LANE COUNTY MEASURES ON NOVEMBER 2019 BALLOT AND 2019 STATE LEGISLATIVE ACTIVITY

Lane County November 2019 Ballot Issues

Ballot Measure 20-302

City of Eugene, Oregon
Community Safety Payroll Tax

Question: Shall charter be amended to cap rate and limit use of revenues from payroll tax adopted by Council June 2019?

Summary: The Eugene City Charter amendment: 1) caps rate of any payroll tax imposed by City at 0.0021 on total wages paid by employers and 0.0044 on wages earned by employees; and, 2) limits use of payroll tax revenues to funding community safety services and tax administration.

The Eugene City Council adopted an ordinance imposing a payroll tax on employers located in the city and their employees. The ordinance generally imposes a 0.0021 tax on employers' total paid wages, and a 0.0044 tax on the wages of most employees except those earning $15/hour or less, who pay a lower rate or no tax. The ordinance limits using payroll tax revenues to: (a) community safety services, i.e., police services, fire/emergency medical services, municipal court services, prevention and homeless services; and, (b) tax administration. The ordinance went into effect July 2019, with implementation after June 2020.

This Charter amendment does not approve or disapprove the payroll tax but does prohibit payroll taxes above 00.21(employer)/0.0044(employee) or using payroll tax revenues for reasons other than funding community safety services or tax administration unless voters amend the Charter.

Arguments for 20-302:

- Demand for community safety services has outpaced capacity, according to the City of Eugene. Police and EMS response times have increased, and police often are unable to respond when there is no immediate threat to life. Other community safety services also are inadequate. Calls to 911 have increased 21 percent over the past five years, while staffing has remained flat. This results in longer response times, up to 20 minutes for calls for police, who are unable to respond to one out of three of their calls.
- The payroll tax is expected to generate $23.6 million annually to provide faster, more efficient services to deter crime, support more investigations and court services, add jail beds, and connect people to social, medical and youth services.
- Accountability features include dedicating the tax to a separate fund, conducting an annual performance review and outside audit, establishing a citizen advisory panel to oversee the annual report and seven-year review, and putting the payroll tax to a public vote again after seven years.
- The payroll tax was adopted on the recommendation of a revenue team that reviewed a range of options. City officials consider the tax to be a stable revenue source.
- The tax would not be levied on workers earning $12/hour or less and would be graduated to mitigate impacts on other lower-wage earners.

Arguments against 20-302:

- A payroll tax places an undue burden on workers, homeowners and small businesses.
- The reductions in the tax for lower-wage workers don't do enough to alleviate its regressive effects.
- The ordinance outlines community safety services but doesn't detail specific allocations.
- Announced expenditures emphasize police services (65 percent). A greater percentage should go to prevention and homelessness services (10 percent) for more effective, longer-lasting impacts.
- Public employers (not public employees) are exempt from the tax. Given the number of public agencies in Eugene, this creates significant inequities for private-sector employers.
- The payroll tax doesn't affect individuals equitably because it doesn't capture revenue from visitors, Eugene residents employed outside the city, retirees and the unemployed.

Ballot Measure 20-303

City of Coburg, Oregon
Motor Fuel Tax Increase

Question: Shall Coburg's Motor Fuel Tax be changed by increasing it to six cents a gallon?

Summary: Coburg's current motor fuel tax is three cents a gallon. A yes vote on this referral will approve the Coburg City Council's adoption of an amended motor vehicle fuel tax of six cents a gallon. Any funds raised by the Motor Vehicle Fuel Tax may only be spent for activities and/or materials directly related to the repairs or improvements to Coburg's streets and/or the retirement of bonds purchased for the purpose of activities and/or materials for repairs or improvements to Coburg's streets.

Arguments for 20-303:

- A 2018 assessment of Coburg streets suggested pavement conditions were below standards, with a need for more preventative maintenance.
- Failure to maintain public assets can lead to reduced public services and higher long-term costs and affect local businesses and economic vitality as well.
- The City of Coburg has a Street Funding Committee which studies and discusses issues and meets with the public for input, ideally contributing to greater understanding and accountability.

