

House Bill 2110

Sponsored by Representative RESCHKE (Pre-session 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act requires a local income tax to conform to state law for determining income. (Flesch Readability Score: 61.8).

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

Applies to an ordinance imposing local tax that has not received approval of electors of a political subdivision before January 1, 2025.

Takes effect on the 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 2025 Act is added to and made a part of ORS chapter 314.**

6 **SECTION 2. (1) Notwithstanding any other provision of law, and except as provided in**
7 **subsection (2) of this section, the provisions of ORS chapters 314, 316 and 317 governing the**
8 **determination of net income, including the apportionment and sourcing of income, apply to**
9 **any tax imposed upon or measured by net income and imposed by a political subdivision of**
10 **this state.**

11 **(2) This section does not apply to any business license tax, or the subsequent amend-**
12 **ments to the provisions of any tax, that is imposed by a city on net income and is in effect**
13 **and operative on January 1, 2025.**

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 ORS 268.505 is repealed.**

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

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

21 (2) Provisions of a district charter and district legislation that relate to the amendment, revision
22 or repeal of a district charter are matters of metropolitan concern and shall prevail over conflicting
23 provisions of state law that are first effective after January 1, 1999, unless such law specifically
24 provides otherwise. After January 1, 1997, no person may commence or maintain an action to
25 challenge the validity of a district charter existing and effective on January 1, 1997, on the basis
26 of inconsistency or conflict between the district charter and ORS 268.030, 268.300, 268.310, 268.317,
27 268.318, 268.320, 268.330, 268.340, 268.345, 268.357, 268.360, 268.370, 268.500, [268.505,] 268.507,

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.

1 268.520, 268.525, 268.530, 268.590, 268.600 to 268.660 and 268.990. To the extent that provisions of a
 2 district charter limit the exercise of a power granted by the statutes listed in this subsection, the
 3 provisions of the district charter shall be given full force and effect. In addition to any authority
 4 expressly granted to a metropolitan service district by the Legislative Assembly, a district charter
 5 is an independent grant of authority by the affected electorate pursuant to section 1 (5), Article IV
 6 and section 2, Article XI of the Oregon Constitution.

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

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

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

19 (6) Consistent with ORS 197.013, the land use planning authority granted to a district under ORS
 20 chapter 268 is a matter of statewide concern. Provisions of a district charter and implementing or-
 21 dinances adopted and effective on January 1, 1997, that establish procedural requirements relating
 22 to the exercise of land use planning authority of the district, including but not limited to require-
 23 ments for local government advisory committees, are supplementary to ORS 268.380, 268.385, 268.390
 24 and ORS chapters 197 and 197A. After January 1, 1997, no person may commence or maintain an
 25 action to challenge the validity of such district charter provisions or implementing ordinances on
 26 the basis of inconsistency or conflict with the procedural requirements of ORS 268.380, 268.385 or
 27 268.390 or the procedural requirements of ORS chapters 197 and 197A existing on January 1, 1997.

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

31 **SECTION 5. Except as provided in section 2 (2) of this 2025 Act, section 2 of this 2025**
 32 **Act, the amendments to ORS 268.710 by section 4 of this 2025 Act and the repeal of ORS**
 33 **268.505 by section 3 of this 2025 Act apply to all ordinances that impose a local tax, whenever**
 34 **enacted.**

35 **SECTION 6. This 2025 Act takes effect on the 91st day after the date on which the 2025**
 36 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**