

**A-Engrossed**  
**House Bill 3129**

Ordered by the House May 11  
Including House Amendments dated May 11

Sponsored by Representative BARKER, Senator AVAKIAN

**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.

Requires that non-PERS public employer that employs police officers or firefighters and imposes income tax must either exempt all local, state and federal retirees from tax or provide benefit increases to employer's retired police officers or firefighters that are adequate to compensate retirees for taxation of retirement benefits.

**A BILL FOR AN ACT**

1  
2 Relating to public employee retirement.

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

4 **SECTION 1. (1) As used in this section, "non-PERS public employer" means a local gov-**  
5 **ernment, as defined in ORS 174.116, that employs police officers or firefighters and that,**  
6 **pursuant to the provisions of ORS 237.620 (4), provides retirement benefits to those employ-**  
7 **ees other than by participation in the Public Employees Retirement System.**

8 **(2) A local government, as defined in ORS 174.116, may impose a tax based on personal**  
9 **income only if:**

10 **(a) All local, state and federal retirees are exempted from the tax; or**

11 **(b) All retired police officers or firefighters who were employed by a non-PERS public**  
12 **employer are provided with benefit increases that are adequate to compensate those retirees**  
13 **for the taxation of the retirement benefits of those employees, and no other retirement**  
14 **benefit or other benefit provided by the non-PERS public employer is decreased by the**  
15 **non-PERS public employer by reason of the benefit increases.**

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**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.