

HB 3434 STAFF MEASURE SUMMARY

Carrier: Rep. Lininger

House Committee On Rules

Action Date: 05/25/17

Action: Do Pass.

Vote: 9-0-0-0

Yeas: 9 - Barreto, Hack, Holvey, Kennemer, McLane, Nosse, Rayfield, Smith Warner, Williamson

Fiscal: Fiscal impact issued

Revenue: No revenue impact, statement issued (Indeterminate Impact)

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WHAT THE MEASURE DOES:

Extends sunset of public safety fiscal emergency program for counties through January 2, 2024. Takes effect 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Current process for declaring a public safety fiscal emergency
- Causes of county fiscal distress

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Many Oregon counties experience financial instability in the current economic climate that could impair basic public safety services. In 2013, in an effort to limit injury to people and property in counties with compromised public safety services resulting from fiscal distress, the legislature passed House Bill 3453, which established a mechanism for state intervention: it permits the Governor to arrange for assistance from other local governments on behalf of the county in distress. To declare a "Public Safety Fiscal Emergency," the Governor, in consultation with all legislative leadership (both minority and majority political parties) and any affected legislators, may assess the fiscal conditions of a county to determine whether its ability to provide a minimally adequate level of services is compromised.

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 benefiting from an IGA 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 process currently sunsets January 2, 2018. To date, no public safety fiscal emergency has been declared.

House Bill 3434 extends the sunset on the Governor's ability to declare public safety fiscal emergencies for counties through January 2, 2024.