

An outline map of the state of Oregon, centered on the page. The map is a simple black line drawing of the state's irregular shape. Inside the map, the title "Boundary Change Information" is written in a large, bold, black sans-serif font, centered horizontally and vertically.

# **Boundary Change Information**

**Oregon  
Department of Revenue  
2007**



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## Introduction

This manual was designed to provide local governments (taxing districts) with a guide and reference source when making or planning a boundary change. It outlines the basic process of making a boundary change, including important dates, addresses the most commonly asked questions, and provides references for further study. Two key dates are discussed. The dates help determine when a boundary change is recognized on the tax roll. Coordination of these dates can have important financial and political consequences.

The manual is not a stand-alone guide to the process, nor does it address the specific steps involved with formations, dissolutions, annexations, withdrawals, mergers, or consolidations. Rather, it deals with the effect a legal boundary change has on property taxation as the result of one of these processes.

**This manual is not a substitute for Oregon Revised Statutes or other legal sources.**

Boundary changes are important and have many effects. This manual addresses some of the issues related to property taxation. There are other considerations. Local governments anticipating a boundary change should consult their legal counsel for advice on their particular circumstances.

### **For more information contact:**

Department of Revenue  
955 Center St NE  
Salem OR 97310-2551

Cadastral Information Systems Unit—503-945-8297  
Finance and Taxation Unit—503-945-8293

## Questions?

### **Telephone:**

Salem: 503-378-4988

Toll-free from Oregon prefix: 1-800-356-4222

**TTY (hearing or speech impaired; machine only):** 503-945-8617 (Salem) or 1-800-886-7204 (toll-free from Oregon prefix).

**Americans with Disabilities Act (ADA):** This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free from Oregon prefix).

**For general tax information:** [www.oregon.gov/DOR](http://www.oregon.gov/DOR)

***Asistencia en español. Llame al 503-945-8618 en Salem o llame gratis de prefijo de Oregon al 1-800-356-4222.***

For specific questions about boundary changes, you may e-mail [finance.taxation@state.or.us](mailto:finance.taxation@state.or.us).

## Boundaries in General

Local government boundaries are integral and important features of our system of government in Oregon. Geographic area is an essential characteristic of a taxing district. Every district in the state has territory. Boundaries mark the territorial extent of their rights, powers, duties, liabilities, and constituencies. The boundaries of a taxing district are a major factor in determining the amount of the district's taxes and which properties will pay those taxes.

Boundary changes can be controversial because of their effects on properties both inside and outside a boundary. This is especially true when a change affects taxation. A misunderstanding can result in a loss of revenue or a district's inability to make a boundary change.

Most boundary change procedures established by the legislature apply to a particular type of local government unit (city, county, or special district, see page 7), or to specific agencies capable of approving boundary changes (such as local government boundary commissions, the State Board of Education, and county governing bodies). Only a few apply to all local government boundary changes.

## The Department of Revenue's Role

The department must approve all boundary change maps and legal descriptions filed. Requirements and deadlines for filing will be discussed below. The department's Cadastral Information Systems Unit has rule-making authority to establish guidelines that regulate filing and approval. The department's Finance and Taxation Unit monitors tax certifications to ensure only statutory and constitutional taxes are extended on the county tax roll.

New districts or districts that plan a major boundary change should check with the county assessor and the Department of Revenue Cadastral Information Systems Unit well before the filing deadline to be sure all requirements are met. This filing is in addition to the requirements stated in ORS 198.780. Untimely filing of the required documents can have undesirable effects for the district. Some of these effects are covered in more detail in Chapters 2 and 10 of the *Local Budgeting Manual*.

## Requirements for Maps and Descriptions

The county assessor's maps are the best maps to use. They have bearings and distances and most of the information on them necessary to locate the descriptions. They are of good scale and easy to read. Survey

maps of the landowner's property are also acceptable. The survey must show the township, range, section number and the point-of-beginning, and have bearings and distances that match the description.

### Descriptions

Keep the following in mind when preparing boundary change legal descriptions:

- The point-of-beginning of the legal description must be clear. The point-of-beginning is best described by bearing and distance from a section corner, a donation land claim (DLC) corner, or another well monumented corner.
- Bearings and distances must be given for each course around the boundary description.
- Most deed references are inadequate as point-of-beginning or point-of-call for a boundary change description. If a deed reference is used as a point-of-call, include a copy of the deed. However, a description that consists solely of the landowner's deed or deeds is seldom adequate.
- **Tax lot numbers cannot be used for the legal description.**
- If the area is large, the use of township, range and section numbers, and quarter-quarter sections is acceptable as a legal description.
- If a point-of-call is to a highway or county road, the description must state to which edge or to the centerline.
- If a point-of-call is to a river or stream, the description must state whether it is on the mean high water, mean low water, thread, ordinary high water, or ordinary low water line. The bearing requirement can be dismissed along rivers and streams.
- If the boundary change involves a whole county, then the description can refer to its statutory description. If it involves a city, the description must include an effective date.

Example: "All of Wallowa County as described in ORS 201.320. Except the City of Joseph effective July 1, 1999."

### Common problems

When reviewing the legal descriptions and maps of boundary changes, the Department of Revenue Cadastral Information Systems Unit sometimes encounters problems, which may delay or prevent approval of a boundary change. These problems include:

- The map is missing.
- The map scale is too small. The department has to read and plot the description on the map. If the scale is too small to plot the boundary or the department cannot see the information on the map, then the boundary change will be disapproved.
- The map is not highlighted to indicate the boundary changes. Highlight the area to be annexed or

withdrawn directly on the department's copy of the map, not on a map that you later photocopy for the department. Some highlighters do not copy well.

- The map lacks bearings, distances, or other important information such as township, range, and section numbers.

## Key Dates in the Boundary Change Process

For assessment and taxation purposes, the boundary change process has two key dates. One is the effective date of the boundary change. The other is the filing deadline with the Department of Revenue. While both of these dates relate to boundary changes, they operate independently.

### Example: Extending the District Tax Levy—March 31

Even if a district's annexation is effective on or before July 1, its tax rate is not automatically extended to the annexed territory. The district must file its boundary change documents in final approved form with the Department of Revenue Cadastral Information Systems Unit by **March 31** and obtain a notice of approval. The district's tax rate can then be extended to the annexed territory. For example:

#### Scenario 1

District C annexes territory effective May 31, 2005.

District C filed its boundary change documents in final approved form with the DOR Cadastral Information Systems Unit by March 31, 2005, and obtained a notice of approval.

The district's tax rate may be extended to the annexed territory, July 1, 2005, for the 2005-06 tax year.

#### Scenario 2

District D's annexation is not effective until July 21, 2005. Whether or not District D filed its boundary change with the Cadastral Information Systems Unit before March 31, the tax rate **will not** be extended to the annexed territory until the 2006-07 fiscal year. District D's March 31, 2005 filing of boundary change with the DOR Cadastral Information Systems Unit would be approved for the 2006-07 fiscal year, based on the effective date of the annexation.

