

HB-2236 -- Proposed Amendment to ORS 291

May 2015

A brief summary of proposed changes to the statute on Mass Transit Assessment:

Under the current law, state agencies operating within mass transit districts, transportation districts, and transportation service districts pay the State Department of Administrative Services an amount equal to .6% of the payrolls of state agencies operating within the districts. Those funds are distributed back to those various districts, essentially reimbursing the districts for their costs in providing transit services to state employees.

Because the statute is focused on “districts” rather than cities providing transit services, it creates an inequitable situation for the transit agencies that are not “districts” as defined in the statute. 10 cities in Oregon provide regular transit services, but only the cities of Canby, Sandy and Wilsonville will immediately qualify to receive funds through the Mass Transit Assessment if amended as proposed. Those are the only cities that levy a payroll tax on private employers to support transit services.

The proposed change applies only to cities that provide transit services. It does not address counties.

The language that we have offered is intended to simply add “city transit agencies” to the list of transit providers who would be able to benefit from the statute, if they have state employees working within their service areas. City transit agencies would not be entitled to receive funds assessed against state employees at a higher rate than the payroll tax rate charged to private employers within the area. If the city does not levy a local payroll tax on private employers to support its transit services, it would not qualify to receive funds from the state through HB-2236, as proposed.

The Board of Directors of the Oregon Transit Association voted to support this bill on December 9, 2014.

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