

Joint Committee on Ways and Means

Carrier – House: Rep. Huffman
Carrier – Senate: Sen. Winters

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 23 – 3 – 0

House

Yeas: Barker, Buckley, Frederick, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays: Freeman

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Winters

Nays: Thomsen, Whitsett

Exc:

Prepared By: Matt Stayner, Legislative Fiscal Office

Meeting Date: July 7, 2013

WHAT THE MEASURE DOES: The measure allows the Governor to determine the fiscal conditions that compromise the ability of a county to provide a minimally adequate level of services and declare a “Public Safety Fiscal Emergency” in a county. Under the bill, prior to declaring such an emergency, the Governor shall consult with Senate President, Senate Majority and Minority Leader; Speaker of the House, Majority and Minority leader of the House; and each Senator and Representative whose district is wholly or partially within county subject to the emergency. After obtaining written authorization signed by governing body of each county subject to proclamation, the Governor may enter into a written intergovernmental agreement (IGA) with the affected counties and other counties for performance of functions and activities of the affected county. The cost of the services provided under an IGA will be shared between state and counties parties to the IGA. The state will bear 50 percent of costs and affected counties will bear 50 percent of cost, To pay for the county’s portion of cost, counties may impose a surtax on state personal, corporate income or excise tax; a tax on telecommunication services; impose any assessment county governing body is lawfully capable of imposing; use existing sources of county revenue; or any combination of previously identified funding sources. The measure specifies minimum content of IGA; specifies that units of local government designated in IGA to perform functions or activities are vested with all powers, rights and duties relating to those functions and activities that are vested by law in each party to agreement and its officers and agencies; states that a public body officer designated in IGA to perform duties of two or more public officers shall be considered to hold one office; specifies that an intergovernmental entity created by IGA may adopt rules necessary to carry out IGA; specifies that an IGA must contain a process for division, disposition, and distribution of any assets, debt or liabilities created by entity under IGA. The bill provides that a public safety fiscal emergency proclamation terminates after 18 months unless Governor extends declaration for up to 18 more months. The Governor shall terminate public safety fiscal emergency by proclamation when emergency no longer exists or threat of emergency has passed. Public safety fiscal emergency proclaimed by Governor may be terminated at any time by action of Legislative Assembly. Termination of a public safety fiscal emergency shall apply to: Income and excise tax years beginning on or after January 1 following the termination and other assessment reporting periods beginning on or after first day of first calendar quarter following termination. Sunsets provisions of this Act on January 2, 2018. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Fiscal Impact Statement
- Compatibility of the proposed amendments

EFFECT OF COMMITTEE AMENDMENT: The amendment to the measure makes the following changes:

- Limits the number of counties for which the Governor can proclaim a public safety fiscal emergency to no more than two for any single proclamation before July 15, 2014.

- Specifies that a telecommunications tax, if imposed, applies only to those cellular, wireless or other radio common carriers on a per instrument basis for those subscribers whose primary place of use is within the county imposing the tax. And for other carriers, only those subscriber lines located with the county imposing the tax.
- Requires the Governor to consult with the Sheriff of an affected county prior to a declaration of a public safety fiscal emergency and prior to entering into an intergovernmental agreement. The amendment also removes a provision of the bill allowing parties to an intergovernmental agreement to ratify the agreement to continue beyond the termination of the declared emergency.
- Modifies the bill so that after the Governor has declared a public safety fiscal emergency, the sheriff of an affected county is to be considered a non-voting ex officio member of the governing body and the sheriff must be given notice if a meeting held for the purpose of deliberating or making a decision on entering into an intergovernmental agreement, the terms and conditions of an intergovernmental agreement, or any modification or extension of an intergovernmental agreement.
- Modifies the bill so that an intergovernmental agreement created for the purpose of the bill must be included in the Governor's report to the Legislative Assembly as provided in ORS 192.245. The amendment also prevents an intergovernmental agreement entered into during a legislative session to take effect until the adjournment of that session or the adjournment of the session following if the agreement is entered into during the interim.

BACKGROUND: In an effort to reduce injury to persons and property resulting from public safety emergencies, House Bill 3453 creates opportunities for cooperation among units of local government and allows the Governor to act on their behalf. The Governor may proclaim a public safety fiscal emergency, in consultation with Senate President, Majority and Minority Leader; Speaker, Majority and Minority leader of the House; and each Senator and Representative whose district is wholly or partially within county. Upon proclaiming a public safety fiscal emergency, the Governor may enter into intergovernmental agreements (IGAs) with local governments. Those IGAs must specify the functions or activities to be performed and how, including the apportionment of fees and revenues between parties.