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Memorandum Date: August 16, 2010
Order Date: August 25, 2010

TO:	Board of County Commissioners
DEPARTMENT:	Administration, Intergovernmental Relations
PRESENTED BY:	Alex Cuyler, Intergovernmental Relations Manager
AGENDA ITEM TITLE:	Legislative Concept Development – Priorities for January, 2011

I. MOTION

Move to direct County Administrator to oversee appropriate staff involvement in a project intended to result in draft legislation and bill sponsorship for the items outlined herein and to create a document to be referred to as the 2011 Lane County Legislative Priorities.

II. AGENDA ITEM SUMMARY

As part of the lead up to the 76th Oregon Legislature Special Session, the Board is being asked to consider legislative concepts that have been developed by the Intergovernmental Relations Manager and the Legislative Committee. This procedure will allow the Intergovernmental Relations Manager sufficient authority to engage key legislators and committees on issues of importance to Lane County.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

- The Lane County Board of County Commissioners regularly establishes a list of priority issues related to the Oregon legislature, and actively monitors introduced bills as part of its regular functions.
- The Lane County Legislative Committee has reviewed each of the priority issues outlined in this document and is forwarding this document to the Board as their recommendation.
- Each of these issues will be worked as part of a broader collaboration, for example, through the Association of Oregon Counties, or with other interest groups, trade associations, or individual local governments.

B. Policy Issues

Each of the items recommended within this document are submitted with the underlying policy assumption that passage of such measures will either result in a direct increase in revenue or will reduce expenses or will reduce risk exposure to Lane County Departments and Divisions.

C. Board Goals

Active involvement with legislative issues

D. Financial and/or Resource Considerations

- The undertaking of any legislative change will require human resources which the County already has in place, and will entail potential commitments within the realm of the legislative session for the Board, for instance hearing testimony and travel time.

- The County's membership with the Association of Oregon Counties enables Lane County to enlist additional resources in Salem, subject to approval from the AOC legislative process.

E. Analysis

Item A.) Improving Justice Court Collections:

The State Department of Revenue operates the Other Agency Account Unit which acts as the state's collection unit per ORS 293.250. Justice Courts currently may take advantage of a limited collection program within that unit to recover fine revenue by deducting it from Oregon tax returns (offset program), but are unable to participate in a more aggressive effort (full service program) that involves expanded collect efforts in collaboration with the Oregon Employment Department. The proposed statutory change would allow Justice Courts to gain access to the full service program, and would result in an increase in the percentage of fines collected. Collection of past due fines burdens Justice Courts throughout Oregon. Lane County has an accumulated balance exceeding \$15 million. A single collection could provide a recovery between \$150 and several thousand dollars. This concept is one of the recommendations of the Government Efficiencies Task Force (chaired by Nancy Nathanson, HB 2920, 2009).

Likely Supporters: Association of Oregon Counties, Oregon Justices of the Peace Association

Likely Opponents: Oregon Collectors Association

Item B. Public purpose charge

The Public Purpose Charge (PPC, established by SB1149, 2001) should be expanded to all electric utilities in Oregon. This would result in expanded and more uniform renewable energy services across Lane County. Under existing law, the vast majority of PPC funds are required to be spent within the utility service areas they came from. Since public utilities are not subject to the PPC, Lane County residents are not able to take advantage of the benefits they provide.

Monetary benefits to renewable energy programs in Lane County would include:

- \$6.4 million for grants, rebates, and other programs administered by the Energy Trust of Oregon.
- \$837,000 for energy audits and conservation/renewable upgrades for Lane County schools.
- \$1 million for weatherization programs for low-income residents of Lane County that could help weatherize approximately 390 homes.

Applying the PPC charge to public utilities would effectively raise customer rates by 3%. This concept should include provisions such that accumulated funds would be used to improve Property Assisted Clean Energy (PACE) funding.

Likely Supporters: Oregon Solar Energy Industries Association, Investor owned utilities(?)