#### Scenario 3

District E annexes territory effective May 31, 2005. District E filed its boundary changes with the DOR Cadastral Information Systems Unit on April 5, 2006. The district's tax rate will not be extended to the annexed territory until the 2006-07 fiscal year.

**Remember: Extending the tax rate of the annexing district to the annexed territory is not automatic when the annexation is final.**

**AUTHORITY:** ORS 308.225 instructs the assessor to disregard any changes or proposed changes to the boundary lines of taxing districts for assessment and taxation purposes in the ensuing fiscal year if the change is not filed in final approved form by March 31. **Remember: The March 31 date and the approval by the Department of Revenue only relates to the boundary change for assessment and taxation purposes. It does not effect or relate to filings for any other purpose.** ORS 308.225 also details the level of description for the boundary change.

The two key dates are March 31 and July 1. These dates help determine the property affected by a boundary change.

## The Effect of Boundary Changes on Taxing Authority

### Annexations

An annexation occurs when one district extends its boundaries outside of its previous service area. This can include extending services over the entire boundary of another district if both districts are not formed under the same statutory authority as the annexing district. For example, a rural fire protection district (RFPD) can annex the entire territory of a city.

A district cannot extend its boundaries through annexation over the entire boundary of another district if both districts are formed under the same statutory authority and both are providing the same services. For example, a RFPD cannot annex the entire territory of another RFPD. This type of boundary change would require a merger or consolidation of the two districts.

#### Permanent Rate Authority:

The permanent rate of the annexing district is extended over the new territory. The annexing district's permanent rate does not change.

When territory is withdrawn from one district as it is annexed into another, the district giving up the territory no longer extends its permanent tax rate over that property. The permanent rate of the district from which territory is being withdrawn does not change.

#### Annexation example 1:

City A annexes 20 parcels of property. City A extends its permanent rate to all of the properties in the old territory and on all of the 20 annexed parcels. The 20 parcels are simultaneously withdrawn from the rural fire district. The city will provide fire protection. The rural fire district can no longer tax the 20 parcels.

When no territory is withdrawn from any district in an annexation, the permanent rates of all the districts stay the same. The territory being annexed will continue to pay taxes to all the districts it did in the past. In addition, the territory will pay taxes to the district into which it has been annexed.

**Annexation example 2:**

Fire District B annexes all of City C. City C stops providing fire protection services. Fire District B extends its permanent rate to all of the properties in the old territory and on all of the properties in the City C boundaries. City C continues to extend its permanent rate to all of the properties in the city. The city's permanent rate is not reduced.

**Mergers**

A merger occurs when two or more districts formed under the same statutory authority, providing the same services, agree to operate as one district. One of the districts is the "surviving" district.

**Permanent rate authority:**

The constitutional limitation in section 11 (3)(d), Article XI, applies to the new district. The amount raised by the new merged district cannot exceed the amount that would have been raised by the separate districts using their permanent rate authority.

The permanent rate of the new district is calculated as follows:

Step 1. For each district merging, multiply the permanent rate of that district by its estimated taxable assessed value to determine the amount that could have been raised. Use the estimated taxable assessed value for the first tax year following the merger.

Step 2. Total the amounts calculated in Step 1 to arrive at the total taxes that could have been raised if the merger had not taken place.

Step 3. Total the estimated taxable assessed values used for each district in Step 1 to arrive at the total assessed value of the merged district. Again, use the estimated taxable assessed value for the first tax year following the merger.

Step 4. Divide the total estimated taxes that could have been raised as calculated in Step 2 by the total estimated assessed value of the merged district as calculated in Step 3. The result is the estimated new permanent rate of the merged district. This is the rate the merged district uses during budget preparation.

Step 5. The assessor will repeat the above calculation when the actual assessed value is known. The assessor notifies the district of the permanent rate limit calculated. The rate extended over the value of the merged district cannot exceed the rate certified by the district.

For budgeting and certifying a rate for the merged district in the first year, the district will estimate the rate using Steps 1-4 above. The estimated rate will be extended over the value of the merged district as long as it is equal to or less than the permanent rate calculated by the assessor. Using this calculated permanent rate does not require an election.

**Merger example 1:**

Fire District D merges with Fire District E. Fire District D is the surviving district. For the first year, Fire District D will calculate an estimated permanent rate to extend to all of the properties in the old Fire District D boundaries and the old Fire District E boundaries. Fire District E is dissolved.

Fire District D's merger with Fire District E is final and effective March 1, 2005. All maps and boundary changes are filed with the Department of Revenue by March 31, 2005 and the change is approved. The following October, the assessor calculates the merged district's permanent tax rate as follows:

	2005-06 Assessed Value	Permanent Rate	Taxes
Fire District D	\$56,385,305	4.4781	\$252,499.03
Fire District E	\$53,943,475	4.4533	\$240,226.48
Combined Totals	<u>\$110,328,780</u>		<u>\$492,725.51</u>
Combined Taxes	<u>\$492,725.51</u>	= 4.4659 new permanent rate for Fire District D	
Combined Value	<u>\$110,328,780</u>		

Fire District D's permanent rate is calculated by the assessor to meet the constitutional limitations as shown in Steps 1-5 and will become its permanent rate. The assessor notifies the district, in writing, of its new permanent rate.

**Consolidations**

A consolidation occurs when two or more districts agree to dissolve and form a new district providing the same services as the old districts.



Permanent rate authority:

The constitutional limitation in section 11 (3)(d), Article XI, applies to the new district. The amount raised by the new consolidated district cannot exceed the amount that would have been raised by the separate districts using their permanent rate authority.

The permanent rate of the new district is calculated as follows:

Step 1. For each district consolidating, multiply the permanent rate of the district by its estimated taxable assessed value to determine the amount that could have been raised. Use the taxable assessed value for the first tax year following the consolidation.

Step 2. Total the amounts estimated in Step 1 to arrive at the total taxes that could have been raised by the separate districts.

Step 3. Total the estimated taxable assessed values used for each district in Step 1 to arrive at the total assessed value of the new district. Again, use the taxable assessed value for the first tax year following the consolidation.

Step 4. Divide the total taxes that could have been raised by the separate districts as calculated in Step 2 by the total assessed value of the new district as calculated in Step 3. The result is the new permanent rate of the consolidated district.

Step 5. The assessor repeats the calculation when the actual assessed values are known. The as-

essor notifies the district of the permanent rate calculated in Step 4. The rate extended over the value of the new district cannot exceed the rate certified by the new district.

For budgeting and certifying a rate for the new district in the first year, the district will estimate the rate using Steps 1-4 above. The estimated rate will be extended over the value of the new district as long as it is equal to or less than the permanent rate calculated by the assessor. Using this calculated permanent rate does not require an election.

Consolidation examples 1:

Fire District F consolidates with Fire District G to form a new Fire District H. For the first year, Fire District H will calculate an estimated rate to extend on all of the properties in the old Fire District F and the old Fire District G. Fire Districts F and G are dissolved.

Fire District H's permanent rate is calculated by the assessor to meet the constitutional limitation as shown in Step 1 through 5. This will become the permanent rate of Fire District H. The assessor notifies the district, in writing, of its new permanent rate.

