

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
79th Oregon Legislative Assembly  
2017 Regular Session  
Legislative Revenue Office**

**Bill Number: HB 2745 - A3  
Revenue Area: Property Taxes  
Economist: Kyle Easton  
Date: 5/23/2017**

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

**Measure Description:**

Allows an intergovernmental entity created to operate, maintain, repair and modernize transportation facilities and that qualifies as recipient of Federal Transit Administration funding, to issue general obligation bonds and assess, levy and collect ad valorem property taxes, including operating taxes and local option levies. Provides intergovernmental entity ability to divide territory of entity into zones for the purpose of imposing and levying property taxes at different rates in each zone based upon qualitative differences in services provided. Specifies procedure to be followed in order for intergovernmental entity to undertake imposition of tax and dividing of territory. Allows, with voter and/or local governing body approval, intergovernmental entity to establish permanent rate limit for operating taxes, impose local option taxes or issue general obligation bonds.

**Revenue Impact (in \$Millions):** No direct impact upon revenue, see impact explanation.

**Impact Explanation:**

Measure provides authority to an intergovernmental entity created to operate, maintain, repair and modernize transportation facilities that qualifies as a designated recipient of funding for transit operations from the Federal Transit Administration to impose property tax, but does require taxation to be extended. For property taxes to be levied, a combination of local government and voter approval is required. If authority to impose property tax is approved, an overall increase in property tax liability would result. Increased property tax revenue would be directed to the intergovernmental entity, with potential decreases in revenues for other general government taxing districts if intergovernmental entity imposes taxation via permanent or local option taxing authority. Potential reduction in revenue results if new imposed property taxes cause an increase in compression due to property tax limits contained in Article XI, Section 11b. of Oregon Constitutional (aka - Measure 5 compression).

**Creates, Extends, or Expands Tax Expenditure:** Yes  No