Arguments against 20-303:

- A gas tax and tax increase tend to have a greater impact on lower-income individuals and households.
- Gas and other taxes on products and services in one jurisdiction can drive customers to neighboring communities for purchases, potentially hindering local business revenues.

2019 State Legislative Activity

The bills listed below represent legislation on climate change, governance and campaign finance that were followed by the League of Women Voters of Oregon (LWVOR) and reported in the LWVOR Legislative Report, Volume 29, Number 24 for July 2019. The LWVOR followed additional bills in the areas of education policy, natural resources, air quality, coastal issues, revenue and tax

reform, social policy and housing (which will be considered as part of the November Everymember topic of planning and zoning.) Summaries of these bills are also available in the Legislative report on the LWVOR website. An asterisk indicates that the LWVOR provided testimony on the bill. The League's testimony may be found at lwvor.org. Click on "Testimony" under "Action" on the home page.

CLIMATE CHANGE

HB 2020 passed the Oregon House but did not pass the Senate.

HB 2020 was the focal point for a dramatic end to the 2019 legislative session. The bill creates the Oregon Climate Board to advise the Climate Policy office and establishes a Joint Committee on Climate Action. It modifies statewide goals for reduction of greenhouse gas emissions and requires a cap on greenhouse gases that are regulated emissions and provides a market-based mechanism for covered entities to demonstrate compliance with the program.

House Bill 2020 was introduced on February 4, 2019 and was revised and rewritten several times, before passing the House on June 18. The cap and trade program used the existing program in California as a model. If passed, the program would come into effect in 2021 with the goal of reducing emissions to 45 percent below 1990 levels by 2035 and 80 percent below by the year 2050. The initial cap would be set at 25,000 metric tons of annual carbon emissions and was projected to raise $550 million in its first year. The program would reinvest revenues into environmentally friendly projects, including energy efficiency projects for utilities, a fund to transition jobs that would be affected by climate change, and low-carbon transportation projects, including support for mass transit and cycling.

The House Leadership delivered HB 2020 to the Senate June 18, after six hours of discourse, but the Senate failed to vote on it. On June 20, 2019, eleven Republican senators announced their intention to leave the state in protest of House Bill 2020, preventing a quorum to vote on the senate floor. The following day, Governor Kate Brown dispatched state troopers to search for the absent senators and return them to the state capitol for the vote. Peter Courtney, President of the Senate, announced the morning of June 25, while the 11 missing Republicans were still out of state, that the Climate Action Program Bill did not have enough votes in the Senate to pass this session.

In a speech wrapping up the 2019 legislative session, Governor Kate Brown said that she was “not backing down” on measures to address climate change. Governor Brown said that she's ready to use her executive power to lower carbon emissions following a nine-day Republican walkout that derailed climate legislation.

HB 2209 was approved by the Oregon legislature, signed by the governor, and is effective January 1, 2020. It requires a railroad that owns or operates a high hazard train route in Oregon to have an oil spill prevention and emergency response plan that has been approved by the Department of Environmental Quality (DEQ). The bill also requires the railroad to submit a financial responsibility statement that demonstrates the railroad’s ability, in the form of insurance, reserve accounts, letters of credit or other financial instruments or resources, to pay the costs to clean up a worst case spill.

In 2016 a Union Pacific train carrying nearly 3 million gallons of crude oil derailed and spilled 42,000 gallons in the Columbia River Gorge near Mosier. The incident led to a fire, which was put out with no injuries. No substantial amount of oil spilled into the Columbia River.

With HB 2209 in place, railroads must come up with their own contingency plans approved by the DEQ. The priority for DEQ in creating the geographical response plans (GRPs) throughout Oregon are natural resources and places with economic and cultural value, says Scott Smith, DEQ's emergency response planner. That includes rivers and fish beds, for example.

The Columbia River is one of three regions where the DEQ has GRPs in place. The Oregon coast and part of the Willamette River are other regions. But according to a DEQ map, many areas of Oregon, including Eugene, have oil train rail lines but no GRP in place to deal with a spill.