Likely Opponents: Oregon Municipal Electric Utilities Association, Oregon People's Utility District Association

Item C. Elimination of the local cigarette tax pre-emption

Current state law forbids cities and counties from implementing their own tobacco taxes. This issue has resulted in draft legislation in each of the past two legislative sessions. For Lane County, a cigarette tax of fifty-cents per pack could increase revenue by \$8.5 million. It is well documented that a reduction in smoking caused by a price increase will save lives, decrease medical expenses and increase productivity. Lane County should work with other Oregon counties (Multnomah in particular) to introduce legislation that would allow counties to tax tobacco products as they see fit.

Likely Supporters: Association of Oregon Counties, League of Oregon Cities, American Cancer Society, Tobacco-Free Coalition of Oregon

Likely Opponents: The opposition to this may be internal, eg, that the Legislature itself may pursue efforts at increasing the state tobacco tax

Item D. Election Costs. State and cities are exempted from reimbursing counties for certain elections.

One of Lane County's priorities in 2009 concerned the costs associated with printing ballots and for elections, generally. Lane County typically has ballots that require extra postage due to overweight ballots. Extra weight comes from overly long ballots, which occur when there are a number of state and local measures crowding onto the general election. This is at least partially due to the fact that cities and districts do not pay their apportioned costs of general elections. ORS 246.179 requires that counties pick up all those costs. At the least, counties should be able to charge cities and districts their fair share of apportioned costs for the general election, as is the practice for other elections. HB 3240 (2009) included this provision, but died in Ways and Means (this issue has an estimated cost of \$5 million to Oregon). It is one of the recommendations of the Governor's Task Force on Federal Forest Payments and County Services.

Likely Supporters: Association of County Clerks (AOC), Special Districts Association

Likely Opponents: League of Oregon Cities,

Item E. Precinct Committee People removed from ballot (in most cases).

Currently, the County Clerks have responsibility for conducting elections for precinct people for both the Democratic and Republican parties for approximately 15,000 positions. As ballots become more and more crowded, the space requirements for these positions is simply not worth it as they are typically uncontested positions. This legislative concept is a priority for the Association of County Clerks, and is a recommendation from the Task Force on Effective and Cost-Efficient Service Provision.

Item F. Urban Renewal Districts. Clarification on assessor notice and calculation of maximum indebtedness.

Procedurally, ORS 457.450(2) requires urban renewal districts to notify the assessor when they have collected enough money to pay off the principal and interest on the urban renewal district's indebtedness. In reviewing this statute, there is no timeframe surrounding how soon the urban renewal district must contact the assessor. Additionally, ORS 457.450(3) requires that urban renewal districts turn over any moneys remaining unexpended after payment of all the principal and interest on the indebtedness. Again, there is no timeframe surrounding that requirement. The statute seems to imply the actions should be commenced sooner rather

than later, but a specific timeframe would eliminate confusion on all sides, and give some certainty to those taxing districts impacted by urban renewal districts.

A second procedural issue concerns the methodology (prescribed in ORS 457.220 (4)) for calculating the maximum indebtedness a URD may adopt through a plan amendment. There is a legislative counsel opinion on this issue as a result of the passage of HB 3056 (2009), but those opinions are non-binding. Without clear guidance, urban renewal districts are still free to adjust how they calculate the maximum indebtedness. It is in everyone's best interest to have one methodology that is clearly understood. Statutory changes to reflect the recommended methodology would eliminate conflict and the need for lawsuits to further clarify the current statutes.

Note that when HB 3056 was being negotiated, a number of parties agreed to not initiate new URD legislation until after January, 1, 2017 and to oppose URD legislation proposed by a third party until that time period, with some exceptions.

Item G. Transfer of development rights. Improved methodologies are needed.

In 2009 the Oregon Legislature passed two bills (SB 763 and HB 2228) that created a pilot program for transferring development rights between properties. A TDR program is a market based incentive program that allows property owners to sell development rights on their own property to other property owners whose development rights are more restrictive. Generally, this process takes place between rural farm or forestland areas (sending properties) and urban or underdeveloped areas (receiving properties). Unfortunately, the enabling legislation neglected to take a number of factors into consideration and the new TDR program in its current form is not viable in the vast majority of cases.

