

HOUSE COMMITTEE ON GENERAL GOVERNMENT

January 18, 2005 Hearing Room B

8:30 A.M. Tapes 2 - 3

MEMBERS PRESENT: Rep. Vicki Berger, Chair

Rep. Peter Buckley, Vice-Chair

Rep. Mac Sumner, Vice-Chair

Rep. Sal Esquivel

Rep. Larry Galizio

STAFF PRESENT: Caralyn Fischer, Committee Administrator

Linda K. Gatto, Committee Assistant

MEASURES/ISSUES HEARD:

Association of Oregon Counties (AOC) – Informational Meeting

League of Oregon Cities – Informational Meeting

Special Districts Association of Oregon – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
|---------------|----------------|-----------------|
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TAPE 2, A

004 Chair Berger Calls the meeting to order at 8:32 a.m. and opens the informational meeting on the Association of Oregon Counties.

ASSOCIATION OF OREGON COUNTIES (AOC) - INFORMATIONAL MEETING

025 Mike McArthur Executive Director, Association of Oregon Counties (AOC). Submits informational materials which include; a booklet on Oregon Counties, Principals for Shared Systems Services, Shared Revenue Agreements & State Stewardship, and Shared State-County Services (**EXHIBIT A**). Explains that counties are governed by charter, general law and county court. States that AOC represents all three types of counties, as well as, other elected officials: sheriffs, treasurers, assessors, justices of the peace, clerks, engineers, surveyors, and administrators.

050 Tim Josi Commissioner of Tillamook County, President of AOC. Begins a PowerPoint presentation on Oregon's State-County Partnership (**EXHIBIT B**). Comments on Metro.

078 Josi Begins a six-county comparison as an example of the diversity in services among counties. Describes how AOC interacts with the counties and the critical services that are provided by and shared with the state and counties.

145 Josi Comments on the effects Ballot Measures 5 and 47 have on taxing jurisdictions.

221 McArthur Explains that the funding formula for roads is 60 percent to the Oregon Department of Transportation, 24 percent to counties and 16 percent to cities. The agreement for futures revenues is a 50-30-20 split.

230 Josi Reviews the services shared by the counties and the state.

241 Chair Berger Emphasizes the importance of the relationship between county and state services.

250 Nickki Whitty Coos County Commissioner. Refers to Principals for Shared Systems Services (**EXHIBIT B**). Comments on parole and probation programs being returned to the state because of budget shortfalls.

253 Chair Berger Asks how many have been returned.

- 272 Whity Answers Douglas and Linn counties. Adds that Curry County may have given notice.
- 295 Rep. Buckley Asks what are the greatest needs for counties this biennium.
- 296 Chair Berger States it is an appropriate question and as session progresses everyone will feel the squeeze.
- 307 Josi States that in Tillamook County the roads are “in dire straits.”
- 314 Rep. Esquivel States that the loss of Oregon & California (O&C) revenues will hurt Jackson County immensely as the county relies heavily on those revenues.
- 337 Chair Berger Closes the informational meeting on Association of Oregon Counties and opens the informational meeting on League of Oregon Cities.

LEAGUE OF OREGON CITIES – INFORMATIONAL MEETING

- 338 Ken Strobeck Executive Director, League of Oregon Cities. Submits informational materials which includes a booklet on *Oregon Cities Hometown Voices: Wise Choices*, a pamphlet titled Who we are and what we do, a list of Oregon Incorporated Cities 2005, 2005 Legislative Priorities, and the publication *Local Focus* (**EXHIBIT C**). States that cities are partners with the state. Provides an overview of Oregon’s 240 cities and the home rule provision.
- 388 Strobeck Comments on the effects Ballot Measures 5, 47 and 50 have had on cities. Notes that the growth limit on property taxes is capped at 3 percent annually. Explains that cities are seeing 3 percent more in revenue against costs of 15 percent to 16 percent more per year. Comments on the perception that all cities have the same tax rate, noting that some cities have a zero tax base.

