



MULTNOMAH COUNTY OREGON

BOARD CLERK

OFFICE OF BEVERLY STEIN, COUNTY CHAIR
1120 SW FIFTH AVENUE, SUITE 1515
PORTLAND, OREGON 97204
TELEPHONE • (503) 248-3277
FAX • (503) 248-3013

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN •	CHAIR	•248-3308
DAN SALTZMAN •	DISTRICT 1	• 248-5220
GARY HANSEN •	DISTRICT 2	•248-5219
TANYA COLLIER •	DISTRICT 3	•248-5217
SHARRON KELLEY •	DISTRICT 4	•248-5213

MULTNOMAH COUNTY COMMISSIONERS AGENDA FOR THE WEEK OF JUNE 2, 1997 - JUNE 6, 1997

Tuesday, June 3, 1997 - 9:30 AM - DLS Budget Work Session..... Page 2

Tuesday, June 3, 1997 - 1:30 PM - DA Budget Work Session..... Page 2

Tuesday, June 3, 1997 - 2:30 PM - NOND Budget Work Session Page 2

Tuesday, June 3, 1997 - 3:30 PM - SB 1145 Budget Work Session Page 2

Wednesday, June 4, 1997 - 6:30 PM - Public Budget Hearing Page 3

Thursday, June 5, 1997 - 9:30 AM - TSCC Public Budget Hearing Page 3

Thursday, June 5, 1997 - 10:30 AM - Regular Meeting Page 3

Thursday, June 5, 1997 - 11:00 AM - Board Briefing Page 5

Tuesday, Wednesday and Thursday meetings this week will be cable-cast live and/or taped and can be seen by cable subscribers in Multnomah County on Channel 30 at the following times:

Tuesday, 9:30 AM live; playback Tuesday, 11:00 PM & Sunday, 10:30 AM, CityNet 30

Tuesday, 1:30 PM live; playback Wednesday, 1:30 AM & Sunday, 8:30 PM, CityNet 30

Wednesday, playback Tuesday 2:00 PM, Friday 9:00 AM & Monday, 11:00 PM Channel 30

Thursday, 9:30 AM live; playback Friday, 10:00 PM & Sunday, 1:00 PM, Channel 30

****Tuesday meetings produced through Portland Cable Access**

****Wednesday and Thursday meetings produced through Multnomah Community Television**

Tuesday, June 3, 1997 - 9:30 AM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

DLS BUDGET WORK SESSION

WS-1 Department of Library Services 1997-98 Budget Overview and Highlights. DLS Citizen Budget Advisory Committee Presentation. Measure 47 and Other Issues. Board Questions and Answers. 2 HOURS REQUESTED.

Tuesday, June 3, 1997 - 1:30 PM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

DA BUDGET WORK SESSION

WS-2 District Attorney 1997-98 Budget Overview and Highlights. DA Citizen Budget Advisory Committee Presentation. Measure 47 and Other Issues. Board Questions and Answers. 1 HOUR REQUESTED.

Tuesday, June 3, 1997 - 2:30 PM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

NOND BUDGET WORK SESSION

WS-3 Non-Departmental 1997-98 Budget Overview and Highlights. NOND Citizen Budget Advisory Committee Presentation. Measure 47 and Other Issues. Board Questions and Answers. 1 HOUR REQUESTED.

Tuesday, June 3, 1997 - 3:30 PM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

SB 1145 BUDGET WORK SESSION

WS-4 SB 1145 1997-98 Budget Overview and Highlights. Board Questions and Answers. Presented by Dan Noelle, Elyse Clawson, Bill Wood, Bob Grindstaff and Invited Staff. 1.5 HOURS REQUESTED.

Wednesday, June 4, 1997 - 6:30 PM
Gresham Branch Library, Large Meeting Room
384 NW Miller, Gresham

PUBLIC BUDGET HEARING

PH-1 1997-98 Multnomah County Budget Overview. Opportunity for Public Testimony on the 1997-98 Multnomah County Budget. Testimony Limited to Three Minutes Per Person.

Thursday, June 5, 1997 - 9:30 AM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

TSCC PUBLIC BUDGET HEARING

PH-2 The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Approved 1997-98 Multnomah County Budget and the 1996-97 Multnomah County Supplemental Budget. 1 HOUR REQUESTED.

Thursday, June 5, 1997 - 10:30 AM
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

REGULAR MEETING

CONSENT CALENDAR

NON-DEPARTMENTAL

- C-1 Appointment of Raymond S. Holmgren and Re-appointment of Janet Van de Riet to the ANIMAL CONTROL ADVISORY COMMITTEE
- C-2 Appointments of Michael Amen, Karen Burger-Kimber, Kevin Cronin, Susan Gonzales, Chuck Hawkins, Gil Johnson, Al Kimbley, Gary Kish, Nevenka Pearson and David Schmidt to the BICYCLE AND PEDESTRIAN CITIZEN ADVISORY COMMITTEE
- C-3 Appointment of Leland Block to the DUII COMMUNITY ADVISORY BOARD

DEPARTMENT OF SUPPORT SERVICES

- C-4 Appointments of Myrna Blanchard, Chris Cameron, Jon Chess, Bobbi Damiani, Mike Delman, Karen Mayfield, Diane Morris, Helen O'Brien, Vera Pool, Karen Rhein, Jim Stegmiller and Theresa Sullivan as Voting Members to the CAMPAIGN MANAGEMENT COUNCIL

