

**A-Engrossed**  
**House Bill 3360**

Ordered by the House April 16  
Including House Amendments dated April 16

Sponsored by Representatives HUDSON, NERON; Representatives MCINTIRE, OWENS, RESCHKE, WRIGHT

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes the uses of the corporate "kicker." (Flesch Readability Score: 66.1).

Requires that moneys from the corporate income and excise tax kicker be used for the funding of school construction and maintenance projects and infrastructure improvements. Limits availability to certain districts.

Applies to biennia ending on or after June 30, 2027.

Takes effect only if House Joint Resolution 13 (2025) is approved by the people at the next regular general election. Takes effect on the effective date of the constitutional amendment proposed in House Joint Resolution 13 (2025).

**A BILL FOR AN ACT**

1  
2 Relating to capital funding for schools; creating new provisions; amending ORS 291.345, 291.349 and  
3 327.330; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 291.345 is amended to read:

6 291.345. (1) For purposes of implementing Article IX, section 14 (3), of the Oregon Constitution,  
7 if revenues received by the General Fund from the corporate income and excise taxes during the  
8 biennium exceed the amount estimated to be received from such taxes for the biennium by two  
9 percent or more, the Legislative Assembly shall appropriate an amount equal to the total amount  
10 of the excess to the [*State School Fund established by ORS 327.008 for apportionment as provided in*  
11 *ORS 327.008*] **School Facility Improvement Fund created in ORS 327.320, for appropriation as**  
12 **provided in ORS 327.330 (4) to (6).**

13 (2) The amount appropriated under this section shall be in addition to the total amount of re-  
14 venues the Legislative Assembly would otherwise appropriate, allocate or make available for the  
15 biennium for funding [*kindergarten through grade 12 public education*] **public school construction**  
16 **projects, infrastructure improvements and maintenance projects** if excess revenues described  
17 in subsection (1) of this section were not available.

18 **SECTION 2.** ORS 327.330 is amended to read:

19 327.330. (1) Subject to the rules of the State Board of Education, the Superintendent of Public  
20 Instruction shall make grants to school districts that apply therefor for the purpose of construction  
21 and maintenance of public school facilities.

22 (2) Grants shall not exceed \$500,000 in any biennium to any school district. In addition, a com-  
23 bination of districts may submit a joint grant application in an amount not to exceed \$500,000.  
24 However, a district or combination thereof may apply in subsequent bienniums for additional grants  
25 for the same facility. Grants must be matched at least one local dollar for four state dollars by the

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1 district or combination thereof.

2 (3) The state board by rule shall establish criteria for grant approval. Such criteria shall include  
3 but not be limited to:

4 (a) The age of public school facilities, the degree of overcrowding and the absence of facilities  
5 that are considered necessary to accomplish the educational goals of the district and this state; and

6 (b) Maintenance and reconstruction needs related to the deterioration of existing public school  
7 facilities, which deterioration has the potential of affecting the health and safety of students.

8 **(4) Notwithstanding subsections (1) to (3) of this section, grants made under this section**  
9 **from moneys appropriated pursuant to ORS 291.345 (1) shall be awarded solely for funding**  
10 **of public school construction projects, infrastructure improvements and maintenance**  
11 **projects.**

12 **(5) The making of grants under this section shall be awarded in a manner that gives**  
13 **priority:**

14 (a) **For projects that address health and safety needs of students and staff; and**

15 (b) **For districts that have reserve funds of not more than eight percent of the district's**  
16 **adopted budget.**

17 **(6) After the prioritization required by subsection (5) of this section, grants under this**  
18 **section shall be available to school districts that have submitted general obligation bonds to**  
19 **electors of the district during the preceding three years and have not received voter approval**  
20 **for those bonds.**

21 **SECTION 3.** ORS 291.349 is amended to read:

22 291.349. (1) As soon as practicable after adjournment sine die of the odd-numbered year regular  
23 session of the Legislative Assembly, the Oregon Department of Administrative Services shall report  
24 to the Legislative Revenue Officer and the Legislative Fiscal Officer the estimate as of July 1 of the  
25 first year of the biennium of General Fund and State Lottery Fund revenues that will be received  
26 by the state during that biennium. The Oregon Department of Administrative Services shall base its  
27 estimate on the last forecast given to the Legislative Assembly before adjournment sine die of the  
28 odd-numbered year regular session on which the printed, adopted budget prepared in the Oregon  
29 Department of Administrative Services is based, adjusted only insofar as necessary to reflect  
30 changes in laws adopted at that session. The report shall contain the estimated revenues from cor-  
31 porate income and excise taxes separately from the estimated revenues from other General Fund  
32 sources. The Oregon Department of Administrative Services may revise the estimate if necessary  
33 following adjournment sine die of a special session or an even-numbered year regular session of the  
34 Legislative Assembly, but any revision does not affect the basis of the computation described in  
35 subsection (3) or (4) of this section.

