



ALEX CUYLER

Intergovernmental Relations Manager
Alex.Cuyler@co.lane.or.us

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TO: Lane County Board of County Commissioners

FROM: Alex Cuyler, Intergovernmental Relations Manager

RE: Report back to Board on county fiscal issues and state revenue issues

Commissioners: I received direction from the agenda setting team to examine other counties financial health and past money measures that Oregon counties have had experience with. This report follows a brief analysis I provided to the Board on September 30 regarding Oregon city measures.

I've attached information (attachment A) received from the Association of Oregon Counties with regards to County Property Tax Election Results, 1997-2007. This data includes levy and bond measures, and includes special district formations. Notable was:

- There were a total of 28 counties that asked voters for some kind of additional funding approval.
- Josephine and Tillamook Counties held the most elections, at 15. Lane County was next with 11, followed by Benton, with 10.
- There were a total of 149 elections. Of these, 70 were related to public safety in some form (keywords: law enforcement, police, jail, corrections, public safety, courts, justice system). Of the 70, 52 failed (69.5% failure rate for public safety related measures only).

I selected four counties to examine in closer detail (attachment B). These counties were selected either because they are neighboring counties (Douglas and Benton), or because I saw a similarity worth examining (Clackamas, due to population and Deschutes due to permanent tax rate). In these cases, I did note more recent county-wide elections than the data presented from AOC.

Notable was:

- Measures that were proposed in 2006-2008 mostly passed (Benton voters defeated a public safety measure in 2006, but passed it one year later).
- Generally, those measures that included the word "tax" in the title, failed.
- Generally, voters approved measures that did not exceed \$0.40/1000.
- Extension measures were popular with voters in these counties.
- Benton County Commissioners made a promise to voters to reduce the tax burden based on the receipt of federal forest payments. As a result, the levy has been reduced by \$0.31, from \$0.90 down to \$0.59 for 2009-2010.

My analysis on these measures was limited to examination of voter pamphlets ballot titles and explanatory statements, and county clerks' website review in the respective counties. I am unable to comment on any public information campaigns that were or were not undertaken.

I also wanted to take up at this time a very brief overview of the state budget situation. As you recall, the Oregon legislature passed four tax measures (corporate minimum, personal, gas tax,

and provider tax). With the referral of the corporate minimum (measure 67), any tax income that had been expected within the Legislative Approved Budget for the biennium beginning on July 1, 2009, has been suspended until the outcome of the election. This impact amounts to approximately \$6 million (\$261M projected is down to \$255M).

There were several other “resource additions” to the budget, including:

- The OLCC “bottle surcharge” revenue action. It is meeting projections the legislature expected, at approximately \$24 million for the biennium.
- Investing in additional property tax analysts and other staff at Department of Revenue to speed up collections and compliance. This was expected to increase revenue by \$37M over the biennium. This work will fully be implemented by spring, and as a result DOR has been stating that it is “too soon to tell” the impacts.
- The Department of Revenue’s tax amnesty program. It has been successful in bringing in \$16M to date.

According to the Legislative Revenue Office, regular tax collections are behind the close of session forecast, but have increased slightly since one year ago, which they view as good news as it indicates the “gap is not widening”.

The next forecast will be released to the public on November 19, 2009.