DEPARTMENT OF AGING SERVICES

- C-5 Intergovernmental Revenue Agreement 400177 with Family Caring Network, Inc., Providing Case Management and Assessment Services for Insurance Clients

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- C-6 Intergovernmental Agreement 100058 with Oregon Health Sciences University, Providing Alcohol and Drug DUI Information and DUI Rehabilitation Programs and Gambling Addiction Treatment

DEPARTMENT OF ENVIRONMENTAL SERVICES

- C-7 ORDER Authorizing Execution of Deed D971485 for Repurchase of Tax Foreclosed Property to Bonnie Shulson
- C-8 ORDER Authorizing Execution of Correction to Deed D971488 for Completion of a Contract to Richard B. Hagerty
- C-9 ORDER Designating the Daily Journal of Commerce as the Newspaper for Publication of Notice of Foreclosure of Tax Liens as Shown on the Multnomah County 1997 Foreclosure List
- C-10 Amendment 2 to Intergovernmental Agreement 300826 with the State of Oregon, Administrative Services, Providing County Access to State Motor Pool Services

DEPARTMENT OF HEALTH

- C-11 Intergovernmental Revenue Agreement 200058 with the City of Portland, Providing Rodent and Mosquito Control Services

DEPARTMENT OF LIBRARY SERVICES

- C-12 Budget Modification DLS 1 Authorizing Reclassification of Library Clerk 2 to Senior Office Assistant within the Central Library Division

REGULAR AGENDA

PUBLIC COMMENT

- R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

DEPARTMENT OF SUPPORT SERVICES

- R-2 Second Reading and Adoption of an ORDINANCE Relating to the Pay Ranges and COLA Increases for Exempt Employees and to Make Special Adjustments
- R-3 Ratification of Amendment to the 1992-95 Multnomah County Employees Union Local 88, AFSCME, AFL-CIO Collective Bargaining Agreement, as Amended and Extended through June 30, 1998, Concerning Layoff in the School Based Health Program
- R-4 Ratification of Amendment to the 1994-98 Oregon Nurses Association Collective Bargaining Agreement, Concerning General Layoff Language
- R-5 Ratification of Amendment to the 1994-98 Oregon Nurses Association Collective Bargaining Agreement, Concerning Layoff in the School Based Health Program

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- R-6 RESOLUTION Adopting Proposed Request for Proposal Materials for One-time Only Housing Funds Generated by the Strategic Investment Program

Thursday, June 5, 1997 - 11:00 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)
Portland Building, Second Floor Auditorium
1120 SW Fifth Avenue, Portland

BOARD BRIEFING

- B-1 A Report from the Frontlines on Diversity RESULTS and Training. Presented by Departmental Coordinators Shery Stump, Melinda Petersen, Carla Gonzales, Sue Longaker and Trink Morimitsu. 1 HOUR REQUESTED.

MEETING DATE: JUN 05 1997

AGENDA #: PH-2

ESTIMATED START TIME: 9:30am

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Tax Supervising and Conservation Commission Hearing

BOARD BRIEFING:

DATE REQUESTED: _____

REQUESTED BY: _____

AMOUNT OF TIME NEEDED: _____

REGULAR MEETING:

DATE REQUESTED: June 5, 1997

AMOUNT OF TIME NEEDED: 1 hour: 9:30 Time Certain

DEPARTMENT: Support Services

DIVISION: Budget and Quality

CONTACT: Dave Warren

TELEPHONE #: 248-3822

BLDG/ROOM #: _____

PERSON(S) MAKING PRESENTATION: Dave Warren, Commissioners

ACTION REQUESTED:

☐ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL ☒ OTHER

SUGGESTED AGENDA TITLE:

The Tax Supervising and Conservation Commission Will Meet to Conduct a Public Hearing on the Approved 1997-98 Multnomah County Budget.

SIGNATURES REQUIRED:

ELECTED

OFFICIAL: _____

(OR)

DEPARTMENT

MANAGER: _____

Dickie L. Galt

BOARD OF
COUNTY COMMISSIONERS
97 MAY 29 PM 12:24
MULTNOMAH COUNTY
OREGON

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN
DAN SALTZMAN
GARY HANSEN
TANYA COLLIER
SHARRON KELLEY

BUDGET AND QUALITY
PORTLAND BUILDING
1120 S.W. FIFTH - ROOM 1400
P. O. BOX 14700
PORTLAND, OR 97214
PHONE (503)248-3883

TO: Board of County Commissioners

FROM: Dave Warren

TODAY'S DATE: May 28, 1997

REQUESTED PLACEMENT DATE: June 5, 1997

SUBJECT: Tax Supervising Hearing on the 1997-98 Budget and the Boring 1996-97 Supplemental Budget

I. Recommendation / Action Requested:

Attend the hearing. Answer policy questions.

II. Background / Analysis:

Tax Supervising is required by law to hold a hearing on the Multnomah County budget. This hearing gives the Tax Supervising Commission an opportunity to satisfy themselves as to the legality of the budget and to explore policy questions with the County Board. After the hearing, TSCC can certify the budget and the tax levies and the County can adopt the budget.

The same is true of the Supplemental Budget.

I anticipate more discussion of the 1997-98 Budget than of the Supplemental Budget. Usually, Courtney Wilton provides us with the overview and questions he prepares for the Tax Supervising Commission. When they become available I will forward them to the Board.

