



CITY OF GRESHAM

Objections to SB 202 and SB 840

Financial Impacts of SB 202 and SB 840

The City of Gresham strongly opposes SB 202 and SB 840. Right of way revenues are a very significant source of General Fund revenue in Gresham, second only to property tax revenue. Nearly 90 percent of Gresham's General Fund revenues go directly to Police and Fire/Emergency Services, so the impacts are unambiguous, and would directly threaten the safety and quality of life of Gresham's residents. The City estimates that SB 202 and SB 840, as drafted, would immediately strip away between \$4 and \$5 million in annual revenue.

Why a 5% Cap and "Administrative Cost" Recovery don't Capture Actual Costs

Right of way revenue represents a critical share of Gresham's public safety resources, as well as Gresham's economic development efforts. Residents and corporations alike will not locate in a community with insufficient public safety services, and losing over 7 percent of Gresham's General Fund revenue (with famously few tools available in Oregon for local governments to recuperate the funds) would cripple regular police and fire operations. In addition, the language in both bills related to "administrative costs" dramatically undervalues the true cost of having this infrastructure in the right of way. With high-voltage electric lines, large natural gas mainlines, and the public's drinking water traveling through miles of right of way, cities must be equipped to protect those critical assets from human-caused or natural disasters. Crippling public safety services by dramatically reducing and limiting right of way revenue streams would immediately threaten the ability of local governments to protect these common resources and respond in emergency situations.

Order of Magnitude

With public safety services consuming around 90 percent of Gresham's General Fund, the immediate loss of revenue caused by SB 840 could result in the loss of 24-30 police and fire positions. Gresham already has fewer police officers per capita than nearly any jurisdiction in Oregon. Force reductions of this magnitude would create a public safety situation that is not safe for the public, and also not safe for the police officers and firefighters providing service.

Home Rule and Effective Date Implications

Not only do these bills threaten the Home Rule authority of local jurisdictions to make fiscal and policy decisions that best serve their communities, but both bills go a step further, using broad language, which as-written could restrict the authority of cities to charge right of way fees on their own internal city utility operations. In addition, the bills, as drafted, ignore current agreements and revenue realities in individual cities, which have been negotiated, litigated, or approved in the past, and are dedicated to current core services.