

## HB 3360 A STAFF MEASURE SUMMARY

### House Committee On Education

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**Action Date:** 04/09/25

**Action:** Do pass with amendments. Refer to Revenue, then to Ways and Means by prior reference. (Printed A-Eng.)

**Vote:** 7-0-1-0

**Yeas:** 7 - Dobson, Harbick, Hudson, McIntire, Neron, Ruiz, Wright

**Exc:** 1 - Nguyen H

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Chris Bechtel, LPRO Fellow

**Meeting Dates:** 3/17, 4/9

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#### WHAT THE MEASURE DOES:

The measure appropriates excess corporate income and excise taxes to the School Facility Improvement Fund. The Fund would be used for public school construction projects, infrastructure improvements, and maintenance projects. It requires the prioritization of grants for projects that address health and safety needs of students and staff, as well as for districts that have reserve funds of no more than eight percent of the district's budget. It then requires the prioritization of grants to school districts that have submitted general obligation bonds during the preceding three years and not received voter approval. The measure takes effect on the approval of House Joint Resolution 13 at the November 2026 election.

#### ISSUES DISCUSSED:

- Infrastructure for schools relying on bonds
- School building age
- School bonds

#### EFFECT OF AMENDMENT:

The amendment prioritizes grants for projects that address health and safety needs of students and staff, as well as for districts that have reserve funds of no more than eight percent of the district's budget. The amendment then prioritizes grants awarded to school districts that have submitted general obligation bonds during the preceding three years and not received voter approval.

#### BACKGROUND:

According to the [Oregon Department of Revenue 2025 Report](#), the corporate excise tax was first created in 1929, taxing corporations at five percent. The corporate excise tax rate has ranged from four percent in 1955 to nine percent in 1957. Since 2013, all corporations with a taxable income of \$1 million or less have had a 6.6 percent tax rate while corporations with over \$1 million in taxable income have had a 7.6 percent tax rate. Each corporation must pay a minimum tax amount ranging from \$150 to \$100,000 dependent on the corporation's Oregon sales.

In 1979, the Legislative Assembly enacted a surplus kicker statute along with a spending limit and a tax plan. Voters approved this package in the 1980 primary election. Then in 1999, the Legislative Assembly referred a constitutional amendment, placing much of the kicker statute in the Oregon Constitution. Voters approved that amendment in November 2000. The constitutional provision first applied to the kicker calculation following the 2001-2003 biennium. In 2012, Oregonians passed Ballot [Measure 85](#) requiring the corporate kicker be dedicated to public K-12 education. Then in 2013, the Legislative Assembly enacted [House Bill 2325](#), directing excess revenues from corporate income and excise taxes to the State School Fund.

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[House Joint Resolution 13](#) amends the Oregon Constitution to change Article IX Section 14 of Oregon Constitution to modify the corporate kicker funding from public education to public school construction projects, infrastructure improvements, and maintenance projects for the benefit of students in kindergarten through 12 grade. House Bill 3360 cannot be enacted unless HJR 13 is enacted by voters.