III. Financial Impact:

None

IV. Legal Issues:

The hearing is required and a quorum of the Board should attend

V. Controversial Issues:

None that I know of

VI. Link to Current County Policies:

N/A

VII. Citizen Participation:

The Tax Supervising Commission is a formal institution intended to guarantee budget review by a citizen body.

VIII. Other Government Participation:

N/A



Beverly Stein, Multnomah County Chair

Room 1515, Portland Building
1120 S.W. Fifth Avenue
Portland, Oregon 97204

Phone: (503) 248-3308
FAX: (503) 248-3093
E-Mail: mult.chair@co.multnomah.or.us

MEMORANDUM

TO : Courtney Wilton, Executive Officer
Tax Supervising and Conservation Commission
FROM : Beverly Stein
DATE : June 4, 1997
RE : Revised Property Tax Computation for 1997-98

Attached is a Property Tax Computation Worksheet for Multnomah County which alters the delinquencies and discounts for all proposed levies and, more importantly, increases the levies for the Library and Public Safety.

Please use the numbers on the revised Worksheet in preparing your certification of our 1997-98 budget. These estimates are based on estimated real market value growth of 11% and the voter authorized rates for the two levies. As you have pointed out, Measure 50 sets a permanent tax rate for Multnomah County based on what we levy and collect in 1997-98. We agree that it is important to assure that this amount is what the voters authorized in May 1996.

When the Board adopts the 1997-98 budget, we may decide to levy less than the amounts on the Worksheet. Between now and then we will make sure that levying the Worksheet amounts does not cause an administrative headache for Assessment and Taxation and does not damage other local governments. However, my understanding is that your letter of certification sets the ceiling of how much we can levy and that is why I request that you use these revised amounts.

Thank you for all your help in understanding Measure 50 and in working with Dave Warren and Mark Campbell to make the best decisions possible in this crazy environment.



PROPERTY TAX COMPUTATION

GENERAL FUND (Fund 100)

Tax Base - Fiscal Year ending June 30, 1997	108,400,187
Plus constitutionally Allowed 6% increase	6,504,011
TOTAL GENERAL FUND PROPERTY TAX	114,904,198
Tax Base - Fiscal Year ending June 30, 1998	114,904,198
Less amount exceeding shared 1% Constitutional Limitation	0
Less amount exceeding M47/50 Limitation	(17,405,698)
Less delinquencies and discounts on amount billed	(5,849,910)
TOTAL AVAILABLE FOR APPROPRIATION	91,648,590

LIBRARY LEVY (Fund 162)

3-year Serial Levy - Fiscal Year ending June 30, 1999	17,221,808
Less amount exceeding shared 1% Constitutional Limitation	0
Less amount exceeding M47/50 Limitation	(2,608,561)
Less delinquencies and discounts on amount billed	(876,795)
TOTAL AVAILABLE FOR APPROPRIATION	13,736,452

PUBLIC SAFETY LEVY (Fund 169)

3-year Serial Levy - Fiscal Year ending June 30, 1999	33,282,403
Less amount exceeding shared 1% Constitutional Limitation	0
Less amount exceeding M47/50 Limitation	(5,041,235)
Less delinquencies and discounts on amount billed	(1,694,470)
TOTAL AVAILABLE FOR APPROPRIATION	26,546,699

LIBRARY BOND SINKING FUND (Fund 226)

General Obligation bond - Fiscal Year ending June 30, 1998	2,278,374
Less delinquencies and discounts on amount billed	(136,702)
TOTAL AVAILABLE FOR APPROPRIATION	2,141,672

LIBRARY BOND SINKING FUND (Fund 227)

General Obligation bond - Fiscal Year ending June 30, 1998	7,058,603
Less delinquencies and discounts on amount billed	(423,516)
TOTAL AVAILABLE FOR APPROPRIATION	6,635,087

PROPERTY TAX COMPUTATION

PUBLIC SAFETY BOND SINKING FUND (Fund 228)

General Obligation bond - Fiscal Year ending June 30, 1998	8,280,740
Less delinquencies and discounts on amount billed	(496,844)
TOTAL AVAILABLE FOR APPROPRIATION	7,783,896

TAX LEVY ANALYSIS

	<u>ACTUAL</u> <u>1994-95</u>	<u>ACTUAL</u> <u>1995-96</u>	<u>BUDGET</u> <u>1996-97</u>	<u>BUDGET</u> <u>1997-98</u>
Levy within 6% limitation	96,475,783	102,264,330	108,400,187	114,904,198
Public Safety Levy outside 6% limitation *	15,454,460	16,536,272	26,538,000	33,282,403
Library Levy outside 6% limitation	11,789,579	12,614,849	15,250,541	17,221,808
Library Bond outside 6% limitation	1,796,000	3,334,766	2,388,557	2,278,374
Library Bond outside 6% limitation			2,649,050	7,058,603
Public Safety Bond outside 6% limitation			7,373,545	8,280,740
Total Proposed Levy	125,515,822	134,750,217	162,599,880	183,026,127
Loss due to 1% limitation	(4,479,950)	0	0	0
Loss due to M47/50 limitation	0	0	0	(25,055,493)
Total Proposed Levy less Loss	121,035,872	134,750,217	162,599,880	157,970,634

