

HOUSE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2745

By COMMITTEE ON REVENUE

May 25

1 On page 2 of the printed A-engrossed bill, line 44, delete “subsection (5)” and insert “subsections
2 (5) to (7)”.

3 On page 3, delete lines 5 through 45 and insert:

4 “(d) Divide the territory of the entity into zones based upon qualitative differences for the pur-
5 pose of imposing and levying ad valorem property taxes at different rates in each zone based upon
6 services provided by the entity in each zone.

7 “(5) In order to undertake any of the actions described in subsection (4)(a) to (c) of this section,
8 the following steps must be completed in the following order:

9 “(a) The board of directors of the intergovernmental entity, after consultation with the govern-
10 ing bodies of all affected cities and counties, must approve a preliminary resolution that sets forth
11 with particularity the financial or geographic specifics of the measure sought to be approved, in-
12 cluding but not limited to:

13 “(A) The amount of bonds to be issued, purposes for which bond proceeds may be spent and the
14 estimated amount of ad valorem property taxes pledged per \$1,000 of assessed value for repayment
15 of the bonds;

16 “(B) The permanent rate limit for operating taxes being proposed;

17 “(C) The amount, rate and duration of any local option taxes being proposed; and

18 “(D) Any other information otherwise required by law or that the board determines to include
19 in the preliminary resolution.

20 “(b) The governing body of each city and county wholly or partially within the territory of the
21 entity must, within one year, approve or reject the preliminary resolution by order or resolution of
22 the city or county governing body, except that:

23 “(A) In the case of a preliminary resolution that establishes proposed tax zones and does not
24 seek a permanent rate limit on operating taxes, a city or county that lacks territory within those
25 zones need not act on the preliminary resolution and approval by their governing bodies may not
26 be sought; and

27 “(B) The approval of the governing body of a county need not be obtained and may not be
28 sought if the preliminary resolution does not seek a permanent rate limit on operating taxes and the
29 only territory of the county within the proposed zone is also only within the boundaries of cities
30 that have granted approval under this subsection.

31 “(c) If the governing body of every city and county required to consider the question under
32 paragraph (b) of this subsection approves the preliminary resolution, the board of directors of the
33 entity, within 120 days of the last required governing body approval under paragraph (b) of this
34 subsection, shall consider a final resolution that refers to voters one or more ballot measures that
35 reflect the contents of the resolutions approved under paragraphs (a) and (b) of this subsection.

1 “(d) Each ballot measure referred to voters as described in paragraph (c) of this subsection must
2 be approved by voters in the same manner provided by law for approval of general obligation bonds,
3 a permanent rate limit for operating taxes or local option taxes.

4 “(6) If a permanent rate limit for operating taxes is approved by voters, the board of directors
5 must thereafter obtain the approval of the governing body of each city in which operating taxes are
6 to be imposed and of the governing body of each county in which operating taxes are to be imposed
7 within unincorporated territory.

8 “(7)(a) The procedures described in this subsection must be undertaken and completed in order
9 to divide the territory of the entity into zones as described in subsection (4)(d) of this section and:

10 “(A) Issue general obligation bonds not subject to limitation under Article XI, section 11 or 11b,
11 of the Oregon Constitution, for which ad valorem property taxes are to be imposed within a zone
12 of the territory of the entity that is based on different levels of service in the zone; or

13 “(B) Impose local option taxes under ORS 280.040 to 280.145 in a zone of the territory of the
14 entity that is based on different levels of service in the zone.

15 “(b) The board of directors of the intergovernmental entity, after consultation with the govern-
16 ing bodies of all affected cities and counties in a proposed zone, must approve a preliminary resolu-
17 tion that sets forth:

18 “(A) The geographic boundaries of the proposed zone in which taxes are to be imposed;

19 “(B) The qualitative differences in the levels of service that are to be provided that justifies the
20 establishment of the proposed zone;

21 “(C) The amount of any bonds to be issued, purposes for which bond proceeds may be spent and
22 the estimated amount of ad valorem property taxes pledged per \$1,000 of assessed value for repay-
23 ment of the bonds;

24 “(D) The amount, rate and duration of any local option taxes being proposed; and

25 “(E) Any other information otherwise required by law or that the board determines to include
26 in the preliminary resolution.

