

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	8 - 1 - 0
Yeas:	Barnhart, Berger, Dembrow, Hicks, Holvey, Hoyle, Jenson, Garrett
Nays:	Kenemer
Exc.:	0
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	6/3, 6/17, 6/27

WHAT THE MEASURE DOES: Establishes process for declaration of public safety fiscal emergency. Allows Governor to proclaim whether fiscal conditions compromise ability of county to provide minimally-adequate public safety, in consultation with: Senate President, Senate Majority and Minority leaders, Speaker of House, House Majority and Minority leaders, and each Senator and Representative whose district overlaps with county in whole or part. Permits Governor to contract with other local governments for provision of public safety services upon receipt of written authorization of governing body of county subject to proclamation. Directs cost of services be shared equally between state and county subject to proclamation, and describes other contract terms, conditions, and limitations in detail. Reiterates county authority to redirect existing revenue sources and assess variety of taxes to extent necessary to satisfy obligations. Limits proclamation to 18 months unless otherwise specified by Governor or legislative action. Sunsets January 2, 2018. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Inability of rural communities to utilize forest land
- Financial instability in counties
- Long-term solutions for counties' fiscal stability
- Local control in decision making process
- Ensure basic constitutional protection for counties
- County funding options
- Sharing cost of services between state and county
- Extension of federal Secure Rural School funds
- State recourse if ailing county objects
- State liability for costs of public safety
- State authority to establish taxing district or impose income tax on county
- County levies to fund county services
- Possible solutions for funding county services
- Ability to impose personal or corporate income tax in conflict with home rule charter of county
- All new fees must be voted on by people in home rule county
- State withholding from taxing districts. the costs to county of assessing property and collecting property taxes
- Percentage of private and public timber lands in counties
- Scope of services provided by sheriff's office
- Capacity of city police to handle law enforcement in unincorporated areas
- Federal and state partnership regarding management of forest land
- Constitutionality of state authority to intervene
- Requirement to consult with affected legislators and legislative leadership
- Impact on collective bargaining agreements

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This summary has not been adopted or officially endorsed by action of the committee.

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Many Oregon counties continue to experience financial instability in the current economic climate that could impair basic public safety services. House Bill 3453-A creates a mechanism for state intervention, permitting the Governor to act on behalf of the county in financial distress and arranging for assistance from other local governments.

House Bill 3453-A allows the Governor, in consultation with all legislative leadership (both Minority and Majority) and any affected legislators, to proclaim a public safety fiscal emergency. While such proclamation is in effect, the Governor may enter into intergovernmental agreements (IGAs) with local governments to provide public safety services for the distressed county. IGAs must specify the functions or activities to be performed and how they are to be performed, and must address the apportionment of fees and revenues.

The distressed county benefitting from an IGA under House Bill 3453-A is responsible for half the cost, which could be funded through income tax or alternative assessments, only to the extent necessary to satisfy the obligation. (Counties may impose surcharges on state personal and/or corporate income tax or excise tax; they may tax telecommunications services with access to the 9-1-1 emergency reporting system; and/or they may impose any other assessments that county governing bodies are lawfully capable of imposing.) The state is responsible for the other half of the cost of the IGA, and the parties to the IGA are jointly and severally liable for debts and obligations unless otherwise specified.

A public safety fiscal emergency terminates after 18 months unless it is ended earlier or later by the Governor or by action of the Legislative Assembly. The proclamation may also be terminated by the Governor when the emergency no longer exists or when the threat of such emergency has passed; and the Legislative Assembly may terminate the proclamation without such findings. The provisions of this Act sunset January 2, 2018.