

**SB 840 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/8

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**WHAT THE MEASURE DOES:**

Articulates Legislative Assembly findings and declarations related to occupancy of streets, highways and other public property within cities. Establishes limit of privilege taxes imposed by cities upon utilities for purpose of occupying streets, highways and other public property within cities. Limit equals five percent of gross revenues of the communications service provider earned within the boundaries of the municipality. Provides, under specified circumstances and for specified period of time, when privilege tax imposed may exceed five percent limit. In instances where utility is a unit of a local government, limits city to charging as a fee or tax, only the actual cost of occupying a street, highway or other public property. Specifies utility, city or third party funding requirements regarding relocation of a facility of the utility. Modifies types of communications services on which municipalities may impose privilege tax.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Public rights of way generally include areas above and below city streets, alleys and sidewalks. Most cities in Oregon have some kind of right of way management policy that controls how fees are charged for use of city's rights of ways. Users of rights of ways are generally charged for their use of the right of way. Utilities are common payers of rights of way charges, however, public users of rights of ways such as local governments are generally also subject to charge. Where franchise agreements exist, franchise fees are charged, in other instances a privilege tax or fee may be charged for use of the right of way.