Calculation: Fire District F's consolidation with Fire District G is final and effective March 1, 2005. All maps and boundary changes are filed with the Department of Revenue by March 31, 2005 and the change is approved. The following October, the assessor calculates the consolidated district's permanent tax rate as follows:

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	2005-06 Assessed Value	Permanent Rate	Taxes
Fire District F	\$56,385,305	4.4781	\$252,499.03
Fire District G	<u>\$53,943,475</u>	4.4533	<u>\$240,226.48</u>
Combined Totals	\$110,328,780		\$492,725.51
Combined Taxes	<u>\$492,725.51</u>	= 4.4659 permanent rate for new Fire District H	
Combined Value	\$110,328,780		

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**Divisions**

A division occurs when an existing district is divided into two or more smaller districts. The new districts are formed under the same statutory authority. The "existing" district is dissolved.

Permanent rate authority:

The constitutional limitation in section 11 (3)(e), Article XI, applies to the new district. The permanent rate of each of the new districts is the same as the permanent rate of the original dis-

trict prior to the division. Using the same permanent rate does not require an election.

The newly created districts cannot divide the rate authority in such a manner as to have a higher rate in one district offset by a lower rate in the other district.

Division example:

School District J divides and becomes School District K and School District L. The permanent rate of School District J becomes the permanent rate of each of the two new districts.

## **New Districts**

A new district is formed after an election or action of the county governing body. Districts can be formed with or without a permanent rate. At a later election, the district may ask its voters to approve a permanent rate.

## **School District Procedures**

Along with the procedures mentioned above, school districts must file the “School District Boundary Change” form (see Appendix A) with the department and the assessor.

This form verifies that all districts affected by the boundary change have been brought into the process. Include with this form the minutes of the boundary board meeting and an accurate map outlining the affected areas.

See pages 11 and 12 for statute and constitutional information.

## **Selected Statutory Boundary Change Authority**

For boundary change procedures that apply to a specific type of taxing district, refer to the Oregon Revised Statutes for further reading. The following list is not intended to be exhaustive.

### **ORS 198—Special Districts**

This chapter governs special districts in general. A general listing of those districts covered by the chapter are detailed in ORS 198.010. The chapter provides for formation of new districts, dissolution procedures, and boundary changes resulting from annexations, withdrawal of property, mergers, and consolidations. The definitions for each of these terms is provided in

ORS 198.705 and additional districts are defined in ORS 198.710.

### **ORS 199—Boundary Commissions**

This chapter creates a boundary coordinating entity (the Lane County Local Government Boundary Commission) and provides for the creation of additional entities. The chapter further describes the authority and jurisdiction of boundary commissions and requires them to establish procedures for boundary creation, dissolution, and changes in general.

### **ORS 202—Counties**

This chapter provides for the establishment of new counties. This authority is not frequently used.

### **ORS 222—Cities**

This chapter provides for boundary changes of cities through annexations, mergers, and consolidation procedures. The chapter also describes conditions under which a city annexes property to remove danger to public health.

### **ORS 330—School Districts**

This chapter provides for boundary changes and mergers of school districts.

### **ORS 334—Educational Service Districts (ESDs)**

This chapter provides for boundary changes, including mergers, of educational service districts. The State Board of Education is the boundary board for ESDs.

### **ORS 341—Community Colleges**

This chapter provides for boundary changes of community colleges. The State Board of Education is established as the boundary board. It addresses issues of elections, effective dates, and the division of assets and liabilities.

## Questions and Answers

**Q. I have to file our boundary change maps and descriptions in final approved form with the Department of Revenue by March 31. What does “final approved form” mean?**

A. Final approved form means three criteria have been met:

- The boundary change has been approved by the entity that has authority over boundary changes for your type of district. Boundary authorities include city governing bodies for city boundary changes, county governing bodies for special district boundary changes, and education service district governing bodies for school district boundary changes. Lane County is the only county with a county local government boundary commission.

The appropriate boundary authority for your district must issue an order, ordinance, or resolution approving the boundary change. A signed copy of the order, ordinance, or resolution must be submitted to the Department of Revenue with the maps and descriptions by March 31. If your district is subject to more than one boundary authority (two counties), all must approve the boundary change by March 31.

- The boundary change description and maps have been prepared to the specifications of ORS 308.225(2)(b). That statute is included on page 11 of this manual.
- The effective date of the boundary change is prior to July 1 of the fiscal year for which the boundary changes are being filed.

**Q. What is the difference between a final approved boundary change and a proposed boundary change?**

A. A final approved boundary change has been approved by the appropriate boundary authority through order, ordinance, or resolution with the required maps and descriptions and **is effective by March 31.**

A proposed boundary change is a boundary change that has been approved by the appropriate boundary authority through order, ordinance, or resolution with the required maps and descriptions by March 31, but will be effective sometime between April 1 and June 30. An example would be school district boundary changes, which by statute are always effective on May 31.

**Q. What level of detail is required in the legal descriptions?**

A. The requirements of a legal description are outlined in ORS 308.225(2)(b). A description already in existence from a previous boundary change may not meet the requirements under current law. Check the current requirements to make sure your description conforms. The Cadastral Information Systems Unit of the Department of Revenue is available to help you understand the current requirements. Also, see page 4 for more information on legal descriptions.

**Q. What are some of the common errors found in boundary change documents?**

A. The most common errors are:

- Descriptions and maps that do not match.
- No map submitted.
- Descriptions are expressed in tax lot numbers.
- Boundary change documents are not filed with all the required agencies.
- Orders, ordinances, or resolutions from the boundary authorities are missing.
- Orders, ordinance, or resolutions are unsigned.

**Q. If errors are found during the review by the Department of Revenue, what are the consequences?**

A. Errors can be broken down into three types:

- **Typographical errors**—An error such as a transposition, a word or number left out, or any other minor problem with the order, ordinance, or resolution, or the description that does not alter the intent or meaning of the boundary change. Most boundary changes with typographical errors are approved with a note on the approval slip requesting the error be corrected.
- **Minor error**—An error in the language of the order, ordinance, or resolution, or the description that can cause misinterpretation. This type of error generally leaves out critical information from the description, or causes the description and map to not match. This type of error will cause rejection of the boundary change. Minor errors can be corrected. The Cadastral Information Systems Unit will let you know what corrective action is needed so that you can resubmit your corrected documents.
- **Major error**—An error in the boundary change such that the intent cannot be determined. This type of error will cause rejection of the boundary change. The Cadastral Information Systems Unit will be unable to determine what corrective action is needed. Major errors cannot be corrected.

Remember, any boundary change information that has to be corrected for any reason requires a correcting order, ordinance, or resolution from the appropriate boundary authority. The corrected documents must be filed with the required agencies.

The filings with Revenue and the county assessor are for **tax assessment purposes** only and do not have a bearing on any other requirements.

**Q. If territory is withdrawn from a district, is the district's permanent rate reduced?**

A. No. A taxing district's permanent rate is not reduced when it has territory withdrawn. The rate is simply applied to the reduced district value and generates less revenue.