There are five main problems with Oregon's pilot TDR program:

1. The ratio of sending to receiving credits is currently 1:1 in most cases. This is not high enough to produce an incentive for the senders. Almost all other jurisdictions have at least a 2:1 or 3:1 ratio.
2. Limitations on the amount of dwelling units in sending areas (4 per square mile) are too restrictive, making it harder to find eligible properties.
3. The requirement that the majority of property owners in a sending area consent to being part of the program is unworkable for small, scattered properties.
4. The public access requirement for sending areas is unrealistic for smaller properties.
5. Clarification on a county's ability to impose deed restrictions is needed.

The Oregon Department of Land Conservation and Development has submitted a legislative concept to legislative counsel titled "Amendment to Transfer of Development Rights Pilot Program". It may or may not be in line with the County's thinking on this issue.

Item H. A&T fee increase for transfer title on manufactured structures.

Under Oregon Law, structures not attached to land, such as manufactured homes, have an ownership document that is similar to a vehicle title, and which prior to 2005 was in fact issued by the Department of Motor Vehicles. In an effort to streamline the procedures related to issuing this document, the Legislature provided that counties are an agent of the Department of Consumer and Business Services and established a fee of \$55 to issue such a document. DCBS developed IGA's with each of Oregon's 36 counties to share the

revenue, based on a per document split of \$30 to county, \$25 to Oregon. This was intended to cover the costs for the counties. During the 2009 session, the DMV raised the vehicle title fee to \$77. It has been suggested (through a proposal to the Lane Save-it Committee) that the manufactured home title also be raised to \$77, and to statutorily link the fees between vehicle titles and manufactured homes, or to at least index the manufactured home title fee to inflation.

Likely Supporters: Oregon State Association of County Assessors (AOC)

Likely Opponents: Oregon Manufactured Housing Association

Item I. Enabling law libraries to contract services with other providers.

ORS 9.820 allows any county with a population over 400,000 to contract with a law library association or corporation owning and maintaining a law library for the use of the library by the judges, commissioners, DA and members of the bar. Law libraries receive funding allocated through fees associated with fines and court filings, and that funding is regularly scrutinized by the Legislature. With the availability of a comprehensive law library at the University of Oregon, amending the law such that Lane County could also have the option of contracting for this service is something that County Counsel has suggested could be a cost savings.

Item J. Public notice requirements for names (eliminate) and salaries to be posted in a public place.

ORS 294.250 provides that county's must publish certain information related to expenditures. Part of it requires that counties "publish the names and gross monthly salary of all regular officers and employees". "Gross monthly salary" is a term that remains problematic for finance and HR staff and would be far easier to provide information on "monthly base pay". Additionally, this effort will involve removing the the requirement to post the actual name of the employee. Rather, the position name should be sufficient.

Likely Opponents: Oregon Newspaper Publishers Association

Item K. Support for the County Services Planning Council.

The Interim Task Force on Effective and Cost-Efficient Service Provision (GETF) is forwarding a number of recommendations to the 76th Legislature. One of their recommendations will be to continue the work of the County Services Planning Council (CSPC) to encourage and coordinate effective fiscal planning for counties to prepare for and manage through the phase-out of federal forest payments (including keeping the recommendations from the Governor's Task Force on Federal Forest Payment and County Services, January, 2009 refreshed). The County Service Planning Council Subcommittee made an additional recommendation having to do with refining the procedures under SB 77 (2009) to declare a public safety services emergency in a fiscally distressed county.

F. Alternatives/Options

- 1.) Direct the County Administrator to develop draft legislative language per the recommendations of staff and through the collaborations outlined within this document.
- 2.) Direct the County Administrator to develop draft legislative language for select items within this document, with the addition (or not) of other priorities not proposed by the Intergovernmental Relations Manager/Legislative Committee.
- 2.) Do nothing

IV. RECOMMENDATION

Staff recommends option 1.

V. TIMING/IMPLEMENTATION

The Legislative Session begins in January 2011, with interim hearings preparing for the Legislative session being held in September. Staff will begin to seek a sponsor for potential legislation immediately.

VI. FOLLOW-UP

Staff will continue to update the Legislative Committee regarding the developments for each of the priorities, and will meet with the Board of County Commissioners regularly during the legislative session.