

House Bill 2548

Sponsored by Representative RESCHKE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires political subdivision that imposes income tax to conform to statutory provisions governing determination of net income. Repeals authority of metropolitan service district to impose income tax.

Applies to ordinance imposing local tax that has not received approval of electors of political subdivision before January 1, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the authority of a political subdivision to impose income tax; creating new provisions;
3 amending ORS 268.710; repealing ORS 268.505; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS chapter 314.**

6 **SECTION 2. Notwithstanding any other provision of law, the provisions of ORS chapters**
7 **314, 316 and 317 governing the determination of net income, including the apportionment and**
8 **sourcing of income, apply to any tax imposed upon or measured by net income and imposed**
9 **by a political subdivision of this state.**

10 **SECTION 3. ORS 268.505 is repealed.**

11 **SECTION 4. ORS 268.710 is amended to read:**

12 268.710. (1) The electors of any metropolitan service district, by majority vote of such electors
13 voting thereon at any legally called election, may adopt, amend, revise or repeal a charter for the
14 district. The charter, or legislation passed by the district pursuant thereto, shall provide a method
15 whereby the electors of the district, by majority vote of such electors voting thereon at any legally
16 called election, may amend, revise or repeal the charter.

17 (2) Provisions of a district charter and district legislation that relate to the amendment, revision
18 or repeal of a district charter are matters of metropolitan concern and shall prevail over conflicting
19 provisions of state law that are first effective after January 1, 1999, unless such law specifically
20 provides otherwise. After January 1, 1997, no person may commence or maintain an action to chal-
21 lenge the validity of a district charter existing and effective on January 1, 1997, on the basis of in-
22 consistency or conflict between the district charter and ORS 268.030, 268.300, 268.310, 268.317,
23 268.318, 268.320, 268.330, 268.340, 268.345, 268.357, 268.360, 268.370, 268.500, [268.505,] 268.507,
24 268.520, 268.525, 268.530, 268.590, 268.600 to 268.660 and 268.990. To the extent that provisions of a
25 district charter limit the exercise of a power granted by the statutes listed in this subsection, the
26 provisions of the district charter shall be given full force and effect. In addition to any authority
27 expressly granted to a metropolitan service district by the Legislative Assembly, a district charter
28 is an independent grant of authority by the affected electorate pursuant to section 1 (5), Article IV
29 and section 2, Article XI of the Oregon Constitution.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (3) A charter of a metropolitan service district shall prescribe the organization of the district
 2 government and shall provide directly, or by its authority, for the number, election or appointment,
 3 qualifications, tenure, compensation, powers and duties of such officers as the district considers
 4 necessary. Such officers shall among them exercise all the powers and perform all the duties, as
 5 granted to, imposed upon or distributed among district officers by the Constitution or laws of this
 6 state, by the district charter or by its authority.

7 (4) Any reference to the executive officer of a metropolitan service district in statutes of this
 8 state relating to elections or government ethics shall be construed to include any district officer
 9 who serves in an elective office and performs executive functions. Any reference in a district charter
 10 to a district court judge may be construed as referring to a judge of the circuit court.

11 (5) As used in this section, “legally called election” means an election held on the same date
 12 as a primary election or general election held throughout this state.

13 (6) Consistent with ORS 197.013, the land use planning authority granted to a district under ORS
 14 chapter 268 is a matter of statewide concern. Provisions of a district charter and implementing or-
 15 dinances adopted and effective on January 1, 1997, that establish procedural requirements relating
 16 to the exercise of land use planning authority of the district, including but not limited to require-
 17 ments for local government advisory committees, are supplementary to ORS 268.380, 268.385, 268.390
 18 and ORS chapter 197. After January 1, 1997, no person may commence or maintain an action to
 19 challenge the validity of such district charter provisions or implementing ordinances on the basis
 20 of inconsistency or conflict with the procedural requirements of ORS 268.380, 268.385 or 268.390 or
 21 the procedural requirements of ORS chapter 197 existing on January 1, 1997.

22 (7) If a district charter is repealed, the provisions of the charter providing for district officers,
 23 their powers and duties and the election of such officers shall continue in effect until the Legislative
 24 Assembly provides by law for the restructuring or dissolution of the district.

25 **SECTION 5. Section 2 of this 2023 Act, the amendments to ORS 268.710 by section 4 of**
 26 **this 2023 Act and the repeal of ORS 268.505 by section 3 of this 2023 Act apply to any ordi-**
 27 **nance imposing a local tax that has not received approval of the electors of the political**
 28 **subdivision before January 1, 2024.**

29 **SECTION 6. This 2023 Act takes effect on the 91st day after the date on which the 2023**
 30 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**