

**Enrolled**  
**House Bill 2654**

Sponsored by COMMITTEE ON REVENUE (at the request of Association of Oregon Counties)

CHAPTER .....

AN ACT

Relating to local option taxes; amending ORS 368.710.

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

**SECTION 1.** ORS 368.710 is amended to read:

368.710. (1) *[The local option taxes imposed]* **A countywide local option tax imposed by a county** under ORS 280.040 to 280.145 **for road improvement, repair or maintenance** must be apportioned as follows:

(a) Not less than 50 percent of the tax collected must be apportioned to the several road districts, including districts composed of incorporated cities, in the same proportion as the amount of taxable property in each district bears to the whole amount of taxable property in the county. The amount apportioned to any incorporated city must be transferred to it to be expended under the management of its officials for the improvement and repair of county roads and for the improvement, repair and maintenance of improved streets within the boundaries of the city.

(b) The entire remaining revenue must be applied to roads in such locality in the county as the county governing body directs.

(2) If a local option tax levy is reduced due to compression under ORS 310.150, the amounts apportioned under subsection (1) of this section must be based on the amount of taxes actually levied under the limits of compression.

(3) A county, road districts with territory in the county and incorporated cities with territory in the county may modify, by agreement, the apportionment of local option taxes provided for in this section to fund more effectively and efficiently projects within the county to construct, maintain, improve and repair public roads.

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**Passed by House March 19, 2009**

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Chief Clerk of House

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Speaker of House

**Passed by Senate May 12, 2009**

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President of Senate

**Received by Governor:**

.....M,....., 2009

**Approved:**

.....M,....., 2009

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2009

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Secretary of State