NOTES

Levy amount exceeding shared 1% Constitutional Limitation	0
Levy amount exceeding M47/50 Limitation	(25,055,493)
Loss in appropriation due to property tax limitation and discounts and delinquencies	(9,478,238)
 Average property tax discount	 3.00%
Property tax delinquency rate	3.00%
Average valuation change	11.00%

TAX SUPERVISING & CONSERVATION COMMISSION
MULTNOMAH COUNTY, OREGON

724 Mead Building 421 S.W. Fifth Avenue
Portland, Oregon 97204-2189 Voice (503) 248-3054
FAX (503) 248-3053 E Mail TSCC@aol.com

June 5, 1997

Board of County Commissioners
Multnomah County
1510 Portland Building
Portland, Oregon 97204

BOARD OF
COUNTY COMMISSIONERS
MULTNOMAH COUNTY
OREGON
97 JUN -6 PM 1:56

Dear Board Members:

The Tax Supervising and Conservation Commission met on June 5, 1997, to review, discuss and conduct a public hearing on the Multnomah County 1996-97 Supplemental Budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support the efficient and economical administration of the district.

The 1996-97 supplemental budget, filed May 21, 1997, is hereby certified by majority vote of members of the Commission with no objections or recommendations. Aside from the exceptions noted, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with the law.

Supplemental budget estimate amounts certified are as follows:

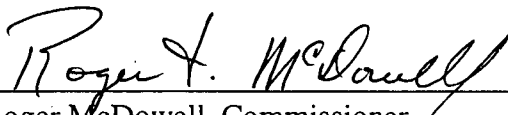
Fund	Adopted 1996-97	Supplemental Request	Revised 96-97 Budget
1993 Library Bond Fund	45,350,000	(30,800,000)	14,550,000
1996 Library Bond Fund	0	30,800,000	30,800,000
Capital Improvement Fund	7,801,467	0	7,801,467
Capital Acquisition Fund	58,900	277,000	335,900
Recreation Fund	366,300	137,500	503,800
Convention Center Fund	5,428,000	1,010,000	6,438,000
Natural Areas Acquisition Fund	1,378,900	277,000	1,655,900
Library Serial Levy Fund	24,273,243	0	24,273,243
Capital Lease Project Fund	13,906,810	0	13,906,810
Library Enterprise Fund	0	71,500	71,500
Total	98,563,620	1,773,000	100,336,620

Commissioners
Richard Anderson, Anthony Jankans, Roger McDowell,
Charles Rosenthal, Ann Sherman


Please file a copy of the adopted budget and supporting documentation within 15 days of adoption.

Yours very truly,


TAX SUPERVISING & CONSERVATION COMMISSION



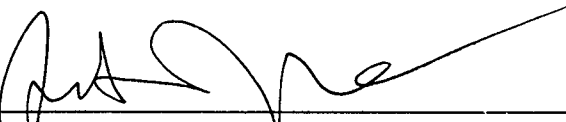
Roger McDowell, Commissioner



Richard Anderson, Commissioner



Charles Rosenthal, Commissioner



Anthony Jankans, Commissioner

CW:sp

**TAX SUPERVISING & CONSERVATION COMMISSION
MULTNOMAH COUNTY, OREGON**

June 5, 1997

724 Mead Building 421 S.W. Fifth Avenue
Portland, Oregon 97204-2189 Voice (503) 248-3054
FAX (503) 248-3053 E Mail TSCC@aol.com

Board of County Commissioners
Multnomah County
1510 Portland Building
Portland, Oregon 97204

BOARD OF
COUNTY COMMISSIONERS
97 JUN - 6 PM 1:56
MULTNOMAH COUNTY
OREGON

Dear Board Members:

The Tax Supervising and Conservation Commission met on June 5, 1997, to review, discuss and conduct a public hearing on the Multnomah County 1997-98 Annual Budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support the efficient and economical administration of the district.

The 1997-98 budget, filed May 12, 1997, is hereby certified by majority vote of members of the Commission with the following objection and recommendations. Aside from the exceptions noted, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with the law.

Objection:

1. Bond Sinking Fund Adjustments

Our estimates of the funds' beginning balance and prior year tax totals differ somewhat from amounts budgeted. Staff has requested that these differences be adjusted via our certification. Attached to this letter is a detail of the necessary adjustments.

2. Adjustments to Public Safety and Library Serial Levies

We have certified higher amounts than were originally budgeted for the above referenced levies - based upon your written request. The adjustments are due to possible changes in the mechanics of the Measure 50 loss allocation process. They may or may not result in higher property tax revenue collections.

Recommendations:

1. Serial Levy Restrictions

Attached is a copy of correspondence received from the Commission's legal counsel. At issue is whether property tax revenue received in 97/98 from the county's library and jail serial levies remain restricted. In other words, does Measure 50's passage allow the county to receipt all its permanent rate authority in its General fund -without specific restriction? We include the advice for your information. We realize county counsel will need to analyze this issue independently.

Commissioners
Richard Anderson, Anthony Jankans, Roger McDowell,
Charles Rosenthal, Ann Sherman

2. *Use of Dedicated Revenues*

-The use of certain dedicated revenues should be well documented. Areas of special note include the use of Road funds for inmate work crews, and the use of General Obligation Bond funds for certain staff. We are not questioning the propriety of these expenditures, but rather simply recommending you thoroughly document their use.

