



Lane County Board of Commissioners

W. S. d.

Bill Dwyer
Bobby Green, Sr.
Tom Liningier
Anna Morrison
Peter Sorenson

November 5, 2003

The Honorable Ron Wyden
516 Hart Senate Building
Washington, D.C. 20510-5244

Dear Senator Wyden:

In the next few days you will have the opportunity to vote on S. 150, which makes permanent and broadens the so-called Internet Tax Freedom Act to the detriment of local government in general, and Lane County in particular. We face a \$2 - \$3 million revenue shortfall in the next budget cycle and for the foreseeable future; this legislation will reduce or eliminate more than \$400,000 in cable franchise fees that go each year to our general fund to help pay for law enforcement, prevention, treatment and other public safety services.

With deference to the language in the Commerce Committee report cited in your letter of October 24, the Congressional Budget Office takes a different view: "Depending on how the language is interpreted, that language (in S. 150) could result in substantial revenue losses for states and local governments." The CBO goes on to estimate the revenue loss at between \$80-120 million, violating the terms of the Unfunded Federal Mandates Act of 1995, which received votes from 64 U.S. Senators serving today, including twelve who were in the House of Representatives at the time. Unfunded federal mandates include acts of Congress that preclude local government from collecting taxes they currently collect.

The conflicting analyses of the bill may leave room for debate. However, a fiscally responsible reaction is to assume that S. 150, in its current form, does not leave us harmless; instead, that it will cost us hundred of thousands of dollars in a few short years.

We understand amendments will be offered to extend the law again for two years, so that the uncertainty and ambiguity about its impacts can be sorted out, and the dynamic trends in technology can be assessed. Only then should Congress begin the process of crafting rules about which services should or should not be exempt from local government revenue.

Please support the amendments to S. 150 and provide the time and structure to resolve this matter in a way that balances the needs of local government with your goals for e-commerce and Internet access.

Sincerely,

Peter Sorenson, Chair
Lane County Board of Commissioners



Lane County Board of Commissioners

Bill Dwyer
Bobby Green, Sr.
Tom Lininger
Anna Morrison
Peter Sorenson

November 5, 2003

The Honorable Gordon Smith
404 Russell Senate Building
Washington, D.C. 20510-5244

Dear Senator Smith:

In the next few days you will have the opportunity to vote on S. 150, which makes permanent and broadens the so-called Internet Tax Freedom Act to the detriment of local government in general, and Lane County in particular. We face a \$2 - \$3 million revenue shortfall in the next budget cycle and for the foreseeable future; this legislation will reduce or eliminate more than \$400,000 in cable franchise fees that go each year to our general fund to help pay for law enforcement, prevention, treatment and other public safety services.

Contrary to the findings of the Commerce Committee, the Congressional Budget Office said: "Depending on how the language is interpreted, that language (in S. 150) could result in substantial revenue losses for states and local governments." The CBO goes on to estimate the revenue loss at between \$80-120 million, violating the terms of the Unfunded Federal Mandates Act of 1995, which received votes from 64 U.S. Senators serving today, including twelve who were in the House of Representatives at the time. Unfunded federal mandates include acts of Congress that preclude local government from collecting taxes they currently collect.

The conflicting analyses of the bill may leave room for debate. However, a fiscally responsible reaction is to assume that S. 150, in its current form, does not leave us harmless; instead, that it will cost us hundred of thousands of dollars in a few short years.

We understand amendments will be offered to extend the law again for two years, so that the uncertainty and ambiguity about its impacts can be sorted out, and the dynamic trends in technology can be assessed. Only then should Congress begin the process of crafting rules about which services should or should not be exempt from local government revenue.

Please support the amendments to S. 150 and provide the time and structure to resolve this matter in a way that balances the needs of local government with your goals for e-commerce and Internet access.

Sincerely,

Peter Sorenson, Chair
Lane County Board of Commissioners