


Office of the Director
City of Portland, Oregon - Bureau of Development Services

1900 SW 4th Avenue, Suite 5000 • Portland, Oregon 97201

503-823-7308 • Fax 503-823-7250 • TTY 503-823-6868 • www.portlandonline.com/bds

Memorandum
Date: February 25, 2010

To: Mayor Sam Adams
 Commissioner Nick Fish
 Commissioner Amanda Fritz
 Commissioner Randy Leonard
 Commissioner Dan Saltzman

From: Paul L. Scarlett, Director *PLS*
 Bureau of Development Services

RE: Bureau of Development Services Ordinance Authorizing Intergovernmental Agreement with Lake Oswego School District

The Bureau of Development Services (BDS) is proposing to sign an Intergovernmental Agreement (IGA) with the Lake Oswego School District and any other school districts within the jurisdiction of the City of Portland and Permit Service Area in order to establish certain procedures needed to collect and remit the School Construction Excise Tax (CET).

Background

Senate Bill 1036, which was adopted by the 2007 Legislature and which became effective on September 27, 2007, authorizes school districts to impose construction excise taxes to fund capital improvements to school facilities. Sections 2 and 5 of Senate Bill 1036 provide that the CET imposed by a School District may be collected and remitted pursuant to a written intergovernmental agreement with each local government, local service district or special government body.

School Districts are also required prior to imposing the CET to enter into an intergovernmental agreement with each local government, local service district or special government body. In addition, Section 6 of Senate Bill 1036 requires School Districts to develop and adopt a long-term facilities plan for making capital improvements prior to imposing the CET.

BDS has been delegated responsibility by the State of Oregon for administering and enforcing the building inspection program in Portland, and thus will be responsible for collecting the CET and remitting it to School Districts.

BDS currently have signed Intergovernmental Agreements with other school districts and have been collecting and remitting the CET these school districts since January 2008. On April 29, 2009, the 75th Oregon Legislative Assembly passed House Bill 2014 authorizing local jurisdictions to retain an administrative fee of up to 4% of school CET revenues. Currently BDS retains 1% of school CET revenues as an administrative fee. BDS is planning on contacting all of the school districts that currently have signed IGA's to re-negotiate the amount of the administrative fee.