

W.K.A.

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

ORDER NO. 06-6-28-10

-) IN THE MATTER OF REFERRING TO
-) ELECTION THE INCOME TAX
-) LIMITATION CHARTER AMENDMENT,
-) AND DIRECTING THAT IT BE PLACED
-) IN THE VOTERS' PAMPHLET

WHEREAS, Lane County has faced budget deficits in 12 out of the last 15 years, which has necessitated a consistent reduction in services to its citizens, and

WHEREAS, the public safety services, which comprise roughly 65-70% of the budget funded by discretionary (non-dedicated) funds, have endured a significant component of the budget cuts, resulting in increased risks and reduced safety throughout Lane County, and

WHEREAS, Lane County proposed the formation of a public safety district as a means of solving this public safety system instability by taking the first step of a Metropolitan Plan Amendment, which, though approved by the City of Springfield, did not receive approval from the City of Eugene, and

WHEREAS, working with the Mayor of Eugene, the Board created a Public Safety Task Force comprised of two commissioners, mayors and city councilors of the 12 cities in Lane County, to review the history of current service levels and recommend a comprehensive solution to improve service levels in public safety, and

WHEREAS, the Public Safety Task Force met throughout the summer and early fall 2005, arriving at a recommendation that the County public safety system should focus its efforts on illegal drugs and alcohol abuse by concentrating on four goals for at least 5 years: 1) target these groups for special action: illegal drug producers, dealers and users and target property criminals, 2) reduce family violence, 3) enhance treatment programs, and 4) provide prevention programs, and further, the Task Force recommended a list of programs and services that total \$24,530,000 to meet these goals, to be financed by either a sales or gross receipts tax, and

WHEREAS, the Board of Commissioners accepted and approved the recommendations of the Public Safety Task Force as to the focus on illegal drugs, especially methamphetamine and alcohol abuse, approved the four goals, approved the budget with the addition of \$1.5 million for increased jail capacity and \$1 million for prevention, and directed the sales and gross receipts be drafted and hearings held, and

WHEREAS, after two public hearings in which little support was demonstrated, and opposition raised by the business community to the effect that the sales and gross receipts tax unfairly concentrated on business, the Board responded by indefinitely tabling these taxes, and directed development of a more widely based income tax dedicated to public safety which included a component of property tax relief and which could not be raised above a certain level without voter approval, and

WHEREAS, to ensure the income tax revenues were targeted exclusively for public safety programs, the Board eliminated the component of the Public Safety Task

Force budget devoted to sustaining County service levels from the list of programs to be funded by the income tax, and

WHEREAS, the Board has determined it is in the public interest to present the voters with the proposed Charter Amendment in furtherance of its efforts to provide a stable committed revenue stream to fund the public safety system and to address what it believes is an unacceptable level of unaddressed criminal activity in this County, and

WHEREAS, the Board believes it is in the public interest to provide the wide dissemination and discussion of issues regarding the Charter Amendment through inclusion in the voters' pamphlet, now, therefore it is hereby

ORDERED that a proposal be submitted to the voters at the election to be held on November 7, 2006, to amend the Lane County Home Rule Charter by the addition of Section 38, an Income Tax Limitation, as shown in Exhibit A attached hereto and incorporated by this reference, and it is further

ORDERED that the proposal be stated on the ballot as shown in Exhibit B attached hereto and incorporated by this reference, and it is further

ORDERED that a copy of this order be presented to the Director of Management Services, as County Clerk of Lane County (hereinafter, "County Clerk"), and shall constitute our certification that this measure is to be placed on the November, 7, 2006 ballot, and it is further

ORDERED that the Board declares if the voters approved the measure and the income tax ordinance goes into effect, its intent is to use the increase in revenues received (after provision for the property tax relief) to fund the programs and activities as recommended by the Public Safety Task Force and added to by the Board, as described and shown in the attached Exhibit C, consistent with the Charter limitations, and it is further

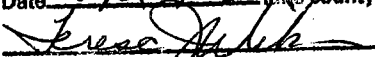
ORDERED that the Lane County Charter Amendment to Limit Income Tax measure be placed in the State Voters' Pamphlet, with fees to be paid from County General Expense, and it is further

ORDERED that the County Clerk provide notice for and conduct the election in the manner provided by law, including ORS Ch. 250.

DATED this 28th day of June, 2006.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM

Date 6/27/06 Lane County

OFFICE OF LEGAL COUNSEL

Charter Amendment

Section 38. INCOME TAX LIMITATION

- (1) Rate Limitation. Any income tax imposed by the Board of County Commissioners may not exceed a tax rate of one and one-half percent (1.5%) of net income without an affirmative vote of the residents of Lane County, effective and applicable to tax years beginning on or after January 1, 2007.
- (2) Dedication for Public Safety. The revenue from any Lane County income tax, less costs of collection and administration, shall be dedicated for public safety purposes. Public safety purposes are defined for any income tax as those programs designed to protect citizens from the effects of, or to reduce, criminal activity. They include preventive and reactive public safety services, such as adult and youth corrections, crime prevention, prosecution, detention, supervision, mental health services, alcohol and drug treatment, victim services, drug court, interagency narcotics enforcement, patrol, investigation and arrest, and related support services. They also include the programs and services provided by the departments of the Sheriff, District Attorney and Youth Services. Through 2012, Lane County shall focus increased revenue on significantly reducing illegal drug production, dealing and use (especially methamphetamine), reducing family violence, enhancing drug and alcohol treatment programs for addicted adult and youth, and providing prevention programs to reduce future crime.
- (3) Property Tax Relief. The Lane County permanent authorized property tax rate is \$1.2793 per \$1000 of assessed value. As part of any income tax, the County shall provide property tax relief to the income taxpayer for property tax paid during the income tax year at a rate that the Board of Commissioners determines is equivalent to reducing that property tax rate by \$0.95.
- (4) Special Fund and Rainy Day Reserve. The County shall create and maintain a Public Safety Dedicated Fund. All revenue collected from any Lane County income tax shall be credited to the Public Safety Dedicated Fund, after payment of expenses of collection and administration. Interest earned on the Fund shall be credited to it. Beginning not later than two years after enactment of any income tax, the County shall provide for adequate reserves within the Fund of at least 10% of annual income tax revenues to provide a cushion against unforeseen events and economic downturns. The County shall also establish policies for use of the reserves during such events or downturns and for replenishing them within a reasonable period.

Ballot Title

Caption: Lane County Charter Amendment to Limit Income Tax

Question: Shall County Charter limit income taxes, dedicate revenues to public safety, and provide property tax relief and rainy day reserve?

Summary: This Home Rule Charter Amendment:

- Limits County income tax authority.
- Requires voter approval for any rate higher than 1.5% of net income.
- Applies to tax years starting January 1, 2007.
- Dedicates income taxes (after collection expense) to public safety only. Public safety is defined as programs to protect citizens from the effects of, or to reduce, criminal activity. Includes adult and youth corrections, crime prevention, detention, supervision, and patrol. Includes mental health and crime victim services, alcohol and drug treatment. Includes Sheriff, Youth Services and District Attorney departments, related support services.
- Through 2012, focuses increased funds on reducing illegal drug activity and family violence, enhancing treatment and prevention programs.
- Requires any income tax provide property tax relief to income taxpayers.
- Requires dedicated fund for income tax revenues and a rainy day reserve of 10% of annual income tax revenue.

Optional:

The Commissioners have enacted a 1% income tax ordinance within these limits on residents, nonresidents and businesses. It takes effect only if this measure passes.

Proposed Program Budget to Achieve Goals Through 2012

Goal 1 - Target Illegal Drug Producers, Dealers, Users, and Target Property Criminals - \$15.28 million

	Budget in \$	
Interagency Narcotics Enforcement Team (INET)	1,220,000	*
Resident Deputies	1,070,000	
Detectives for Property and Violent Crimes	540,000	
Prosecute Drug Producers, Dealers, Users & Property Criminals (more DAs)	1,100,000	
Maximize Use of Existing Juvenile Detention Capacity (more detention beds)	3,600,000	
Maximize Use of Existing Adult Jail Capacity (more jail beds)	4,500,000	
Intensive Juvenile Offender Supervision	600,000	
Adult Drug Offender Supervision	880,000	
Sherman Center/DOMC Enhancement	270,000	
Purchase additional jail beds	1,500,000	
Subtotal	15,280,000	

Goal 2 - Reduce Family Violence - \$2.88 million

Family Violence Detectives	650,000
Domestic Violence Prosecution Team	890,000
Home-based Behavioral Sys Family Therapy-Juveniles	170,000
Supervise Domestic Violence Offenders and Sex Offenders	540,000
Child Advocacy Center Staffing	320,000
Court Appointed Special Advocates Program	110,000
Relief Nurseries	160,000
Domestic Violence Coordination	40,000
Subtotal	2,880,000

Goal 3 - Enhance Treatment Programs - \$2.19 million

Intensive Supervision of Juveniles with A&D Problems	170,000
Intensive A&D Treatment Beds for Juveniles	520,000
Detox and Sobering Station	140,000
Intensive A&D Treatment - Adults	640,000
Mental Health Crisis Response - Adults	260,000
Sex Offender Treatment - Adults	120,000
Drug Court Treatment	110,000
Skill Building for Jail Inmates and P&P Offenders	180,000
Peer Courts in Six Communities	50,000

EXHIBIT C

Subtotal 2,190,000

Goal 1 - Provide Prevention Programs \$1.62 million

Additions by Board of Commissioners	1,000,000
Healthy Start	190,000
Mentoring	80,000
Community Mobilization, Coalitions, and Advocacy	70,000
Support and Connections for Families	130,000
Family Resource Center Network	150,000
Subtotal	1,620,000

Other System Requirements \$5,060 million

Court Facility Improvements	1,000,000
Admin Staff to Support Public Safety Enhancements	160,000
County Office Space Considerations	Lapse**
Sustain County Service Levels***	3,900,000
Construct New Child Advocacy Center	Lapse**
Property and Evidence Storage/Management	Lapse***
Subtotal	5,060,000

Grand Total ~~27,030,000~~
23,130.00

* In three agencies

**Lapse means that the County will use salary savings derived from the delays in hiring all of the employees immediately in order to finance these capital projects.

***Property tax relief revised from \$1/1000 to \$0.95/1000 in order to keep programs solely dedicated to public safety purposes

Figures shown are estimates, based on 2006-07 costs, and reflect one year's expenses.