If the boundary change is not filed with Revenue as required in ORS 308.225, the assessor cannot recognize the withdrawal. The rate of the withdrawing district will continue to be applied to that territory. This can result in properties being taxed for the same service by two districts.

**Q. When districts merge or consolidate, what happens to their permanent tax rate limits?**

A. The merged or consolidated district's permanent rate is calculated by a formula prescribed in the constitution. The chapter on *The Effect of Boundary Changes on Taxing Authority and Permanent Rates*, page 5, explains the formula in detail.

**Q. Because the permanent rate of a merged or consolidated district may be higher than the rate in one of the original districts, does merger or consolidation require a "double majority" vote?**

A. No. Section 11 (8), Article XI lists the elections in which a double majority is required. Mergers and consolidations are not on the list.

**Q. If a district's boundary change documents are not filed with Revenue by March 31, can the district impose its tax rate on the new territory?**

A. No. The assessor cannot change the district's boundaries for tax purposes when the boundary change information is not filed by March 31.

**Q. Is there a way to receive an extension of time to file boundary changes beyond March 31?**

A. No.

## From Oregon Revised Statutes, 2003 Edition

**308.225 Boundary change or proposed boundary change; procedure.** (1) In preparing the assessment roll in any year, a county assessor shall disregard changes or proposed changes described in subsections (3), (4) and (5) of this section in the boundary lines of any taxing district levying ad valorem property taxes if the description and map showing changes or proposed changes are not filed in final approved form, in accordance with and at the time required by subsection (2) of this section.

(2)(a) If a boundary change is made or proposed, the person, governing body, officer, administrative agency or court making the determination that the boundary change is final shall file with the county assessor and the Department of Revenue the legal description of the boundary change or proposed change and an accurate map showing the change or proposed change in final approved form, prior to the next March 31.

(b)(A) Except as is otherwise provided in subparagraph (B) of this paragraph the legal description of the boundary change shall consist of a series of courses in which the first course shall start at a point of beginning and the final course shall end at that point of beginning. Each course shall be identified by bearings and distances and, when available, refer to deed lines, deed corners and other monuments, or, in lieu of bearings and distances, be identified by reference to:

(i) Township, range, section or section subdivision lines of the U.S. Rectangular survey system.

(ii) Survey center line or right of way lines of public roads, streets or highways.

(iii) Ordinary high water or ordinary low water of tidal lands.

(iv) Right of way lines of railroads.

(v) Any line identified on the plat of any recorded subdivision defined in ORS 92.010.

(vi) Donation land claims.

(vii) Line of ordinary high water and line of ordinary low water of rivers and streams, as defined in ORS 274.005, or the thread of rivers and streams.

(B) In lieu of the requirements of subparagraph (A) of this paragraph, boundary change areas conforming to areas of the U. S. Rectangular survey may be described by township, section, quarter-section or quarter-quarter section, or if the areas conform to subdivision lots and blocks, may be described by lot and block description.

(c) A map shall be provided to the filing body by the county assessor or the department within 14 days after the filing body notifies the assessor and department that

a boundary change is being proposed. The boundary line shall then be accurately entered thereon by the person, body, officer or agency making the filing.

(d) The description and map shall be filed in final approved form not later than March 31 of the assessment year to which the change applies. Proposed boundary changes shall be certified to the county assessor and the department in the same manner as boundary changes. If the taxing district is located in more than one county, the description and map shall be filed with the assessor in each county and with the department within the time provided in this subsection.

(3) For purposes of this section, boundary change means the change that occurs in the boundaries of a district by reason of:

(a) The formation of a new district;

(b) The consolidation or merger of two or more districts or parts thereof;

(c) The annexation of territory by a district;

(d) The withdrawal of territory from a district; or

(e) The dissolution of a district.

(4) For purposes of this section, the establishment of tax zones within a district constitutes a boundary change.

(5) For the purposes of this section, a proposed change means a boundary change which has not become final or effective by March 31, but which is certain to become final or effective prior to July 1 of the same year.

(6) Each description and map filed under subsection (2) of this section shall be submitted to the Department of Revenue and approved or disapproved within 30 days of receipt.

(7) Within five days of its determination, the Department of Revenue shall mail to each county assessor with whom a filing has been made and to the filing body notice of its approval or disapproval under subsection (6) of this section. If disapproved, the department shall explain what steps must be taken to correct the description or map, and shall cooperate with the filing body in helping it meet the requirements of this section, and whenever possible, the filing date of March 31. Corrected descriptions and maps must then be resubmitted to the department, and approved, and filed with the assessor or assessors.

(8) The filing of the description and map under this section is for assessment and taxation purposes only and does not affect or relate to filing for any other purpose. [Amended by 1965 c.411 §1; 1969 c.151 §1; 1973 c.501 §1; 1975 c.595 §1; 1981 c.804 §38; 1983 c.426 §1; 1991 c.459 §94; 1997 c.541 §157; 2001 c.246 §11; 2001 c.553 §8]



# Oregon Constitution

**Section 11. Tax and indebtedness limitation.** [Created through initiative petition filed July 6, 1916, and adopted by the people November 7, 1916; Amendment proposed by H.J.R. 9, 1931, and adopted by the people November 8, 1932; Amendment proposed by H.J.R. 9, 1951, and adopted by the people November 4, 1952; Repeal proposed by S.J.R. 33, 1961, and adopted by the people November 6, 1962 (second section 11 of this Article adopted in lieu of this section)]

**Section 11. Tax base limitation.** [Created through S.J.R. 33, 1961, and adopted by the people November 6, 1962 (this section adopted in lieu of first section 11 of this Article); Amendment proposed by H.J.R. 28, 1985, and adopted by the people May 20, 1986; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 of this Article adopted in lieu of this section and sections 11a, 11f, 11g, 11h, 11i and 11j of this Article)]

**Section 11. Property tax limitations on assessed value and rate of tax; exceptions.** (1)(a) For the tax year beginning July 1, 1997, each unit of property in this state shall have a maximum assessed value for ad valorem property tax purposes that does not exceed the property's real market value for the tax year beginning July 1, 1995, reduced by 10 percent.

(b) For tax years beginning after July 1, 1997, the property's maximum assessed value shall not increase by more than three percent from the previous tax year.

(c) Notwithstanding paragraph (a) or (b) of this subsection, property shall be valued at the ratio of average maximum assessed value to average real market value of property located in the area in which the property is located that is within the same property class, if on or after July 1, 1995:

(A) The property is new property or new improvements to property;

(B) The property is partitioned or subdivided;

(C) The property is rezoned and used consistently with the rezoning;

(D) The property is first taken into account as omitted property;

(E) The property becomes disqualified from exemption, partial exemption or special assessment; or

(F) A lot line adjustment is made with respect to the property, except that the total assessed value of all property affected by a lot line adjustment shall not exceed the total maximum assessed value of the affected property under paragraph (a) or (b) of this subsection.

(d) Property shall be valued under paragraph (c) of this subsection only for the first tax year in which the changes described in paragraph (c) of this subsection are taken into account following the effective date of this section. For each tax year thereafter, the limits described in paragraph (b) of this subsection apply.

