

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

**RESOLUTION NO. 03-041**

Submitting to the Voters in a Countywide Election an Ordinance Imposing a Temporary County Personal Income Tax to Benefit Public Schools, Public Safety and Human Services

**The Multnomah County Board of Commissioners Finds:**

- a. On March 13, 2003, the Board adopted Resolution 03-037 relating to local school, human services and public safety funding options.
- b. This Resolution implements the Board's intent as stated in Resolution 03-037 to refer a measure to the voters to enact a temporary 1.25% income tax on Multnomah County residents for local public schools, public safety and human services.

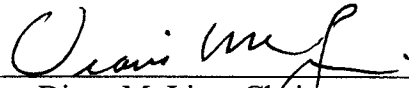
**The Multnomah County Board of Commissioners Resolves:**

1. The Measure described in the proposed Ordinance (Exhibit A) is referred to the electors of Multnomah County for the May 20, 2003 election. The Ordinance enacts a three year income tax on Multnomah County residents.
2. The Ordinance (Exhibit A) Ballot Title (Exhibit B), and the Explanatory Statement (Exhibit C) are adopted and made part of this Resolution. The Ordinance, Ballot Title, and Explanatory Statement shall be printed substantially in the form set forth.
3. The Measure and the Ballot Title and Explanatory Statement for the Measure are certified to the Director of Multnomah County Division of Elections.

ADOPTED this 20<sup>th</sup> day of March 2003.



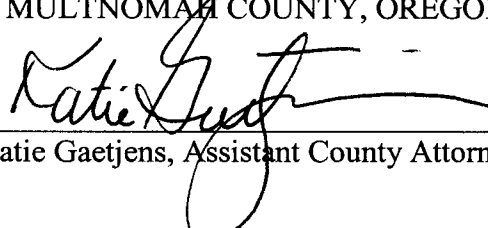
BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
\_\_\_\_\_  
Diane M. Linn, Chair

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By

  
\_\_\_\_\_  
Katie Gaetjens, Assistant County Attorney

## EXHIBIT A

### BEFORE THE BOARD OF COUNTY COMMISSIONERS FOR MULTNOMAH COUNTY, OREGON

#### ORDINANCE NO. \_\_\_\_\_

Temporary Personal Income Tax for Public Schools, Public Safety and Human Services

#### **The Multnomah County Board of Commissioners Finds:**

- a. Oregon Constitution Article VI, section 10 grants county voters authority to adopt a county charter.
- b. Multnomah County Charter Section 2.10 grants the county legislative authority “over matters of county concern to the fullest extent permitted by the constitutions and laws of the United States and the State of Oregon.” Multnomah County has authority to enact laws taxing incomes to pay for county services required for the health, safety and welfare of the people of the county.
- c. An income tax of 1.25% of Oregon taxable income will provide needed funds for public schools, public safety and human services.

#### **Multnomah County Voters Ordain as follows:**

##### **SECTION 1. DEFINITIONS.**

For the purpose of this ordinance, the following definitions apply unless the context requires a different meaning.

**ADMINISTRATOR.** The Multnomah County Finance Director.

**RESIDENT.** An individual who files a resident Oregon income tax return from Multnomah County.

**TAXABLE INCOME.** Taxable income under Oregon law.

##### **SECTION 2. INCOME TAX.**

A. A tax of 1.25% is imposed on Oregon taxable income for residents of Multnomah County. For single filers, \$2,500 of taxable income is exempt. For joint filers, \$5,000 of

taxable income is exempt. The net revenues will be paid to the County General Fund for distribution by the Board of County Commissioners for services such as:

- Teachers' salaries, programs and instructional days for Multnomah County public schools, including Centennial, Corbett, David Douglas, Gresham-Barlow, Parkrose, Portland, Reynolds, Riverdale Districts;
- Prescription drug benefits for low income seniors;
- Restoration of housing and independent living assistance for the elderly and disabled;
- Health and mental health care for low income people;
- Reduction of early release of inmates;
- Offender drug and alcohol treatment.

B. This tax will be effective from January 1, 2003, through December 31, 2005.

### **SECTION 3. PERFORMANCE AUDITS.**

Independent performance audits will be conducted on the use of funds generated by this measure.

### **SECTION 4. REVIEW COMMITTEE.**

A School Efficiency and Quality Advisory Council is created to review expenditures by county school districts of funds generated by this ordinance. The Chair, with approval of the Board, will appoint the council members. Membership will include parents, educators, taxpayers, and business, labor, and government leaders.

### **SECTION 5. PAYMENT OF TAX.**

Payment of this tax is due on April 15<sup>th</sup> or the closest following business day.

### **SECTION 6. ADMINISTRATOR DUTIES.**

A. **Receipt.** The Administrator will receive the tax imposed by this ordinance from the taxpayers, keep accurate records, and report all monies received.

B. **Collection.** The Administrator will collect and enforce payment of all taxes owing to the county.

C. **Rulemaking.** The Administrator will adopt administrative rules to implement this tax. Rules adopted will be consistent with the rules of the Oregon Department of Revenue regarding personal income tax.

D. **Contracting.** The Administrator may contract with public or private agencies, as necessary, to implement this ordinance.

