in the code area or if all local option taxes have been eliminated as a result of application of the reduction ratio calculated under subsection (4) of this section, and the pre-compression consolidated category rate as modified under subsection (1) of this section or following further adjustment under subsection (4) of this section exceeds the \$5 or \$10 per \$1,000 category rate limits set forth in subsection (2) of this section (whichever is applicable), the reduction ratio shall be determined under this subsection.

(b) The numerator of the reduction ratio shall be the maximum rate permitted for the category.

(c) The denominator of the reduction ratio shall be the pre-compression consolidated category rate as modified under subsection (1) of this section or following further adjustment under subsection (4) of this section, if applicable.

(d) The assessor shall multiply the reduction ratio determined under this subsection by each taxing district item of ad valorem property tax that is a component of

the consolidated category rate for the code area. The sum of the rates so reduced within the category shall be the consolidated rate for the category for the property. After reduction, the assessor shall recompute:

(A) The rates per \$1,000 of assessed value for the property;

(B) The total amount of local option taxes to be raised in the code area; and

(C) The total amount of taxes in each category to be raised in the code area. [1997 c.541 §35]