

# TRIMET'S EXISTING STATUTORY AUTHORITY FOR GENERATING REVENUE

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# BONDING (aka “BORROWING”):

TriMet’s promise to pay a specified principal amount on a specified date, together with interest. TriMet has several bonding methods available:

## “Revenue” Bonds (ORS 267.335, ORS 287A)

- Board Resolution
- Offering is on the public securities (Bond) market
- Secured by TriMet’s Payroll Tax revenues
- Bond proceeds can only be spent on certain “capital costs”; cannot be used for operating or maintenance costs

# BONDING (aka “BORROWING”), continued:

## “General Obligation” Bonds (267.305-330, ORS 287A)

- Voter approval required
- Secured by the power of TriMet to levy a property tax (“ad valorem”)
- Per Oregon Constitution:
  - Can only finance capital costs
  - Limited involvement by private business partnerships
  - Total taxes cannot exceed \$10 per \$1,000 RMV
- No offset from TriMet’s payroll taxes

# TAXING

## Employer Payroll Tax (ORS 267.385)

- No Voter approval, but requires Legislative approval to increase rate
- After Legislative approval, requires a Board Ordinance with certain findings
  - Last legislative action 2009; last Board action 2015; last increment 2025
  - Maximum aggregate increase is 1/10th of 1%; requires 10 year phase-in
  - No “double-dipping” – any business or occupation charged a Business License Fee under ORS 267.360 must be exempted from the employer payroll tax.

# TAXING, continued:

## Personal and Corporate Net Income Tax (ORS 267.370)

- Board Ordinance
- Personal Income Tax:
  - Limited to 1% of entire taxable income
  - *Could* be applied only to high earners
  - STIF
- Corporate Net Income Tax: Tax on net income of an entity doing business within the district
  - Limited to 1% of net income
  - TriMet must allow a credit for the amount of payroll tax paid by the entity against the amount of income tax owed

# USER CHARGES (ORS 267.320)

Charges, fees, and tolls from “those who are served by the facilities and services of the district.”

- Board Ordinance
- Examples:
  - Fares for using the system
  - Parking fees at Park and Rides
  - Fines for Nonpayment of fare

# BUSINESS, TRADE, OCCUPATIONAL AND PROFESSIONAL LICENSES AND FEES (ORS 267.360)

Can be imposed on any business or profession in the district

- Board Ordinance
- Examples:
  - Business license fee
    - Petroleum products
    - Parking lots
  - Trades, Occupations, Professions
    - Auto Dealers
- No “double-dipping”: Any business subject to the fee must be exempted from the employer payroll tax

# VEHICLE REGISTRATION FEES (ORS 267.001)

## Fees paid when registering a vehicle in the district.

- Could be imposed on any person registering a vehicle with a residential or business address located within the TriMet district
- Requires voter approval (ORS 801.042)
- Multnomah, Washington, and Clackamas counties all impose registration fees (counties do not need voter approval)
- Because it is a fee levied on the ownership of a motor vehicle, revenue may only be used “for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in this state” (Or Const. Art. IX Sec. 3a)

# SYSTEMS DEVELOPMENT CHARGES (SDC) (ORS 223.297)

## Charges for new development within the District

- Board Ordinance or Resolution
  - First, Board must approve a capital improvement plan that identifies projects, costs
  - SDC charges must be “roughly proportional” (Dolan v. City of Tigard)
  - Only based on net new development
- SDC charges are limited to “capacity increasing” improvements
  - Projects that serve growth
  - Projects that provide transit services to new populations and businesses
  - Cannot be used for operating or maintenance expenses