## **SECTION 7. OTHER PROVISIONS.**

A. **Savings Clause.** If any part of this ordinance, or any tax against any individual or group is found unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity will affect only that part of this ordinance or tax and will not affect or impair any other provisions of this tax or ordinance.

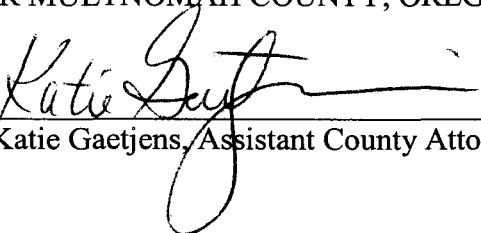
B. If the State reduces base funding allocation for county schools, public safety, or human services during the next three years, the County Board of Commissioners will consider immediate termination of this tax.

C. If the State restores funding for county public schools, public safety, or human services during the next three years, the County Board of Commissioners will consider immediate reduction or termination of this tax.

D. This ordinance takes effect immediately upon enactment by Multnomah County voters at the election called for May 20, 2003.

REVIEWED:

AGNES SOWLE, ACTING COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Katie Gaetjens, Assistant County Attorney

**EXHIBIT B**

**BALLOT TITLE**

**CAPTION:**

**MEASURE NO. 26-48**

**THREE-YEAR INCOME TAX FOR SCHOOLS, HUMAN SERVICES, PUBLIC SAFETY**

**QUESTION:**

*Should Multnomah County enact three-year 1.25% income tax for county schools, health and senior care and public safety?*

**SUMMARY:**

The state has cut funds for county schools, health and senior services and public safety. School districts have cut programs and instructional days. Senior citizens and low income families have lost necessary medications and housing assistance. Inmates have been released from jail early.

This measure enacts a three year 1.25% County income tax for services such as:

- Teachers, programs and instructional days for Multnomah County public schools, including Centennial, Corbett, David Douglas, Gresham-Barlow, Parkrose, Portland, Reynolds, Riverdale Districts;
- Prescription drug benefits for low income seniors;  
Restore housing and independent living assistance for the elderly and disabled;  
Health and mental health care for low income people;
- Reduce early release of inmates;  
Offender drug and alcohol treatment.

For single filers, \$2,500 of taxable income is exempt. For joint filers, \$5,000 of taxable income is exempt. 'Taxable income' is taxable income under Oregon law (after deductions) of Multnomah County residents.

This measure will raise an estimated \$135 million annually. Independent performance audits will be conducted. The only administrative costs are for tax collection.

## **EXHIBIT C**

### **EXPLANATORY STATEMENT:**

State funding for schools in Multnomah County have been severely cut. The County has also suffered cuts to local services. This measure allows Multnomah County to assist county public schools with their funding gaps and to restore some of the local services cut.

The Measure will provide funds for county public schools, health and senior services, and public safety. It enacts a temporary, three year 1.25% personal income tax.

About 75% of revenues from this measure will provide funds for the 2003-2004, 2004-2005, and 2005-2006 school years. Multnomah County schools may use the funds for services such as:

- Retaining teacher positions to maintain or improve student-teacher ratios;
- Maintaining instructional days to help ensure a full, 180 day school year;
- Funding programs and services that prepare students for college and the workforce;
- Communicating with citizens about achievement and accounting for the use of these tax dollars.

Independent performance audits will be conducted on funds generated by this measure.

This measure creates a School Efficiency and Quality Advisory Council to review expenditures by county school districts. It will include parents, educators, taxpayers, and business, labor, and government leaders. It will oversee the new local tax revenues for the benefit of students.

About 25% of revenues from this measure will provide funds for health care, mental health, senior services, and public safety. These funds will be used for services such as:

- Housing and living assistance to seniors and the disabled;
- Prescription drug assistance for low-income seniors;
- Emergency mental health services;
- Health, mental health and addiction treatment for offenders to help reduce recidivism;
- Prosecution of identity theft, stolen vehicles, theft, vandalism, criminal trespass and possession of controlled substances;
- Support for community courts;
- Restoration of jail beds;

## EXHIBIT C

- Juvenile justice and gang services - day reporting center, juvenile diversion, skill development, probation, gang outreach, receiving center/homeless youth;
- Community supervision of adult offenders;
- Restore alcohol and drug treatment for repeat offenders.

If the State reduces base funding allocation for county schools, or funding for public safety or human services, the County Board of Commissioners will consider immediate termination of this County income tax.

If the State restores funding for county public schools, public safety, or human services during the next three years, the Board will consider immediate termination or reduction this tax.

Beginning with the 2003-2004 fiscal year, all revenues generated from this tax are subject to independent reviews by the County Auditor. Any time after July 1, 2003, the County Auditor may audit the revenues generated from this income tax or any program that receives funds from this tax.

The measure will raise an estimated \$135 million annually. A taxpayer with Oregon taxable income (after deductions) of \$30,000 would pay about \$21 a month for three years as a result of this measure. This estimated payment takes into account changes in deductions on federal and state taxes.

For more information, visit Multnomah County's website at:  
<http://www.co.multnomah.or.us>