

Requested by Representative HUFFMAN

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

1 On page 2 of the printed A-engrossed bill, line 44, delete “subsection (5)”
2 and insert “subsections (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
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) If a permanent rate limit for operating taxes is approved by voters,
29 the board of directors must thereafter obtain the approval of the governing
30 body of each city in which operating taxes are to be imposed and of the

1 governing body of each county in which operating taxes are to be imposed
2 within unincorporated territory.

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

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

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

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

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

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

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

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

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

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

1 “(d) If the governing body of every city and county required to consider
2 the question under paragraph (c) of this subsection approves the preliminary
3 resolution, the board of directors of the intergovernmental entity, within 120
4 days of the last required governing body approval under paragraph (c) of this
5 subsection, shall consider a final resolution that refers to voters in the pro-
6 posed zone one or more ballot measures that reflect the contents of the re-
7 solutions approved under paragraphs (b) and (c) of this subsection.

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

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

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

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

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

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

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

26 “(10) Following the approval of a ballot measure described in subsection
27 (5)(d) or (7)(e) of this section that authorizes ad valorem taxes of the inter-
28 governmental entity to be imposed within the territory of one or more cities
29 or counties, if the boundaries of an affected city or county change, the area
30 in which taxes are to be imposed shall also be adjusted to reflect the

1 boundary change. Any boundary change shall comply with the procedures set
2 forth in ORS 308.225.

3 “(11) If the territory of an intergovernmental entity is divided into zones
4 under this section, the board of directors shall determine, make and declare
5 the ad valorem property tax levy for each zone when the board adopts its
6 budget for any fiscal year. If the board modifies the ad valorem property tax
7 levy or boundaries of a zone, the board must first obtain the approval of each
8 affected city’s governing body or, in the case of a zone that includes unin-
9 corporated territory, each affected county’s governing body. The determi-
10 nation of the amount of ad valorem property taxes to be levied in each zone
11 shall be in accordance with the proposal approved by the voters under this
12 section and shall be entered in the proper records of the intergovernmental
13 entity.

14 **“SECTION 3. (1) The board of directors of an intergovernmental**
15 **entity described in section 2 of this 2017 Act shall perform all of the**
16 **following:**

17 **“(a) Before the entity may impose ad valorem property taxes, es-**
18 **tablish one or more transit advisory councils representative of each**
19 **zone in which ad valorem property taxes are to be imposed. If the en-**
20 **tity elects to not establish zones, the entity need establish only one**
21 **transit advisory council. Council members shall be appointed by the**
22 **board following nomination of proposed members by affected cities and**
23 **counties.**

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

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

30 **“(2)(a) If the governing bodies of three or more cities or counties**

1 with territory within the boundaries of the intergovernmental entity
2 file a written notice with the board of directors alleging that any of
3 the actions required under subsection (1) of this section are not being
4 adequately performed, the board of directors and the notifying gov-
5 erning bodies shall within 60 days conduct a mediation session with a
6 mediator qualified to perform mediation under ORS 36.100 to 36.238, in
7 order to resolve the dispute.

8 “(b) One-half of the cost of the mediation shall be borne by the
9 intergovernmental entity and the remaining one-half of the cost shall
10 be borne by the cities and counties that served notice under this sub-
11 section.”.

12 On page 4, delete lines 1 through 17.

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

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

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