3. *Rate Based Levy Uncertainties / Necessity of Extension and Tax Coordination*

-The following levy totals are budgeted (as adjusted) though contingent upon future occurrences:

<u>Levy Type</u>	<u>Amount</u>	<u>Contingency</u>
A. Public Safety Serial Levy	\$33,282,403	AV growth of 11%
B. Library Serial Levy	\$17,221,808	AV growth of 11%

The County should request an extension of time to file its LB-50 and M-5 forms. The extensions give you the ability to reduce budgeted property tax totals if circumstances change between time of adoption and September 15th, the approximate extended due date. For example, Library and Public Safety serial levy dollar totals will likely be reduced if assessed values do not grow by approximately 11%. Also, the City of Portland is currently analyzing options available to reduce its urban renewal impositions this coming September -if, in fact, such reductions are necessary to protect essential service levies. Reduction of certain levies may be necessary to ensure that county and other general government tax bases are not compressed (under Measure 5) prior to the Measure 50 loss allocation process. We support your coordination efforts with the City of Portland, and volunteer our assistance to facilitate necessary year end adjustments once assessed valuations become known.

4. *Property Tax Revenue Estimates:*

Budgeted tax base revenue appears overstated by approximately \$10m. We realize that you have not allocated this amount, but rather have placed it in contingency. Serial Levy Fund revenue may be understated - by roughly \$3m. As you're aware, state estimates of property tax collections seem to change daily depending upon the Legislature's Measure 50 implementation approach. We recommend you simply continue to closely monitor these revenues and make budget adjustments as necessary. Since serial levy collections are likely unrestricted, what's important is the accuracy of overall levy collections vs. the individual components.

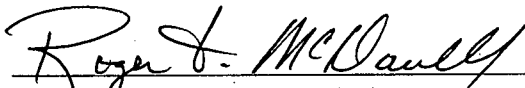
Budget estimates and levy amounts certified are identified on the attached schedule. Please file a copy of the adopted budget and supporting documentation within 15 days of adoption. This filing should include a copy of the budget and the adopting resolution. Responses to Commission objections and recommendations should be included in either the adopting resolution, or within an accompanying letter.

The quality of the County's budget document remains excellent. It's absolutely packed with relevant information including discussion of significant issues, trends, service descriptions, graphics etc.


Please give us a call if we can assist.

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION



Roger McDowell, Commissioner



Richard Anderson, Commissioner



Charles Rosenthal, Commissioner



Anthony Jankans, Commissioner

CW:sp

Multnomah County 1997-98 Budget Certification
Schedule of Funds and Budget Estimates

Budget Estimates:	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
General Fund		\$211,613,453
Unappropriated Balance	(\$8,140,000)	
Strategic Investment Program Fund		2,064,248
Road Fund		44,771,550
Emergency Communications Fund		129,917
Federal State Fund		208,577,551
County School Fund		1,601,000
Tax Title Fund		970,750
Animal Control Fund		1,428,519
Library Serial Levy Fund		22,317,288
Transient Lodging Tax Fund		6,700,000
Inmate Welfare Fund		1,068,151
Jail Levy Fund		33,712,274
Assessment & Taxation Fund		10,690,710
Justice Services Special Operating Fund		3,204,240
Land Corner Preserve Fund		1,169,457
Willamette River Bridge Fund		6,572,698
Bicycle Path Construction Fund		320,655
Equipment Lease Purchase Fund		4,137,527
Lease Purchase Project Fund		9,120,000
Edgefield Children's Center Construction Fund		2,148,000
SB 1145 Funds		42,081,475
Library Construction Fund (237)		30,260,000
Library Construction Fund (236)		2,060,000
Capital Improvement Fund		6,589,925
Capital Acquisition Fund		350,000
Children's Capitation Project Fund		13,178,342
Insurance Fund		33,381,982
Fleet Fund		6,809,761
Telephone Fund		4,211,940
Facilities Management Fund		24,716,867
Data Processing Fund		15,544,946
Unappropriated Balance	(480,000)	
Distribution Fund		1,266,097
Capital Lease Retirement Fund		12,991,360
Unappropriated Balance	(6,517,079)	

Multnomah County 1996-97 Budget Certification
Schedule of Funds and Budget Estimates - Continued:

	Unappropriated <u>Balances</u>	Fund Totals <u>Certified</u>
Library Bond Sinking Fund (96 Bonds)		10,932,087
Unappropriated Balance	(4,014,146)	
Library Bond Sinking Fund (93 Bonds)		4,243,357
Unappropriated Balance	(1,778,489)	
Justice Bond Project Fund		66,658,525
Public Safety Bond Sinking Fund		13,213,896
Unappropriated Balance	(5,633,765)	
Revenue Bond Sinking Fund		587,000
Unappropriated Balance	(295,000)	
Recreation Fund		366,300
Trust & Agency Funds		2,121,500
Total Budget Estimates		<u>\$863,883,348</u>
Total Unappropriated Balance	<u>(\$26,858,479)</u>	
Tax Levy:		
General Fund - Tax Base		\$114,904,198
Debt Service Levies - Not Subject to Limit:		
Public Safety Bond Sinking Fund		8,280,740
Library Bond Sinking Fund (93 Bonds)		2,278,374
Library Bond Sinking Fund (96 Bonds)		7,058,603
Jail Levy - Outside Tax Base - Serial Ending 1998-99		33,282,403 *
Library Levy - Outside Tax base - Serial Ending 1998-99		17,221,808 *
Total Tax Levy		<u>\$183,026,126</u>

* Maximum dollar amounts that may be levied. Actual amounts are contingent upon the 1997-98 assessed value growth. Also, note that we've been advised that the passage of Measure 50 may provide local governments the option of "unrestricting" the use of any serial levy merged into the permanent fixed rate.