(e) The Legislative Assembly shall enact laws that establish property classes and areas sufficient to make a determination under paragraph (c) of this subsection.

(f) Each property's assessed value shall not exceed the property's real market value.

(g) There shall not be a reappraisal of the real market value used in the tax year beginning July 1, 1995, for purposes of determining the property's maximum assessed value under paragraph (a) of this subsection.

(2) The maximum assessed value of property that is assessed under a partial exemption or special assessment law shall be determined by applying the percentage reduction of paragraph (a) and the limit of paragraph (b) of subsection (1) of this section, or if newly eligible for partial exemption or special assessment, using a ratio developed in a manner consistent with paragraph (c) of subsection (1) of this section to the property's partially exempt or specially assessed value in the manner provided by law. After disqualification from partial exemption or special assessment, any additional taxes authorized by law may be imposed, but in the aggregate may not exceed the amount that would have been imposed under this section had the property not been partially exempt or specially assessed for the years for which the additional taxes are being collected.

(3)(a)(A) The Legislative Assembly shall enact laws to reduce the amount of ad valorem property taxes imposed by local taxing districts in this state so that the total of all ad valorem property taxes imposed in this state for the tax year beginning July 1, 1997, is reduced by 17 percent from the total of all ad valorem property taxes that would have been imposed under repealed sections 11 and 11a of this Article (1995 Edition) and section 11b of this Article but not taking into account Ballot Measure 47 (1996), for the tax year beginning July 1, 1997.

(B) The ad valorem property taxes to be reduced under subparagraph (A) of this paragraph are those taxes that would have been imposed under repealed sections 11 or 11a of this Article (1995 Edition) or section 11b of this Article, as modified by subsection (11) of this section, other than taxes described in subsection (4), (5), (6) or (7) of this section, taxes imposed to pay bonded indebtedness described in section 11b of this Article, as modified by paragraph (d) of subsection (11) of this section, or taxes described in section 1c, Article IX of this Constitution.

(C) It shall be the policy of this state to distribute the reductions caused by this paragraph so as to reflect:

(i) The lesser of ad valorem property taxes imposed for the tax year beginning July 1, 1995, reduced by 10 percent, or ad valorem property taxes imposed for the tax year beginning July 1, 1994;

(ii) Growth in new value under subparagraph (A), (B), (C), (D) or (E) of paragraph (c) of subsection (1) of this section, as added to the assessment and tax rolls for the tax year beginning July 1, 1996, or July 1, 1997 (or, if applicable, for the tax year beginning July 1, 1995); and

(iii) Ad valorem property taxes authorized by voters to be imposed in tax years beginning on or after July 1, 1996, and imposed according to that authority for the tax year beginning July 1, 1997.

(D) It shall be the policy of this state and the local taxing districts of this state to prioritize public safety and public education in responding to the reductions caused by this paragraph while minimizing the loss of decision-making control of local taxing districts.

(E) If the total value for the tax year beginning July 1, 1997, of additions of value described in subparagraph (A), (B), (C), (D) or (E) of paragraph (c) of subsection (1) of this section that are added to the assessment and tax rolls for the tax year beginning July 1, 1996, or July 1, 1997, exceeds four percent of the total assessed value of property statewide for the tax year beginning July 1, 1997 (before taking into account the additions of value described in subparagraph (A), (B), (C), (D) or (E) of paragraph (c) of subsection (1) of this section), then any ad valorem property taxes attributable to the excess above four percent shall reduce the dollar amount of the reduction described in subparagraph (A) of this paragraph.

(b) For the tax year beginning July 1, 1997, the ad valorem property taxes that were reduced under paragraph (a) of this subsection shall be imposed on the assessed value of property in a local taxing district as provided by law, and the rate of the ad valorem property taxes imposed under this paragraph shall be the local taxing district's permanent limit on the rate of ad valorem property taxes imposed by the district for tax years beginning after July 1, 1997, except as provided in subsection (5) of this section.

(c)(A) A local taxing district that has not previously imposed ad valorem property taxes and that seeks to impose ad valorem property taxes shall establish a limit on the rate of ad valorem property tax to be imposed by the district. The rate limit established under this subparagraph shall be approved by a majority of voters voting on the question. The rate limit approved under this subparagraph shall serve as the district's permanent rate limit under paragraph (b) of this subsection.

(B) The voter participation requirements described in subsection (8) of this section apply to an election under this paragraph.

(d) If two or more local taxing districts seek to consolidate or merge, the limit on the rate of ad valorem property tax to be imposed by the consolidated or merged district shall be the rate that would produce the same tax revenue as the local taxing districts would have cumulatively produced in the year of consolidation or merger, if the consolidation or merger had not occurred.

(e)(A) If a local taxing district divides, the limit on the rate of ad valorem property tax to be imposed by each local taxing district after division shall be the same as the local taxing district's rate limit under paragraph (b) of this subsection prior to division.

(B) Notwithstanding subparagraph (A) of this paragraph, the limit determined under this paragraph shall not be greater than the rate that would have produced the same amount of ad valorem property tax revenue in the year of division, had the division not occurred.

(f) Rates of ad valorem property tax established under this subsection may be carried to a number of decimal places provided by law and rounded as provided by law.

(g) Urban renewal levies described in this subsection shall be imposed as provided in subsections (15) and (16) of this section and may not be imposed under this subsection.

(h) Ad valorem property taxes described in this subsection shall be subject to the limitations described in section 11b of this Article, as modified by subsection (11) of this section.

(4)(a)(A) A local taxing district other than a school district may impose a local option ad valorem property tax that exceeds the limitations imposed under this section by submitting the question of the levy to voters in the local taxing district and obtaining the approval of a majority of the voters voting on the question.

(B) The Legislative Assembly may enact laws permitting a school district to impose a local option ad valorem property tax as otherwise provided under this subsection.

(b) A levy imposed pursuant to legislation enacted under this subsection may be imposed for no more than five years, except that a levy for a capital project may be imposed for no more than the lesser of the expected useful life of the capital project or 10 years.

(c) The voter participation requirements described in subsection (8) of this section apply to an election held under this subsection.

(5)(a) Any portion of a local taxing district levy shall not be subject to reduction and limitation under paragraphs (a) and (b) of subsection (3) of this section if that portion of the levy 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 subparagraph (A) or (B) of this paragraph; or

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

(b)(A) A levy described in this subsection shall be imposed on assessed value as otherwise provided by law in an amount sufficient to repay the debt described in this subsection. Ad valorem property taxes may not be imposed under this subsection that repay the debt at an earlier date or on a different schedule than established in the agreement creating the debt.

(B) A levy described in this subsection shall be subject to the limitations imposed under section 11b of this Article, as modified by subsection (11) of this section.

(c)(A) As used in this subsection, "local government pension and disability plan obligations that commit ad valorem property taxes" is limited to contractual obligations for which the levy of ad valorem property taxes has been

committed by a local government charter provision that was in effect on December 5, 1996, and, if in effect on December 5, 1996, as amended thereafter.

(B) The rates of ad valorem property taxes described in this paragraph may be adjusted so that the maximum allowable rate is capable of raising the revenue that the levy would have been authorized to raise if applied to property valued at real market value.

