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EAST LANE SOIL & WATER CONSERVATION DISTRICT
780 Bailey Hill Road, Suite 5
Eugene, OR 97402

February 9, 2004

Board of Commissioners, Lane County
ATTN: Bobby Green, Chairman
125 East 8th Ave
Eugene, OR 97401

Dear Commissioner Green:

The Board of Directors of East Lane Soil and Water Conservation District (ELSWCD) seek relief from the Board of Commissioners of Lane County for the expense related to conducting an election to establish a Permanent Rate Limit tax base for ELSWCD during the General Election of November 2004 should ELSWCD not receive voter approval for the tax base.

East Lane SWCD is a branch of local government, established under Oregon Revised Statute 568.210 – 568.808. It is governed by an elected board of unpaid directors. ORS 568.806 authorizes Soil and Water Conservation Districts to become a taxing district when authorized by the local electorate. East Lane SWCD is classified under Oregon Statutes, Chapter 198 as a Special District. ORS 255.305(1) makes the expenses incurred for a special district election to be paid by that district.

The problem is that the Oregon Constitution, Article XI, Section 11(3)(c)(A) prohibits any local taxing district who has ever imposed an ad valorem tax from ever seeking a Permanent Rate Limit (usually referred to as a “tax base”) from the voters. Since East Lane SWCD has never imposed any sort of ad valorem tax, we have no source of income with which to pay for a tax base election, should we fail to gain voter approval. We could pay all appropriate election costs from first year collections if we gained voter approval, which we think that we will be able to do.

East Lane SWCD is wholly financed with grant funding. Our funding sources include Oregon Department of Agriculture (technical and administrative funding), Oregon Watershed Enhancement Board (restoration project grants), USDA Natural Resources Conservation Service (cooperative support), and Lane County (administrative which is shared with Siuslaw SWCD). Our total annual income for FY 2004 is budgeted at \$99,921. All of our income is restricted and we have no financial resources with which to pay for an election, should we not prevail in the election.

East Lane SWCD provides technical services to landowners in the Long Tom, Upper Siuslaw, McKenzie, Middle Fork Willamette and Coast Fork Willamette watersheds. We are the natural resource agency which is locally responsible for assisting agricultural

landowners in developing and implementing water quality management plans according to SB1010, and working with rural residential and urban landowners and occupants in protecting riparian areas and in groundwater protection. We also provide assistance, upon request, to the Lane County Land Management Division when matters of riparian or groundwater protection become an issue. Our staff working with the USDA/NRCS district conservation staff was responsible for bringing \$1,738,901 into the Lane County economy during FY 2003. We would be able to double or triple that amount each year if we had adequate funding to staff appropriately.

Our business plan demonstrates a need for 4.35 FTE to meet the level of service that we believe the residents of Lane County need and should have available to them. We presently have funding for 1.65 FTE. We have concluded that there will never be adequate funding from State or Federal sources to meet the needs of the landowners and other citizens of Lane County. We therefore want to seek a stable local support financial base. We plan to ask the voters for approval of an \$0.08/thousand of RMV rate limit.

We have spent considerable time discussing this election cost financial challenge with the Lane County Elections Officer, Annette Newingham. Using the election cost allocation formula devised by the Secretary of State's office we have estimated that the election cost exposure for ELSWCD could be between \$35,000 and \$50,000 depending upon the number of items on the ballot. This number mystifies us since Lane County would have to conduct an election whether our tax measure was on the ballot or not. Ms. Newingham is, however, required to use the official cost allocation formula.

Our request for relief from the election cost burden should our Permanent Rate Limit measure fail to gain voter approval would not establish a significant precedent for Lane County since it would be limited to an agency that has never had an ad valorem tax. That is a condition that few if any existing special districts in Lane County possess because of the conditions established by the Oregon Constitution.

There is no way that the Board of Directors of East Lane SWCD can move forward with placing a Permanent Rate Limit on the November 2004 General Election ballot if we were to incur a debt, for which we had no ability to satisfy. There is also no way that we can provide the natural resource conservation services to the citizens of Lane County without a stable funding base. We therefore request that the Board of Commissioners grant East Lane SWCD relief from the election cost expense should we fail to gain voter approval of our Permanent Rate Limit in the November 2004 General Election.

Ralph Perkins, Director and Chairman
East Lane Soil & Water Conservation District