FUND 226 - LIBRARY BOND SINKING FUND

94-95 ACTUAL	95-96 ACTUAL	96-97 ADOPTED	96-97 REVISED	REVENUE DETAIL		97-98 PROPOSED	97-98 APPROVED	97-98 ADOPTED
NON-DEPARTMENTAL								
1,935,483	1,297,933	1,746,593	1,746,593	0500	Beginning Working Capital	1,926,685	OK 1,926,685	0
1,624,535	3,173,919	2,257,186	2,257,186	1000	Current Year'S Levy	2,016,672	2,016,672	2,141,672 0
36,108	35,108	171,500	171,500	1010	Prior Years' Levy	210,000	210,000	85,000 0
878	1,767	0	0	1021	Current Year Interest	0	0	0
3,718	4,045	0	0	1031	Prior Year Interest	0	0	0
1,609	3,131	0	0	1050	Sales Of Foreclosed Properties	0	0	0
70,491	80,934	0	0	5000	Interest On Investments	90,000	90,000	0
16,657	0	75,000	75,000	5001	Interest On Escrow Accounts	0	0	0
3,109	6,078	0	0	5020	Tax Collection Interest	0	0	0
249,853	0	0	0	7601	General Fund Cash Transfer	0	0	0
3,942,441	4,602,914	4,250,279	4,250,279			4,243,357	4,243,357	4,243,357 0

FUND 227 - LIBRARY BOND SINKING FUND

95-95 ACTUAL	95-96 ACTUAL	96-97 ADOPTED	96-97 REVISED	REVENUE DETAIL	97-98 PROPOSED	97-98 APPROVED	97-98 ADOPTED
NON-DEPARTMENTAL							
0	0	0	0	0500 Beginning Working Capital	1,698,072	1,698,072	1,830,000 0
0	0	2,503,352	2,503,352	1000 Current Year'S Levy	6,702,015	6,702,015	6,635,087 0
0	0	0	0	1010 Prior Years' Levy	125,000	125,000	60,000 0
0	0	0	0	5000 Interest On Investments	90,000	90,000	0
0	0	40,000	40,000	5001 Interest On Escrow Accounts	0	0	0
0	0	0	0	7601 General Fund Cash Transfer	2,317,000	2,317,000 ✓	0
0	0	2,543,352	2,543,352		10,932,087	10,932,087	0

Tax Levy 2,649,050.
 less 6% D+D 158,943

2,490,107
 plus interest +70,000
 less interest pmt -72,126
 1,838,000 beg. fund bal.

2,600
 24,300
 16,900

FUND 228 - PUBLIC SAFETY BOND SINKING FUND

95-95 ACTUAL	95-96 ACTUAL	96-97 ADOPTED	96-97 REVISED	REVENUE DETAIL	97-98 PROPOSED	97-98 APPROVED	97-98 ADOPTED
NON-DEPARTMENTAL							
0	0	0	0	0500 Beginning Working Capital	5,666,041	5,666,041	5,100,000 0
0	0	6,968,000	6,968,000	1000 Current Year's Levy	7,017,855	7,017,855	7,183,896 0
0	0	0	0	1010 Prior Years' Levy	350,000	350,000	150,000 0
0	0	0	0	5000 Interest On Investments	180,000	180,000	0 0
0	0	70,000	70,000	5001 Interest On Escrow Accounts	0	0	0 0
0	0	7,038,000	7,038,000		13,213,896	13,213,896	0

Tax Levy 7,375,545

less b7s -442,532

6,933,013

Interest + 226,000

less interest pmt 2,053,765

5,105,248 beg fund bal

5,100,000
6,100,000
1,000,000

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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

June 6, 1997

Via Facsimile Transmission and Regular Mail

Courtney Wilton
Administrative Officer
Tax Supervising and Conservation Commission
Multnomah County, Oregon
421 S.W. Fifth Avenue
Portland, OR 97204-2189

Re: Measure 50; segregation of taxes
DOJ File No. 181-001-GT0207-97

Dear Courtney:

This is in response to your request for advice concerning accounting and budgetary treatment of ad valorem property taxes. It is your understanding that, prior to Measure 50, tax receipts from certain ad valorem serial tax levies outside a tax unit's tax base were legally dedicated to specific purposes which required the tax unit to segregate the tax receipts from these separate tax sources for accounting and budgetary purposes. You ask whether the legal dedication of these taxes that has required the separate accounting and budgeting treatment still applies, given the adoption of this new permanent tax rate limitation and the repeal of other ad valorem property tax limitations by Measure 50.

Discussion

We begin with an overview of the relevant changes in the law. Measure 50, which was approved by the voters at the May 20, 1997, special election, repealed the existing Article XI, section 11 (and other provisions), and adopted a new section 11 (and other provisions), of Article XI of the Oregon Constitution. Both the old and new sections 11 limit government authority to impose ad valorem property taxes.

