

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass
Vote: 8 - 0 - 1
Yeas: Barnhart, Berger, Dembrow, Hicks, Holvey, Jenson, Kennemer, Garrett
Nays: 0
Exc.: Hoyle
Prepared By: Erin Seiler, Administrator
Meeting Dates: 6/3, 6/6

WHAT THE MEASURE DOES: Extends sunset date from January 2, 2014 to January 2, 2016 for statutes authorizing declaration of county fiscal emergency, establishment of fiscal assistance board, and development of recovery plan when eligible county is unable to meet minimally adequate level of state-required services. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Extends sunset on program for assisting counties in fiscal distress
- Current fiscal issues in counties
- Legislation to provide financial assistance to counties

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2009, the Legislative Assembly passed Senate Bill 77, which established a process for the Governor to declare a public safety services emergency and to appoint a financial control board in counties failing to provide minimally-adequate levels of public safety services. In 2012, House Bill 4176 modified the program and changed the name of the financial control board to “fiscal assistance board.” Currently, a county is authorized to seek a declaration of fiscal emergency from the Governor, if the county determines that it is unable to provide a minimally adequate level of state-required services and the county received – in the fiscal year beginning July 1, 2007 – federal payments under the Secure Rural Schools and Community Self-Determination Act of 2000, in an amount equal to at least 10 percent of the county’s property tax revenues.

The Governor is required to consult with the county and other parties to gather information about state-required services in the county and their level of adequacy. If they are found to be less than adequate, then the declaration is issued and a fiscal assistance board is established to develop a recovery plan for the county. The recovery plan is to restore or sustain minimally adequate state-required services. Tools available to the board include, but are not limited to, reallocating county funds, eliminating services, and entering into intergovernmental agreements. A county must pay at least one-half of the costs of administering a fiscal assistance board. The program provisions are outlined in ORS 203.095 and 203.100, which are scheduled to sunset January 2, 2014. Senate Bill 581 extends the sunset to January 2, 2016.