36 (2) As soon as practicable after the end of the biennium, the Oregon Department of Adminis-  
37 trative Services shall report to the Legislative Revenue Officer and the Legislative Fiscal Officer,  
38 or the Legislative Assembly if it is in session, the amount of General Fund revenues collected as  
39 of the last June 30 of the preceding biennium. The report shall contain the collections from corpo-  
40 rate income and excise taxes separately from collections from other sources.

41 (3) If the revenues received from the corporate income and excise taxes during the biennium  
42 exceed the amounts estimated to be received from such taxes for the biennium, as estimated after  
43 adjournment sine die of the odd-numbered year regular session, by two percent or more, the total  
44 amount of that excess shall be retained in the General Fund and used, in the manner described in  
45 ORS 291.345, to provide additional funding for [*public education,*] **public school construction**

1 **projects, infrastructure improvements and maintenance projects, for the benefit of pupils**  
2 **enrolled in** kindergarten through grade 12.

3 (4) If the revenues received from General Fund revenue sources, exclusive of those described in  
4 subsection (3) of this section, during the biennium exceed the amounts estimated to be received from  
5 such sources for the biennium, as estimated after adjournment sine die of the odd-numbered year  
6 regular session, by two percent or more, there shall be credited to personal income taxpayers an  
7 amount equal to the total amount of that excess, reduced by the cost certified by the Department  
8 of Revenue under ORS 291.351 as being allocable to credits described under this subsection. The  
9 excess amount to be credited shall be credited to personal income taxpayers in a percentage amount  
10 of prior year personal income tax liability as determined under subsection (5) of this section.

11 (5)(a) If there is an excess to be credited under subsection (4) of this section, on or before No-  
12 vember 1, following the end of each biennium, the Oregon Department of Administrative Services  
13 shall determine and certify to the Department of Revenue the percentage amounts of credit for  
14 purposes of subsection (4) of this section. The percentage amounts determined shall be percentage  
15 amounts to the nearest one-tenth of a percent that will distribute the excess to be credited to per-  
16 sonal income taxpayers.

17 (b) The percentage amount applicable to subsection (4) of this section shall equal the amount  
18 distributed under subsection (4) of this section divided by the estimated total personal income tax  
19 liability for all personal income taxpayers for tax years beginning in the calendar year immediately  
20 preceding the calendar year in which the excess is determined.

21 (c) The amount of the surplus credit under subsection (4) of this section is determined by  
22 multiplying the percentage amount determined under paragraph (b) of this subsection by the total  
23 amount of a personal income taxpayer's tax liability for the tax year beginning in the calendar year  
24 immediately preceding the calendar year in which the excess is determined in order to calculate the  
25 amount to be credited to the taxpayer.

26 (d) The credit shall be determined based on the tax liability as shown on the return of the tax-  
27 payer or as corrected by the Department of Revenue.

28 (e) The credit shall be computed after the allowance of a credit provided under ORS 316.082,  
29 316.131 or 316.292, but before the allowance of any other credit or offset against tax liability allowed  
30 or allowable under any provision of law of this state, and before the application of estimated tax  
31 payments, withholding or other advance tax payments.

32 (f) For personal income taxpayers, if a credit applied against tax liability as described in para-  
33 graph (e) of this subsection reduces tax liability to zero and an amount of the credit remains unused,  
34 the remaining unused amount shall be refunded to the taxpayer. For purposes of ORS chapters 305,  
35 314, 315 and 316, refunds issued under this paragraph are refunds of an overpayment of tax imposed  
36 under ORS chapter 316.

37 (g) The Department of Revenue may prescribe by rule the manner of calculating and claiming  
38 a credit if the filing status of a taxpayer changes between the tax year for which a credit may be  
39 claimed and the succeeding tax year.

40 (6) A refund may not be made under this section to a taxpayer if the amount of the refund is  
41 less than \$1.

42 (7) Not later than November 15 following the end of the biennium, the Department of Revenue  
43 shall provide information and guidance to taxpayers relating to the calculation of the credit. The  
44 department may make the information and guidance available electronically or otherwise.

45 (8) The Department of Revenue may adopt rules specifying the manner for issuing refunds under

1 this section to taxpayers who filed returns for the tax year on which the credit is computed but who  
2 are not required to file returns for the year in which the credit could be claimed.

3 **SECTION 4. The amendments to ORS 291.345, 291.349 and 327.330 by sections 1, 2 and 3**  
4 **of this 2025 Act apply to biennia ending on or after June 30, 2027.**

5 **SECTION 5. This 2025 Act does not take effect unless the amendment to the Oregon**  
6 **Constitution proposed by House Joint Resolution 13 (2025) is approved by the people at the**  
7 **next regular general election held in November 2026. This 2025 Act takes effect on the ef-**  
8 **fective date of that constitutional amendment.**

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