The area that includes Eugene has 26 watersheds but no GRP. Once the DEQ evaluates the resources such as water supplies adjacent to the rail lines, the next step is sending equipment and developing strategies that would not exist if not for contingency plans,

GOVERNANCE

The following bills related to governance passed the legislature:

***HB 2015** eliminates the requirement that a person provide proof of legal presence before the Department of Transportation issues a noncommercial driver license, noncommercial driver permit or an identification card. This change in the requirements will enable immigrants who have entered the country illegally to obtain a driver's license, driver permit or an ID card. The expectation is that this provision will reduce the number of unsafe drivers on the roads.

***HB 3348** requires the Financial Estimate Committee to file the statement *Measure Spends Money Without Identifying a Funding Source* with the Secretary of State upon finding that a ballot measure with no dedicated funding source will have a financial effect on public expenditures in excess of $100,000. It requires the statement to be printed in the voters' pamphlet.

SB 116 directs that Enrolled House Bill 3427, if referred by a referendum petition, be submitted to the people at a special election held on January 21, 2020. HB3427 establishes the Fund for Student Success and directs the Department of Education to conduct a study to examine the best methods for funding the state's system of kindergarten through grade 12 public education. Oregon Manufacturers and Commerce filed paperwork on May 30 2019 with the Oregon secretary of state's elections division aimed at a partial repeal of House Bill 3427, the $1 billion tax dubbed the Student Success Act. Lawmakers approved the bill after Senate Republicans briefly stopped coming to work in an effort to slow its passage.

Republicans and business groups objected to the passage of a new .57 percent tax on gross receipts (effectively, sales) of over $1 million by any Oregon business. That tax is expected to bring in more than $1 billion a year, which lawmakers say will be allocated to early childhood education and K-12 schools. In the case of the referral of HB 3427, Oregon Manufacturers and Commerce

chose not to refer the other major component of the bill, a reduction in the personal income tax of .25 percent for Oregonians in the lowest three income tax brackets (5, 7 and 9 percent).

Those personal income tax reductions would cost the state $423 million in 2019-21; $699 million in 2021-23; and $756 million 2023-25, according to calculations by the non-partisan Legislative Revenue Office. That means if Oregon Manufacturers and Commerce qualifies its measure for the ballot and voters repeal the tax increase, the state could end up with less revenue as a result of the Student Success Act, not more.

***SB 670** prohibits the name of a county clerk or filing officer from appearing in an official capacity on a voters' pamphlet, return identification envelope, secrecy envelope or other ballot information provided to electors if the county clerk or filing officer is on ballot.

***SB 761** requires that a petition only be downloaded and printed by the voter who intends to sign it — or by someone specifically asked to do so by that voter. Also, the petition would have to include the text of a proposed initiative or the law being referred. In addition to signing the petition, the voter would also have to separately sign that they had authorized the printing of the petition.

All of these things make the process more cumbersome and could impact the effectiveness of electronic petitions. The debate over SB 761 was heated, with Sen. Brian Boquist, R-Dallas, charging that Democrats were trying to make it harder for voters to go to the ballot to undo much of the controversial legislation passed by Democrats this year. Senate Majority Leader Ginny Burdick, D-Portland, fired back at critics that "this is not voter suppression." Instead, she said, it is an attempt to keep campaigns from handing out stacks of electronic petitions without having to follow the same procedures used by regular canvassers.

***SB 861** requires the state to pay for ballot return envelopes that can be returned by business reply mail, or other mailing service determined by Secretary of State to be more cost effective or efficient, for each election held in this state. It applies to elections held on or after January 1, 2020. The hope is that the change will make it easier for rural voters who may live some distance from a ballot drop box to return their ballots and thus increase voter participation.

***SB 944** permits a county clerk to decide whether to conduct a hand count of ballots or a risk-limiting audit following each primary, general or special election. A risk-limiting audit minimizes the probability that the audit would fail to detect an incorrect election outcome. The bill establishes requirements for a risk-limiting audit and requires that records relating to a risk-limiting audit or a hand count of ballots be retained for two years. It applies to primary, general and special elections held on or after September 1, 2020.