1. "Old" Section 11

The old section 11 generally limited the power of taxing units to impose ad valorem property taxes to a voter-approved permanent tax base, expressed as specific amount of taxes, that was permitted to grow annually by six percent of the total taxes lawfully levied, excluding specified exceptions. One exception from this general limitation was that portion of a tax levied that was specifically voted outside the limitation by a majority of legal voters

Courtney Wilton
Page 2
June 6, 1997

of the taxing unit voting on the question. Repealed Art XI, § 11(3)(b). However, old section 11 did not impose on the receipts from such voter-approved taxes the condition that they be used for particular purposes, let alone purposes specifically authorized by the voters.

2. Statutes Dedicating Serial Levy Tax Revenues

Instead, the legal dedication of revenues from ad valorem property taxes outside the limitations of old section 11 is found in statute. The power to tax is not inherent in municipal corporations; it is a delegated authority conferred by the state. *Eugene Theatre v. City of Eugene*, 194 Or 603, 617, 243 P2d 1060 (1952). A variety of statutes, home rule charters and ordinances authorize such taxes. ORS 280.050 generally authorizes "subdivisions"^{1/} to levy taxes

for the purpose of financing the cost of any service, project, property or equipment which a subdivision has lawful power to perform, construct or acquire, and of repairs and improvements thereto and of maintenance and replacement thereof.

However, ORS 280.060 more specifically authorizes local governments to seek voter approval of ad valorem property taxes outside the limitations imposed by the old section 11.^{2/} Thus, ORS 280.040, not ORS 280.050, is the specific authorization for taxes outside the limitations of the old section 11.

The legal dedication and separate accounting treatment of these funds is imposed by ORS 280.110. See 31 Op Atty Gen 127, 128 (1963); 29 Op Atty Gen 16 (1958). ORS 280.110 reads:

All funds received by any subdivision pursuant to the authority of ORS 280.040 to 280.140 shall be:

(1) Kept by the treasurer or other financial officer thereof in a fund or funds separate and distinct from other funds of the subdivision.

(2) Retained or expended only for the purpose for which the funds were created.

The provisions of ORS 280.110 apply to all funds received by a subdivision pursuant to the authority of ORS 280.040 to 280.140. Thus, after Measure 50, whether ad valorem tax revenues must be segregated as separate funds and spent only for the purpose for which the funds were originally created depends upon (1) whether ORS 280.110 is still law, and (2)

Courtney Wilton
Page 3
June 6, 1997

the funds received by the taxing district under the authority of ORS 280.040 to 280.140.^{3/}
We consider these two points below.

3. "New" Section 11

The "new" section 11 of Article XI, of the Oregon Constitution, dispenses with tax bases and the growth of those tax bases. Instead, for the tax year beginning July 1, 1997, it reduces the assessed value of each property to a "maximum assessed value" that may not exceed the property's real market value for the 1995-96 tax year, reduced by 10 percent. It then permits this maximum assessed value to increase up to three percent per year. New Art XI, § 11(1)(a), (b). In addition, the legislature is required to enact laws that will assure a 17 percent reduction from the total of all ad valorem property taxes that would have been imposed under the repealed section 11. See new Art XI, § 11(3)(a)(A).

For the tax year beginning July 1, 1997, the ad valorem property taxes that were reduced under paragraph (a) of this subsection [section 11(3)(a)] shall be imposed on the assessed value of the property in each local taxing district as provided by law, and rate of the ad valorem property taxes imposed [to generate those taxes] under this paragraph shall be the local taxing district's permanent limit on the rate of ad valorem property taxes imposed by the district for tax years beginning after July 1, 1997, except as provided in subsection (5) of this section.

New Art IX, §11(3)(b) (emphasis added).

4. Authority Independent of ORS 280.110 to Levy Taxes

The words "shall be imposed" in the new section 11(3)(b) appear to be at least an independent authorization to levy ad valorem property taxes. To the extent that these taxes are levied under this provision of law, they do not depend upon the authority of ORS 280.040 to 280.140 and, to that extent, they are not subject to the segregation and spending limitations of ORS 280.110.

Moreover, as noted in *City of Woodburn v. State Tax Commission*, 243 Or 633, 413 P2d 606 (1966), although the manner of in which a tax levy is to be submitted to the electorate is a matter of statewide concern, over which the legislature has plenary authority, "[t]he purpose for which a city levy is to be spent or its amount, is * * * a matter of predominantly local concern." 243 Or at 638. Thus, although the word "may" in ORS 280.060 suggests that the statute is authorizing taxes, in fact the statute only is prescribing how taxes outside the limitations of old section 11 are to be computed and imposed. As we recognized in 33 Op Atty Gen 269, 270 (1967), home rule governments

Courtney Wilton

Page 4

June 6, 1997

may confer authority to tax through their charters, such as an amount per year. "This is a different type of authorization from that [serial levy] contemplated in ORS 280.060." *Id.* To the extent that such home rule authority exists, the local government's authority to impose the tax is not necessarily "pursuant to the authority of ORS 280.040 to 280.140." ORS 280.110.

