



**North Marion  
School District 15**

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Aurora, OR 97002

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**What is the Construction Excise Tax for the North Marion School**

**District?**

The Oregon Legislature passed SB 1036, a law that provides a financial tool to help school districts pay for capital improvements, expanded facilities, and equipment needed as a result of community growth. The law authorizes a school district, in cooperation with cities and counties, to tax new residential and non-residential development. Specifically, the tax applies to improvements to real property that result in a new structure or additional square footage to an existing structure.

**What does the tax pay for?**

The excise tax revenue would be used for capital improvements such as acquisition of land, the construction, reconstruction or improvement of school facilities; acquisition or installation of equipment, furnishings, or other tangible property; related architectural, engineering expenses, legal expenses or similar costs related to capital improvements. The excise revenue would allow the district to purchase and prepare sites for future school facilities and/or to help defray the cost of new school facilities or equipment.

**Who has to pay and when?**

The tax is required to be paid by the developer or property owner who is developing property in the North Marion School District #15 at the time when he or she wishes to have a permit issued by the County/City. A permit will not be issued unless the tax is paid or unless an approved exemption is submitted on the Exemption Form.

**Who is exempt from paying the tax?**

The following are exempt from the Construction Excise Tax:

1. Private school improvements;
2. Public improvements as defined in ORS 279A.010;
3. Residential housing that is guaranteed to be affordable (under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 60% of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction for residential house);
4. Public or private hospital improvements;
5. Improvements to religious facilities primarily used for worship or education associated with worship;
6. Agricultural buildings as defined by ORS 455.315 (2)(a).
7. Facilities that are operated by a not-for-profit corporation and that are:
  - (a) Long term care facilities, as defined in ORS 442-015;
  - (b) Residential care facilities, as defined in ORS 443.400;
  - (c) Continuing care retirement communities, as defined in ORS 101.020.

**How much is the tax?**

The tax may not exceed:

1. \$1 per square foot on residential construction;
2. 50 cents per square foot on nonresidential construction
3. For non-residential construction only, the excise tax is limited to \$25,000 per building permit or \$25,000 per structure, whichever is less.

**Is this a permanent tax?**

Yes

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**Whom can I contact for more information?**

If you have additional questions, you may contact the North Marion School District's Superintendent Boyd Keyser via e-mail at [boyd.keyser@nmarion.k12.or.us](mailto:boyd.keyser@nmarion.k12.or.us) or by phone: (503-678-7100).