REVENUE IMPACT OF PROPOSED LEGISLATION

83rd Oregon Legislative Assembly
2025 Regular Session
Legislative Revenue Office

Bill Number:	**HB 2356 - A**
Revenue Area:	**Local Government Finance**
Economist:	**Beau Olen**
Date:	**2/17/2025**

Only Impacts on Original or Engrossed
Versions are Considered Official

Measure Description:

Provides that, if a city within the urban growth boundary of a metropolitan service district annexes territory within the urban growth boundary of the district, no further proceedings are required for the territory to be annexed to the district. Applies to territories annexed by a city on or after the effective date of the bill.

Revenue Impact:

This does not automatically change property taxes for any taxpayer. Any revenue impact depends on whether a city within the urban growth boundary of a metropolitan service district proposes to annex territory within the urban growth boundary of the district.

Impact Explanation:

Under current law, there is a two-step process where territory is annexed by a city and then the metropolitan service district. In instances where the territory is annexed by both the city and the metropolitan service district, the net result is the same as under this bill. Any revenue impact depends on the specific territories within the urban growth boundaries of a metropolitan service district that cities propose for annexation and the tax rates for the metropolitan service district. Currently, the only metropolitan service district in Oregon serves more than 1.7 million people in Clackamas, Multnomah, and Washington counties. The district boundary encompasses 24 cities, including Portland. The total property tax rate for Metro is $0.5746 per thousand dollars of assessed value (0.0005746), comprised of a permanent rate (0.0000966), a local option rate (0.0000960), and a bond rate (0.0003820).

Creates, Extends, or Expands Tax Expenditure: Yes ☐ No ☒