5. Implied Repeal of ORS 280.060

Unquestionably, ORS 280.060 served to implement the provisions of the now repealed Article XI, section 11(3)(b) of the Oregon Constitution. Given this, did the repeal of section 11 also repeal legislation, such as ORS 280.060, which served to implement the constitutional limitation? A similar issue was considered in 34 Op Atty Gen 62 (1968). There we considered two questions related to a proposed constitutional amendment which would have repealed Article XI, section 11, in its entirety, and imposed an alternative limitation on ad valorem property taxes equal to one and one-half percent of true cash value. However, it also provided that this new limitation would not apply to any tax levy approved by a majority of voters if that majority constituted not less than 20 percent of the registered voters entitled to vote at that election. The first question was whether the voter-approval exception applied to the entire levy or only that part of it which, when added to the other taxes applicable to properties in the same tax code area, would exceed the one and one-half percent limitation. In the course of addressing this question, at pages 65-66 we noted that ORS 280.060 gave certain taxing districts the right to levy taxes serially outside the six percent limitation of the then existing (but now repealed) Article XI, section 11, for certain purposes. However, citing *Ladd & Tilton Bank v. Frawley*, 98 Or 241, 193 P 916 (1920), we concluded:

Such statutory authority, specifically tied to the existing constitutional limitation, would be impliedly repealed by the repeal of Article XI, § 11.

34 Op Atty Gen at 66.

Ladd & Tilton Bank was a mandamus proceeding in which the petitioners challenged the authority of a county to pay interest on bonds from ad valorem property tax revenues that were not in excess of six percent of the assessed valuation of the property of the county, as allowed by a recent amendment to Article XI, section 10, of the Oregon Constitution, but were in excess of two percent of that assessed valuation under a preexisting Oregon statute so limiting the authority of counties to issue bonds. The court found that the constitutional amendment had repealed the more restrictive statutory limitation:

If Section 10 in its present form grants to counties authority to create indebtedness for the purpose of constructing and maintaining permanent roads,

Courtney Wilton
Page 5
June 6, 1997

on approval by a majority vote, to the extent of 6 per cent of the assessed valuation of all the property in the county, as we think it does, then the provision of Section 19 of Chapter 103, General Laws of Oregon, 1913, directing that no bond shall be issued under the act which will make the bonded indebtedness exceed 2 per cent of the assessed valuation of the county at the time the bonds are issued, is inconsistent with the late amendment to Section 10, and is null and void.

98 Or at 254.

However, two justices dissented, one correctly observing that because the constitution operates to restrict, not grant, power, the legislative assembly lawfully may enact any statute that is not forbidden by the constitutions of the state or of the United States. *Id.*, at 257. Therefore, nothing prohibits the legislature from enacting restrictions on the authority of state or local governments that are more limiting than those found in the constitution.

6. ORS 280.110 May Still Restrict Treatment of Tax Revenues

I find the reasoning of the dissent persuasive and, therefore, must caution that *Ladd & Tilton Bank's* holding and our conclusion concerning the implied repeal of a statute in 34 Op Atty Gen 62 (1968) are questionable.⁴¹ It should not be assumed that Measure 50 repealed ORS 280.060. Moreover, even if it did, ORS 280.110 nevertheless still may govern the treatment of revenues from ad valorem property taxes because ORS 280.050 provides separate, general authority for the imposition of such taxes and ORS 280.110 applies to all taxes received pursuant to the authority of ORS 280.040 to 280.140.

7. Conclusion and Recommendations

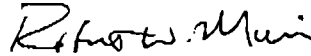
For the foregoing reasons, I conclude that there is a substantial likelihood that a court could conclude that, notwithstanding the passage of Measure 50, local governments must still separately account for and spend serial tax revenues in accordance with the purposes for which the taxes were approved by the voters prior to Measure 50.

A local government might remove itself from this restriction by not certifying to the assessor the existing voter-approved serial levy taxes, but instead approving by ordinance or resolution an equal amount of taxes that is not restricted to particular purposes and certifying this alternative tax to the assessor. However, this solution remains subject to the same argument that the alternative taxes are under the authorized by ORS 280.050 and, therefore, also are subject to ORS 280.110.⁵¹

Courtney Wilton
Page 6
June 6, 1997

Thus, it appears that only the repeal of ORS 280.110 can remove the cloud that hangs over this issue.

Sincerely,



Robert W. Muir
Attorney-in-Charge
Tax and Finance Section

RWM:mxc/JGG100B7

c: Don Arnold, Chief Counsel

^{1/} ORS 280.040 states that a "subdivision" includes "only such counties, municipal corporations, quasi-municipal corporations and civil or political corporations or subdivisions as are empowered by law to levy ad valorem property taxes."

^{2/} ORS 280.080(1) also requires that the order, resolution or ordinance calling for the ORS 280.060 election set forth the purposes for which the voter-approved tax receipts will be expended.

^{3/} Of course, under the Local Budget Law, after approval of the budget it is unlawful to transfer appropriations from any special revenue fund to the general fund or any other special revenue fund. ORS 294.450(3), (4). However, this restriction arises from the budget process and the budget law. If tax revenues from serial levies are not otherwise legally restricted, they may be budgeted and appropriated for any lawful purpose of the taxing district that raised them.

^{4/} Moreover, the law of implied repeal has been clarified since our 1968 opinion.

The question is not whether a court favors or frowns upon the practice of making a new law without reexamining and repealing or amending all inconsistent laws, but when a court will conclude that the new law was meant to override such an inconsistent prior law. If the two are totally irreconcilable, the later will prevail whether or not it is described as an "implied repeal"; but if the statutes can function together, a claim that the earlier statute is superseded *depends on some persuasive indication that the legislature meant the new statute to prevail over a [sic] unrepealed (and perhaps unnoticed) one.*

Harris v. Craig, 299 Or 12, 15-16 n.1, 697 P2d 189 (1985) (emphasis added).

^{5/} This argument has even greater force in those instances where the taxing district lacks home rule powers and does not have a separate statutory authorization for levying taxes.