(C) Notwithstanding subparagraph (B) of this paragraph, ad valorem property taxes described in this paragraph shall be taken into account for purposes of the limitations in section 11b of this Article, as modified by subsection (11) of this section.

(D) If any proposed amendment to a charter described in subparagraph (A) of this paragraph permits the ad valorem property tax levy for local government pension and disability plan obligations to be increased, the amendment must be approved by voters in an election. The voter participation requirements described in subsection (8) of this section apply to an election under this subparagraph. No amendment to any charter described in this paragraph may cause ad valorem property taxes to exceed the limitations of section 11b of this Article, as amended by subsection (11) of this section.

(d) If the levy described in this subsection was a tax base or other permanent continuing levy, other than a levy imposed for the purpose described in subparagraph (D) of paragraph (a) of this subsection, prior to the effective date of this section, for the tax year following the repayment of debt described in this subsection the local taxing district's rate of ad valorem property tax established under paragraph (b) of subsection (3) of this section shall be increased to the rate that would have been in effect had the levy not been excepted from the reduction described in subsection (3) of this section. No adjustment shall be made to the rate of ad valorem property tax of local taxing districts other than the district imposing a levy under this subsection.

(e) If this subsection would apply to a levy described in paragraph (d) of this subsection, the local taxing district imposing the levy may elect out of the provisions of this subsection. The levy of a local taxing district making the election shall be included in the reduction and ad valorem property tax rate determination described in subsection (3) of this section.

(6)(a) The ad valorem property tax of a local taxing district, other than a city, county or school district, that is used to support a hospital facility shall not be subject to the reduction described in paragraph (a) of subsection (3) of this section. The entire ad valorem property tax imposed under this subsection for the tax year beginning July 1, 1997, shall be the local taxing district's permanent limit on the rate of ad valorem property taxes imposed by the district under paragraph (b) of subsection (3) of this section.

(b) Ad valorem property taxes described in this subsection shall be subject to the limitations imposed under section 11b of this Article, as modified by subsection (11) of this section.

(7) Notwithstanding any other existing or former provision of this Constitution, the following are validated, ratified, approved and confirmed:

(a) Any levy of ad valorem property taxes approved by a majority of voters voting on the question in an election held before December 5, 1996, if the election met the voter participation requirements described in subsection (8) of this section and the ad valorem property taxes were first imposed for the tax year beginning July 1, 1996, or July 1, 1997. A levy described in this paragraph shall not be subject to reduction under paragraph (a) of subsection (3) of this section but shall be taken into account in determining the local taxing district's permanent rate of ad valorem property tax under paragraph (b) of subsection (3) of this section. This paragraph does not apply to levies described in subsection (5) of this section or to levies to pay bonded indebtedness described in section 11b of this Article, as modified by subsection (11) of this section.

(b) Any serial or one-year levy to replace an existing serial or one-year levy approved by a majority of the voters voting on the question at an election held after December 4, 1996, and to be first imposed for the tax year beginning July 1, 1997, if the rate or the amount of the levy approved is not greater than the rate or the amount of the levy replaced.

(c) Any levy of ad valorem property taxes approved by a majority of voters voting on the question in an election held on or after December 5, 1996, and before the effective date of this section if the election met the voter participation requirements described in subsection (8) of this section and the ad valorem property taxes were first imposed for the tax year beginning July 1, 1997. A levy described in this paragraph shall be treated as a local option ad valorem property tax under subsection (4) of this section. This paragraph does not apply to levies described in subsection (5) of this section or to levies to pay bonded indebtedness described in section 11b of this Article, as modified by subsection (11) of this section.

(8) An election described in subsection (3), (4), (5)(c)(D), (7)(a) or (c) or (11) of this section shall authorize the matter upon which the election is being held only if:

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

(b) The election is a general election in an even-numbered year.

(9) The Legislative Assembly shall replace, from the state's General Fund, revenue lost by the public school system because of the limitations of this section. The amount of the replacement revenue shall not be less than the total replaced in fiscal year 1997-1998.

(10)(a) As used in this section:

(A) "Improvements" includes new construction, reconstruction, major additions, remodeling, renovation and rehabilitation, including installation, but does not include minor construction or ongoing maintenance and repair.

(B) "Ad valorem property tax" does not include taxes imposed to pay principal and interest on bonded indebtedness described in paragraph (d) of subsection (11) of this section.

(b) In calculating the addition to value for new property and improvements, the amount added shall be net of the value of retired property.



(11) For purposes of this section and for purposes of implementing the limits in section 11b of this Article in tax years beginning on or after July 1, 1997:

(a)(A) The real market value of property shall be the amount in cash that could reasonably be expected to be paid by an informed buyer to an informed seller, each acting without compulsion in an arm's length transaction occurring as of the assessment date for the tax year, as established by law.

(B) The Legislative Assembly shall enact laws to adjust the real market value of property to reflect a substantial casualty loss of value after the assessment date.

(b) The \$5 (public school system) and \$10 (other government) limits on property taxes per \$1,000 of real market value described in subsection (1) of section 11b of this Article shall be determined on the basis of property taxes imposed in each geographic area taxed by the same local taxing districts.

(c)(A) All property taxes described in this section are subject to the limits described in paragraph (b) of this subsection, except for taxes described in paragraph (d) of this subsection.

(B) If property taxes exceed the limitations imposed under either category of local taxing district under paragraph (b) of this subsection:

(i) Any local option ad valorem property taxes imposed under this subsection shall be proportionally reduced by those local taxing districts within the category that is imposing local option ad valorem property taxes; and

(ii) After local option ad valorem property taxes have been eliminated, all other ad valorem property taxes shall be proportionally reduced by those taxing districts within the category, until the limits are no longer exceeded.

(C) The percentages used to make the proportional reductions under subparagraph (B) of this paragraph shall be calculated separately for each category.

(d) Bonded indebtedness, the taxes of which are not subject to limitation under this section or section 11b of this Article, consists of:

(A) Bonded indebtedness authorized by a provision of this Constitution;

(B) Bonded indebtedness issued on or before November 6, 1990; or

(C) Bonded indebtedness:

(i) Incurred for capital construction or capital improvements; and

(ii)(I) If issued after November 6, 1990, and approved prior to December 5, 1996, the issuance of which has been approved by a majority of voters voting on the question; or

(II) If approved by voters after December 5, 1996, the issuance of which has been approved by a majority of voters voting on the question in an election that is in compliance with the voter participation requirements in subsection (8) of this section.

(12) Bonded indebtedness described in subsection (11) of this section includes bonded indebtedness issued to re-fund bonded indebtedness described in subsection (11) of this section.

(13) As used in subsection (11) of this section, with respect to bonded indebtedness issued on or after December 5, 1996, "capital construction" and "capital improvements:"

(a) Include public safety and law enforcement vehicles with a projected useful life of five years or more; and

(b) Do not include:

(A) Maintenance and repairs, the need for which could reasonably be anticipated.

(B) Supplies and equipment that are not intrinsic to the structure.

