

**HB 2745 B STAFF MEASURE SUMMARY****Carrier:** Sen. Boquist**Senate Committee On Finance and Revenue**


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**Action Date:** 06/07/17  
**Action:** Do pass the B-Eng bill.  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor  
**Fiscal:** No fiscal impact  
**Revenue:** Revenue impact issued  
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**WHAT THE MEASURE DOES:**

Allows an intergovernmental entity created to operate, maintain, repair and modernize transportation facilities 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. Allows intergovernmental entity to provide nonrail public transportation and terminal facilities for public transportation. 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. Before intergovernmental entity may impose ad valorem property taxes, requires entity to: establishment of one or more transit advisory councils representative of each zone in which ad valorem property taxes are to be imposed, maintain adequate levels of communication with affected local governments and perform an annual report and an annual audit. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Revenues can be raised in specified zone and then expended in that same zone
- No submitted opposition from organizations or local governments (seven no votes on House floor)
- Portion of user fees that pay for the transit services provided by Cascades East Transit
- Requirement to seek voter and/or local government approval
- Ability of local governments to adopt property taxation in different future years (e.g. - One city begins imposing tax in 2021, while another imposes beginning 2025, while a third never imposes).

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Enacted in 2001, Senate Bill 933 authorized intergovernmental entities to operate, maintain, repair, and improve transportation facilities. An intergovernmental entity is not the same as a mass transit district, however, intergovernmental entities are subject to local budget law statutes ORS 294.305 to 294.565. A notable difference between a mass transit district and a transportation intergovernmental entity with authorities provided by measure, is the ability of the intergovernmental entity to impose property taxes at different rates in different zones of the intergovernmental entity and expend those revenues within the zone in which collections are derived.

The Central Oregon Intergovernmental Council (COIC) provides regional transit service in Deschutes, Jefferson, and Crook Counties via Cascades East Transit (CET).