

CET Facts

GERVAIS SCHOOL DISTRICT #1



What is the Construction Excise Tax (CET)?

In the 2007 Regular Session, the Oregon State Legislature passed a law (Senate Bill 1036) that helps Oregon school districts pay for a portion of the cost of new or expanded school facilities. The bill allows school boards, in cooperation with cities and counties, to tax new residential and non-residential development. Effective 10/01/23, the tax will be assessed at \$1.56 per square foot on residential construction and \$0.78 per square foot for non-residential construction, not to exceed \$39,100.

What does this tax pay for?

The tax pays for capital improvements including: land acquisition; construction, reconstruction or improvement of school facilities; acquisition or installation of equipment, furnishings or other tangible property; architectural, engineering, legal or similar costs associated related to capital improvements; or the payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements.

Why is this tax needed?

Oregon's school districts are overcrowded and many older schools throughout the state are in need of repair. This tax will require developers to share the cost of growth with school districts.

Who has to pay this tax? Am I exempt from paying the tax?

The tax applies to construction permits on property located within Gervais School District's jurisdiction, issued on or after December 1, 2007. Exemptions are provided for the following: (1) Private school improvements; (2) Public improvements as defined in ORS 279A.010; (3) Certain residential housing that is guaranteed to be affordable under guidelines established by the U.S. Department of Housing and Urban Development; (4) Public or private hospital improvements; (5) Improvements to certain religious facilities; (6) Agricultural buildings as defined in ORS 455.315; (7) Facilities operated by a not-for-profit corp. that are: (a) Long term care facilities, as defined in ORS 442.015; (b) Residential care facilities as defined in ORS 443.400; or (c) Continuing care retirement communities, as defined in ORS 101.020. (8) Residential housing to replace residential housing on lot or land destroyed or damaged by wildfire or another event when a state of emergency is declared under ORS 401.165. (See ORS 320.173 for additional details.)

Is my property located within Gervais School District's jurisdiction?

Gervais School District's jurisdiction includes properties located within the Cities of Gervais, Brooks, Woodburn, Salem, as well as rural property in Marion County. If you have questions about your jurisdiction, you may call the Marion County Assessor at 503-588-5144.

Who can I contact for more information?

If you have additional questions, you may contact Gervais School District at 503-792-3803 ext 5020.