(14) Ad valorem property taxes imposed to pay principal and interest on bonded indebtedness described in section 11b of this Article, as modified by subsection (11) of this section, shall be imposed on the assessed value of the property determined under this section or, in the case of specially assessed property, as otherwise provided by law or as limited by this section, whichever is applicable.

(15) If ad valorem property taxes are divided as provided in section 1c, Article IX of this Constitution, in order to fund a redevelopment or urban renewal project, then notwithstanding subsection (1) of this section, the ad valorem property taxes levied against the increase shall be used exclusively to pay any indebtedness incurred for the redevelopment or urban renewal project.

(16) The Legislative Assembly shall enact laws that allow collection of ad valorem property taxes sufficient to pay, when due, indebtedness incurred to carry out urban renewal plans existing on December 5, 1996. These collections shall cease when the indebtedness is paid. Unless excepted from limitation under section 11b of this Article, as modified by subsection (11) of this section, nothing in this subsection shall be construed to remove ad valorem property taxes levied against the increase from the dollar limits in paragraph (b) of subsection (11) of this section.

(17)(a) If, in an election on November 5, 1996, voters approved a new tax base for a local taxing district under repealed section 11 of this Article (1995 Edition) that was not to go into effect until the tax year beginning July 1, 1998, the local taxing district's permanent rate limit under subsection (3) of this section shall be recalculated for the tax year beginning on July 1, 1998, to reflect:

(A) Ad valorem property taxes that would have been imposed had repealed section 11 of this Article (1995 Edition) remained in effect; and

(B) Any other permanent continuing levies that would have been imposed under repealed section 11 of this Article (1995 Edition), as reduced by subsection (3) of this section.

(b) The rate limit determined under this subsection shall be the local taxing district's permanent rate limit for tax years beginning on or after July 1, 1999.

(18) Section 32, Article I, and section 1, Article IX of this Constitution, shall not apply to this section.

(19)(a) The Legislative Assembly shall by statute limit the ability of local taxing districts to impose new or additional fees, taxes, assessments or other charges for the purpose of using the proceeds as alternative sources of funding to make up for ad valorem property tax revenue reductions caused by the initial implementation of this section, unless the new or additional fee, tax, assessment or other charge is approved by voters.

(b) This subsection shall not apply to new or additional fees, taxes, assessments or other charges for a government product or service that a person:

(A) May legally obtain from a source other than government; and

(B) Is reasonably able to obtain from a source other than government.

(c) As used in this subsection, "new or additional fees, taxes, assessments or other charges" does not include moneys received by a local taxing district as:

(A) Rent or lease payments;

(B) Interest, dividends, royalties or other investment earnings;

(C) Fines, penalties and unitary assessments;

(D) Amounts charged to and paid by another unit of government for products, services or property; or

(E) Payments derived from a contract entered into by the local taxing district as a proprietary function of the local taxing district.

(d) This subsection does not apply to a local taxing district that derived less than 10 percent of the local taxing district's operating revenues from ad valorem property taxes, other than ad valorem property taxes imposed to pay bonded indebtedness, during the fiscal year ending June 30, 1996.

(e) An election under this subsection need not comply with the voter participation requirements described in subsection (8) of this section.

(20) If any provision of this section is determined to be unconstitutional or otherwise invalid, the remaining provisions shall continue in full force and effect. [Created through H.J.R. 85, 1997, and adopted by the people May 20, 1997 (this section adopted in lieu of former sections 11, 11a, 11f, 11g, 11h, 11i and 11j of this Article)]

**Note:** The effective date of House Joint Resolution 85, 1997, is June 19, 1997.

**Section 11a. School district tax levy.** [Created through S.J.R. 3, 1987, and adopted by the people May 19, 1987; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11f, 11g, 11h, 11i and 11j of this Article)]

**Section 11b. Property tax categories; limitation on categories; exceptions.** (1) During and after the fiscal year 1991-92, taxes imposed upon any property shall be sepa-

rated into two categories: One which dedicates revenues raised specifically to fund the public school system and one which dedicates revenues raised to fund government operations other than the public school system. The taxes in each category shall be limited as set forth in the table which follows and these limits shall apply whether the taxes imposed on property are calculated on the basis of the value of that property or on some other basis:

MAXIMUM ALLOWABLE TAXES

For Each \$1000.00 of Property's Real Market Value

Fiscal Year	School System	Other than Schools
1991-1992	\$15.00	\$10.00
1992-1993	\$12.50	\$10.00
1993-1994	\$10.00	\$10.00
1994-1995	\$ 7.50	\$10.00
1995-1996	\$ 5.00	\$10.00

and thereafter

Property tax revenues are deemed to be dedicated to funding the public school system if the revenues are to be used exclusively for educational services, including support services, provided by some unit of government, at any level from pre-kindergarten through post-graduate training.

(2) The following definitions shall apply to this section:

(a) "Real market value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

(b) A "tax" is any charge imposed by a governmental unit upon property or upon a property owner as a direct consequence of ownership of that property except incurred charges and assessments for local improvements.

(c) "Incurred charges" include and are specifically limited to those charges by government which can be controlled or avoided by the property owner.

(i) because the charges are based on the quantity of the goods or services used and the owner has direct control over the quantity; or

(ii) because the goods or services are provided only on the specific request of the property owner; or

(iii) because the goods or services are provided by the governmental unit only after the individual property owner has failed to meet routine obligations of ownership and such action is deemed necessary to enforce regulations pertaining to health or safety. Incurred charges shall not exceed the actual costs of providing the goods or services.

(d) A "local improvement" is a capital construction project undertaken by a governmental unit

(i) which provides a special benefit only to specific properties or rectifies a problem caused by specific properties, and

(ii) the costs of which are assessed against those properties in a single assessment upon the completion of the project, and

(iii) for which the payment of the assessment plus appropriate interest may be spread over a period of at least ten years. The total of all assessments for a local improvement shall not exceed the actual costs incurred by the governmental unit in designing, constructing and financing the project.

(3) The limitations of subsection (1) of this section apply to all taxes imposed on property or property ownership except

(a) Taxes imposed to pay the principal and interest on bonded indebtedness authorized by a specific provision of this Constitution.

(b) Taxes imposed to pay the principal and interest on bonded indebtedness incurred or to be incurred for capital construction or improvements, provided the bonds are offered as general obligations of the issuing governmental unit and provided further that either the bonds were issued not later than November 6, 1990, or the question of the issuance of the specific bonds has been approved by the electors of the issuing governmental unit.

(4) In the event that taxes authorized by any provision of this Constitution to be imposed upon any property should exceed the limitation imposed on either category of taxing units defined in subsection (1) of this section, then, notwithstanding any other provision of this Constitution, the taxes imposed upon such property by the taxing units in that category shall be reduced evenly by the percentage necessary to meet the limitation for that category. The percentages used to reduce the taxes imposed shall be calculated separately for each category and may vary from property to property within the same taxing unit. The limitation imposed by this section shall not affect the tax base of a taxing unit.