TAPE 3, A

- 027 Strobeck Discusses Ballot Measure 30 which prohibits unfunded mandates on local governments. Explains the different forms of city governments; council/manager, commission, or mayor. Adds that cities and counties are not a special interest.
- 062 Helen Berg

Mayor, City of Corvallis and 2005 President League of Oregon Cities. Details the basic services provided by all cities. States that cities have commonalities but cherish their ability to identify with needs in the community.

- 151 David Barenberg Legislative Director, League of Oregon Cities. States that all cities have unique characteristics and personalities. Requests that the legislature not remove the tools that cities have to fund the services of their populations.
- 201 Barenberg Comments on challenges facing land use since the passage of Ballot Measure 37. Comments on law enforcement and the focus on methamphetamine.
- 221 Rep. Sumner Comments that cities provide the fundamental needs of the citizens and encourages the committee to look to cities for efficiency in government.
- 244 Rep. Galizio Asks what are the distinctions between what cities can do versus what a corporation can do.
- 272 Mayor Berg Responds that they are not profit making organizations. All revenues received need to be expended, in a transparent way, on providing the services that meet the needs of the citizens. States that support and cooperation from the private sector are important and the private sector generates revenues.
- 278 Strobeck Adds that they do not choose the business they are in, noting that it is not matter of supply and demand.
- 294 Rep. Esquivel Adds to Rep. Galizio's comment that cities can be patterned more like a business in financial aspects such as contingency funds.
- 358 Chair Berger Closes the informational meeting on League of Oregon Cities and opens the information meeting on Special Districts Association of Oregon.

SPECIAL DISTRICTS ASSOCIATION OF OREGON (SDAO) – INFORMATIONAL MEETING

- 359 Hasina Squires Western Advocates Inc. Submits and reviews a printed presentation on Local Government Panel Discussion (**EXHIBIT D**). Explains the similarities and differences of Special Districts.

372 Squires States there are now 900 Special Districts throughout Oregon. States they serve cities and unincorporated districts. Special Districts do not receive state funds and are not dependent on the state budget. Explains that property tax pre-emption is the main focus of Special Districts noting that Special Districts do not have the opportunity to shift cuts to operating budgets.

445 Squires States that ORS 198 is the overarching statute for Special Districts.

TAPE 2, B

007 Squires Refers to slides five through nine (**EXHIBIT D**).

027 Squires Refers to slides 14 through 16 showing the number of special districts. Discusses fire services, budgets and revenue sources.

056 Squires Explains that property tax exceptions such as enterprise zones, Ballot Measure 5, Ballot Measure 47, Ballot Measure 50 and unfunded mandates pre-empt Special Districts taxing authority.

076 Greg Baker Executive Director, SDAO. Submits 2005 SDAO Priority Legislation, (**EXHIBIT E**). Adds to Ms. Squires comments in regard to the effects of property tax limitations on funding parks, libraries and fire departments. Expresses concern regarding proposed legislation with public records exemptions, formation requests, county service districts, regulation of insurance pools and the Lane County Boundary Commission.

156 Chair Berger Comments that Special Districts are diverse and growing in size. States that the presentations provided today are a general overview of local government concerns.

179 Chair Berger Closes the informational meeting on SDAO and adjourns the meeting at 9:43 a.m.

EXHIBIT SUMMARY

- A. **Association of Oregon Counties, informational materials, Mike McArthur, 20 pp**
- B. **Oregon's State-County Partnership, presentation, Commissioner Tim Josi, 12 pp.**
- C. **League of Oregon Cities, informational materials, Ken Strobeck, 46 pp**
- D. **Special Districts Association of Oregon, presentation, Hasina Squires, 19 pp**
- E. **Special Districts Association of Oregon, Legislative Priorities, Greg Baker, 2 pp**