

**SB 543 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Schouten

**House Committee On Human Services and Housing**

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**Action Date:** 05/22/19

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 8-0-1-0

**Yeas:** 8 - Helt, Keny-Guyer, Meek, Mitchell, Noble, Sanchez, Schouten, Zika

**Exc:** 1 - Williams

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Amie FenderSosa, LPRO Analyst

**Meeting Dates:** 4/24, 5/15, 5/22

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**WHAT THE MEASURE DOES:**

Authorizes formation of children's special districts with power to levy and collect taxes to pay the cost of children's services within district boundaries. Defines "children's services" as provided outside school hours in support of children's total health and well-being. Requires petition to form district to be signed by greater of 10 percent or more of electors in territory or 100 electors. Requires district to discontinue a project if an action is filed asserting a valid claim that any revenue of the district is subject to the \$5 limitation per \$1,000 of real market value under Article XI, section 11b, of Oregon Constitution.

**ISSUES DISCUSSED:**

- Process for creating a special district
- Process for initial determination of whether a claim is valid
- County role
- City approval required to be included in special district
- Dissolution clause

**EFFECT OF AMENDMENT:**

Requires a valid claim be filed before a children's special district must discontinue a project and divert revenue to a project that does not constitute educational services. Allows the board of children's special district to annually impose, assess and collect operating taxes to be used for the purposes for which the district was created.

**BACKGROUND:**

Special service districts are formed to provide one service, financed through property taxes, fees for services, or a combination, and all funds collected are used to support the particular service. Most special service districts are directed by a governing body elected by voters. Current law allows for a wide variety of special districts, including irrigation districts, fire districts, weed control districts, and soil and water conservation districts.

Oregon's Constitution dedicates property tax revenues toward funding the public school system -- pre-kindergarten through post graduate -- so long as such revenues are used exclusively for educational services, including support services, that are provided by a unit of government. Oregon's Constitution also limits the amount of property tax that may be collected to fund public schools, to \$5 for every \$1,000 in real market value.

Senate Bill 543 A allows for the formation of children's special districts.