(5) The Legislative Assembly shall replace from the State's general fund any revenue lost by the public school system because of the limitations of this section. The Legislative Assembly is authorized, however, to adopt laws which would limit the total of such replacement revenue plus the taxes imposed within the limitations of this section in any year to the corresponding total for the previous year plus 6 percent. This subsection applies only during fiscal years 1991-92 through 1995-96, inclusive. [Created through initiative petition filed May 8, 1990, and adopted by the people November 6, 1990]

**Section 11c. Limits in addition to other tax limits.** The limits in section 11b of this Article are in addition to any limits imposed on individual taxing units by this Constitution. [Created through initiative petition filed May 8, 1990, and adopted by the people November 6, 1990]

**Section 11d. Effect of section 11b on exemptions and assessments.** Nothing in sections 11b to 11e of this Article is intended to require or to prohibit the amendment of any current statute which partially or totally exempts certain classes of property or which prescribes special rules for assessing certain classes of property, unless such amendment is required or prohibited by the implementation of the limitations imposed by section 11b of this Article. [Created through initiative petition filed May 8, 1990, and adopted by the people November 6, 1990]

**Section 11e. Severability of sections 11b, 11c and 11d.** If any portion, clause or phrase of sections 11b to 11e of this Article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, the remaining portions, clauses and phrases shall not be affected but shall remain in full force and effect. [Created through initiative petition filed May 8, 1990, and adopted by the people November 6, 1990]

**Section 11f. School district tax levy following merger.** [Created through H.J.R. 14, 1989, and adopted by the people November 6, 1990; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11a, 11g, 11h, 11i and 11j of this Article)]

**Note:** Section 11f was designated as "Section 11b" by H.J.R. 14, 1989, and adopted by the people November 6, 1990.

**Section 11g. Tax increase limitation; exceptions.** [Created through initiative petition filed December 8, 1995, and adopted by the people November 5, 1996; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11a, 11f, 11h, 11i and 11j of this Article)]

**Section 11h. Voluntary contributions for support of schools or other public entities.** [Created through initiative petition filed December 8, 1995, and adopted by the people November 5, 1996; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11a, 11f, 11g, 11i and 11j of this Article)]

**Section 11i. Legislation to implement limitation and contribution provisions.** [Created through initiative petition filed December 8, 1995, and adopted by the people November 5, 1996; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11a, 11f, 11g, 11h and 11j of this Article)]

**Section 11j. Severability of sections 11g, 11h and 11i.** [Created through initiative petition filed December 8, 1995, and adopted by the people November 5, 1996; Repeal proposed by H.J.R. 85, 1997, and adopted by the people May 20, 1997 (present section 11 adopted in lieu of this section and sections 11, 11a, 11f, 11g, 11h and 11i of this Article)]

## **Attorney General Opinion Abstracts**

### **Taken from the Property Tax Law Abstracts, 1993 Cumulative Edition**

**308.225. BOUNDARY CHANGE OR PROPOSED BOUNDARY CHANGE CERTIFIED AFTER MARCH 31 DISREGARDED. Faulty Description in Ordinance.** The property description as contained in the annexation ordinance of a certain county is somewhat different from the property description used in the notice of public hearing on the ordinance. The map submitted by the city to the assessor's office does not appear to fit either description, and cannot be platted to establish a definite and clear boundary. The use of the terms "legal description of the boundary change" and the phrase "an accurate map" in ORS 308.225(2), as amended by the 1969 Legislature, imply that the map must faithfully follow the property description. Therefore, the assessor is not bound to accept the faulty description and can demand an accurate, legal description before he orders a change in the city boundaries to be shown on the tax map. [OF 1163-V; 1-21-70.]

**308.225. BOUNDARY CHANGE OR PROPOSED BOUNDARY CHANGE CERTIFIED AFTER MARCH 31 DISREGARDED. Taxing Districts.** Do cities constitute taxing districts under ORS 308.255, which provides: "(1)

In preparing the assessment roll in any year, county assessors shall disregard changes in the boundary lines of taxing districts as described in subsection (3) of this section or proposed changes described in subsection (4) of this section when the changes or proposed changes are certified to him in accordance with subsection (2) of this section subsequent to March 31 of such year." There is no statutory definition of this term. From several Supreme Court decisions it appears that in its broad sense "district" may include a city. Where the legislature intended to have a more restricted meaning, it provided statutory definitions. See e.g., ORS 198.010, 198.110, 198.180, 198.710, 199.425, 254.105 and 259.020. In the absence of any indication to the contrary, it would seem that the term "taxing districts" was not intended by the legislature to bear a narrow, restrictive meaning, but was intended in the same broad sense as "taxing unit" and "governmental unit," which includes cities. In addition, the fact that ORS 308.225 was enacted to avoid disrupting the tax collecting process once it has advanced to a certain stage *Harvey Alum. v. School District No. 9*, 248 Or 167, 173, 433 P2d 247 (1967) would lead to this conclusion. [OF 1750-V; 8-1-74.]

# Appendix A

## SCHOOL DISTRICT BOUNDARY CHANGE

Special Instructions:

1. The final order is to be filed in compliance with ORS 308.225.
2. The order is not final until after the 20-day remonstrance period has expired and shall not be filed until after that date. If a remonstrance is filed, the order will not be deemed final.
3. A copy of the Boundary Board minutes, the area involved, and an accurate map with the affected properties outlined on it must be attached to this form.
4. Please provide a copy of this form and the above documents to your County Assessor's Office.

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Before the Boundary Board of \_\_\_\_\_ County

In the matter of transferring property

from \_\_\_\_\_ School District No. \_\_\_\_\_  
and \_\_\_\_\_ School District No. \_\_\_\_\_  
to \_\_\_\_\_ School District No. \_\_\_\_\_  
and \_\_\_\_\_ School District No. \_\_\_\_\_

Final Order No.

or  
DOR Number \_\_\_\_\_

Whereas a petition/resolution was filed \_\_\_\_\_, 20\_\_\_\_, to consider transfer/merger of the following property  
from \_\_\_\_\_ School District No. \_\_\_\_\_ and \_\_\_\_\_ School District No. \_\_\_\_\_,  
to \_\_\_\_\_ School District No. \_\_\_\_\_ and \_\_\_\_\_ School District No. \_\_\_\_\_.

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(Property described here per requirements of ORS 308.225.) If you need more space, please use the back of this form.

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All assets and liabilities of the school districts involved in the boundary change have been equitably divided in accordance with ORS 330.123.

The property involved in the boundary change will continue \_\_\_\_\_ will not continue \_\_\_\_\_ to be responsible for bonded indebtedness of the district from which they are being withdrawn.

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Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (If a joint district)

Attested \_\_\_\_\_  
Clerk, \_\_\_\_\_ County Boundary Board

Attested \_\_\_\_\_  
Clerk, \_\_\_\_\_ County Boundary Board

Attested \_\_\_\_\_  
Superintendent, School District No. \_\_\_\_\_

Attested \_\_\_\_\_  
Superintendent, School District No. \_\_\_\_\_

Attested \_\_\_\_\_  
Superintendent, School District No. \_\_\_\_\_

Attested \_\_\_\_\_  
Superintendent, School District No. \_\_\_\_\_