27 “(c) The governing body of each city and county wholly or partially within the proposed zone
28 must, within one year, approve or reject the preliminary resolution by order or resolution of the city
29 or county governing body.

30 “(d) If the governing body of every city and county required to consider the question under
31 paragraph (c) of this subsection approves the preliminary resolution, the board of directors of the
32 intergovernmental entity, within 120 days of the last required governing body approval under para-
33 graph (c) of this subsection, shall consider a final resolution that refers to voters in the proposed
34 zone one or more ballot measures that reflect the contents of the resolutions approved under para-
35 graphs (b) and (c) of this subsection.

36 “(e) Each ballot measure referred to voters as described in paragraph (d) of this subsection must
37 be approved by voters in the same manner provided by law for approval of general obligation bonds,
38 a permanent rate limit for operating taxes, or local option taxes, except that if the final resolution
39 includes dividing the territory of the entity into zones and does not establish a permanent rate limit
40 for operating taxes:

41 “(A) The election must be held in May or November; and

42 “(B) The ballot measure must be approved by a majority of voters voting in the election in each
43 zone in which taxes are to be imposed.

44 “(8) A ballot measure that proposes measures described in subsections (5)(d) and (7)(e) of this
45 section shall be combined in a proposed zone.

1 “(9) If the voters approve a ballot measure in accordance with subsection (5)(d) or (7)(e) of this
2 section:

3 “(a) Any tax revenues collected thereafter may be expended only for the purposes specified in
4 the measure; and

5 “(b) In the case of a measure establishing tax zones within the territory of the intergovern-
6 mental entity, the tax revenues collected from each zone must be expended within the geographic
7 area of the respective zone.

8 “(10) Following the approval of a ballot measure described in subsection (5)(d) or (7)(e) of this
9 section that authorizes ad valorem taxes of the intergovernmental entity to be imposed within the
10 territory of one or more cities or counties, if the boundaries of an affected city or county change,
11 the area in which taxes are to be imposed shall also be adjusted to reflect the boundary change.
12 Any boundary change shall comply with the procedures set forth in ORS 308.225.

13 “(11) If the territory of an intergovernmental entity is divided into zones under this section, the
14 board of directors shall determine, make and declare the ad valorem property tax levy for each zone
15 when the board adopts its budget for any fiscal year. If the board modifies the ad valorem property
16 tax levy or boundaries of a zone, the board must first obtain the approval of each affected city’s
17 governing body or, in the case of a zone that includes unincorporated territory, each affected
18 county’s governing body. The determination of the amount of ad valorem property taxes to be levied
19 in each zone shall be in accordance with the proposal approved by the voters under this section and
20 shall be entered in the proper records of the intergovernmental entity.

21 **“SECTION 3. (1) The board of directors of an intergovernmental entity described in sec-**
22 **tion 2 of this 2017 Act shall perform all of the following:**

23 **“(a) Before the entity may impose ad valorem property taxes, establish one or more**
24 **transit advisory councils representative of each zone in which ad valorem property taxes are**
25 **to be imposed. If the entity elects to not establish zones, the entity need establish only one**
26 **transit advisory council. Council members shall be appointed by the board following nomi-**
27 **nation of proposed members by affected cities and counties.**

28 **“(b) Maintain adequate levels of communication between affected local governments and**
29 **the board of directors.**

30 **“(c) Cause to be performed an annual report of standard transit performance metrics and**
31 **an annual audit that satisfies the federal audit requirements for the expenditure of federal**
32 **funds by state and local governments.**

33 **“(2)(a) If the governing bodies of three or more cities or counties with territory within**
34 **the boundaries of the intergovernmental entity file a written notice with the board of direc-**
35 **tors alleging that any of the actions required under subsection (1) of this section are not**
36 **being adequately performed, the board of directors and the notifying governing bodies shall**
37 **within 60 days conduct a mediation session with a mediator qualified to perform mediation**
38 **under ORS 36.100 to 36.238, in order to resolve the dispute.**

39 **“(b) One-half of the cost of the mediation shall be borne by the intergovernmental entity**
40 **and the remaining one-half of the cost shall be borne by the cities and counties that served**
41 **notice under this subsection.”.**

42 On page 4, delete lines 1 through 17.

43 In line 18, delete “3” and insert “4”.

44 In line 23, delete “4” and insert “5”.