

Requested by Representative HUFFMAN

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2745**

1 On page 2 of the printed A-engrossed bill, line 44, after “(5)” insert “or  
2 (6)”.

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

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

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

11 “(a) The board of directors of the intergovernmental entity, after consul-  
12 tation with the governing bodies of all affected cities and counties, must  
13 approve a preliminary resolution that sets forth with particularity the fi-  
14 nancial or geographic specifics of the measure sought to be approved, in-  
15 cluding but not limited to:

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

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

20 “(C) The amount, rate and duration of any local option taxes being pro-  
21 posed; and

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

3 “(b) The governing body of each city and county wholly or partially  
4 within the territory of the entity must, within one year, approve or reject  
5 the preliminary resolution by order or resolution of the city or county gov-  
6 erning body, except that:

7 “(A) In the case of a preliminary resolution that establishes proposed tax  
8 zones and does not seek a permanent rate limit on operating taxes, a city  
9 or county that lacks territory within those zones need not act on the pre-  
10 liminary resolution and approval by their governing bodies may not be  
11 sought; and

12 “(B) The approval of the governing body of a county need not be obtained  
13 and may not be sought if the preliminary resolution does not seek a perma-  
14 nent rate limit on operating taxes and the only territory of the county within  
15 the proposed zone is also only within the boundaries of cities that have  
16 granted approval under this subsection.

17 “(c) If the governing body of every city and county required to consider  
18 the question under paragraph (b) of this subsection approves the preliminary  
19 resolution, the board of directors of the entity, within 120 days of the last  
20 required governing body approval under paragraph (b) of this subsection,  
21 shall consider a final resolution that refers to voters one or more ballot  
22 measures that reflect the contents of the resolutions approved under para-  
23 graphs (a) and (b) of this subsection.

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

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

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

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

8 “(b) The board of directors of the intergovernmental entity, after consul-  
9 tation with the governing bodies of all affected cities and counties in a  
10 proposed zone, must approve a preliminary resolution that sets forth:

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

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

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

18 “(D) The amount, rate and duration of any local option taxes being pro-  
19 posed; and

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

22 “(c) The governing body of each city and county wholly or partially  
23 within the proposed zone must, within one year, approve or reject the pre-  
24 liminary resolution by order or resolution of the city or county governing  
25 body.

26 “(d) If the governing body of every city and county required to consider  
27 the question under paragraph (c) of this subsection approves the preliminary  
28 resolution, the board of directors of the intergovernmental entity, within 120  
29 days of the last required governing body approval under paragraph (c) of this  
30 subsection, shall consider a final resolution that refers to voters in the pro-

1 posed zone one or more ballot measures that reflect the contents of the re-  
2 solutions approved under paragraphs (b) and (c) of this subsection.

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

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

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

12 “(7) A ballot measure that proposes measures described in subsections  
13 (5)(d) and (6)(e) of this section shall be combined in a proposed zone.

14 “(8) If the voters approve a ballot measure in accordance with subsection  
15 (5)(d) or (6)(e) of this section:

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

18 “(b) In the case of a measure establishing tax zones within the territory  
19 of the intergovernmental entity, the tax revenues collected from each zone  
20 must be expended within the geographic area of the respective zone.

21 “(9) Following the approval of a ballot measure described in subsection  
22 (5)(d) or (6)(e) of this section that authorizes ad valorem taxes of the inter-  
23 governmental entity to be imposed within the territory of one or more cities  
24 or counties, if the boundaries of an affected city or county change, the area  
25 in which taxes are to be imposed shall also be adjusted to reflect the  
26 boundary change. Any boundary change shall comply with the procedures set  
27 forth in ORS 308.225.

28 “(10) If the territory of an intergovernmental entity is divided into zones  
29 under this section, the board shall determine, make and declare the ad  
30 valorem property tax levy for each zone when the board adopts its budget for

1 any fiscal year. The determination of the amount of ad valorem property  
2 taxes to be levied in each zone shall be in accordance with the proposal ap-  
3 proved by the voters under this section and shall be entered in the proper  
4 records of the intergovernmental entity.”.

5 On page 4, delete lines 1 through 17.

6 \_\_\_\_\_