CAMPAIGN FINANCE

The following bills relating to campaign finance passed the legislature:

SJR 18 proposes an amendment to the Oregon Constitution to permit the Legislative Assembly, the governing body of a city, county, municipality or district, or people through the initiative process,

to enact laws or ordinances relating to the use of moneys in political campaigns within its jurisdiction. The Oregon House referred a ballot initiative to the November 2020 election to allow voters to decide whether campaign donation limits should be constitutional. The move follows many years of judicial decisions that made Oregon one of just four states to allow unlimited contributions to politicians. Per capita, corporate interests have given more money to the average Oregon lawmaker than in any state in the country, *The Oregonian* newsroom found. This legislation does not require the Governor's signature and will go directly to the voters in the November 2020 general election.

***HB 2716** requires communications made in support of or in opposition to a candidate to state the name of persons that paid for the communication. In the case of ads funded by non-candidate political action committees, the bill also requires the disclosure of the top five donors who've contributed at least $10,000 to those groups.

***HB 2983** requires covered organizations that make political expenditures for either candidates or ballot measures in excess of a specified threshold to file with the Secretary of State a list that identifies donors who made donations to the organization above $10,000 during the election cycle. For a candidate in a statewide race, the threshold is $100,000; for a candidate for a seat in the Oregon Legislative Assembly the threshold is $25,000.

Covered organization means a combination of two or more individuals, or a person other than an individual, political committee, petition committee or a not-for-profit corporation that is tax exempt under section 501(c)(3) of the Internal Revenue Code, that both accepts donations and makes political communications in support of or in opposition to either candidates or measures.

The threshold for ballot measures is also $100,000; expenditures above this threshold require the organization to file a list of donors giving more than $10,000 with the Secretary of State. However, the threshold is lower for a city or county with a population less than 60,000. City or county measures on the ballot in areas where the population is less than 60,000 have a threshold of $25,000; expenditures above that amount require the organization to file a list of donors with the Secretary of State.

Oregon is one of only four states that allows unlimited contributions to candidates by all of the following entities: individuals, state parties, PACs, corporations and unions. The other three states are Alabama, Nebraska and Utah. Sixteen states prohibit any contributions to candidates from corporations and unions. The remaining states place some limitations on the amount of contributions from corporations or unions; frequently the limit is the same as the limit placed on a contribution from an individual.

If you are interested in any of these areas and can help the LWVOR, please contact Karen Nibler, niblerk@comcast.net.

Discussion Questions:

1. Which argument or arguments - either for or against Ballot Measure 20-302 - do you find compelling?
2. Can you think of additional reasons to vote for or against this measure?
3. SJR 18 proposes an amendment to the Constitution to be voted on in 2020. How should LWVOR prepare for that election?
4. Where do you think we should focus our education and advocacy efforts in the coming year here in Lane County? What do you see as a good role for LWVLC and what kinds of activities would you like to see?

Resources

1. http://apps.lanecounty.org/Elections/Document.ashx?id=2833, retrieved 8/
2. https://en.wikipedia.org/wiki/Oregon_House_Bill_2020
3. https://www.kdrv.com/content/news/Gov-Brown-invokes-executive-order-if-compromise-on-climate-bill-cant-be-reached-512067631.html
4. https://olis.leg.state.or.us/liz/2019R1/#
5. http://lwvor.org/legislative-report-volume-29-number-24-july-2019/#top
6. https://www.eugeneweekly.com/2019/07/25/improving-oil-train-safety/
7. https://www.wweek.com/news/2019/05/30/business-group-files-paperwork-to-begin-the-referral-of-newly-passed-billion-dollar-tax-increase/
8. https://www.opb.org/news/article/electronic-voter-petition-restriction-oregon-senate/
9. https://www.oregonlive.com/politics/2019/06/legislature-sends-ballot-initiative-to-voters-setting-stage-for-campaign-donation-limits.html
10. https://www.opb.org/news/article/oregon-vote-by-mail-paid-postage/
11. http://www.ncsl.org/Portals/1/Documents/Elections/Contribution_Limits_to_Candidates_2017-2018_16465.pdf

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