AIS-1528 **11.**

Business Meeting

Meeting Date:	12/10/2013		
Length (in minutes):	20 Minutes		
Agenda Title:	Discuss Legislative Agenda for 2014 Legislative Session		
Prepared For:	Liz Newton, City Management	**Submitted By:**	Liz Newton, City Management
Item Type:	Update, Discussion, Direct Staff	**Meeting Type:**	Council Business Meeting - Main
Public Hearing:	No	**Publication Date:**	

Information

ISSUE

Develop the city's legislative agenda for the 2014 Oregon Legislative Session.

STAFF RECOMMENDATION / ACTION REQUEST

Discuss the city's legislative priorities for the upcoming session and direct staff to prepare a legislative agenda for consideration and adoption on January 14, 2014.

KEY FACTS AND INFORMATION SUMMARY

The Oregon State Legislature is scheduled to convene on February 4, 2014 for a short session. This is an appropriate time for council to adopt a legislative agenda to communcate the city's legislative priorities.

Staff recommends council consider the following for inclusion in the 2014 Legislative Agenda.

From the League of Oregon Cities list of policy issues:

Referral regarding the legalization of marijuana
Local Improvement Districts
9-1-1 Tax on Prepaid Wireless
Water Supply Development Fund Appropriations
Labor and Supervisor Management

Franchise Fees

A summary of these policy issues is attached as Exhibit "A".

The scope of legislation considered in the upcoming session will likely be very limited. However there may be one or two ongoing issues of interest the council would like to include in the city's legislative agenda. The city's 2013 Legislative Agenda focused on economic development/jobs, transportation, financial stability and growth and development. A copy of the 2013 legislative agenda is attached for reference.

Another issue raised by staff relates to uncertainty around the Vertical Housing Program.

The Vertical Housing Program encourages mixed-use commercial / residential developments in areas designated by communities through a partial property tax exemption. The exemption varies in accordance with the number of residential floors on a project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area median income or below). A number of cities, including Beaverton and Hillsboro, are using vertical housing to encourage mixed-use development.

This is a potential tool for Tigard to use in partnership with housing developers; however, uncertainty exists as to whether the program will be extended beyond its 2016 sunset.

In an effort to coordinate with our regional partners, staff will obtain legislative agendas form Washington County and the cities of Beaverton, Hillsboro, Sherwood and Tualatin and provide them to council as they are available.

OTHER ALTERNATIVES

N/A

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

League of Oregon Cities Policy Issues of Interest

2013 Legislative Agenda

EXHIBIT A

2014 League of Oregon Cities' policy issues of interest:

Referral regarding the legalization of marijuana

Should the legislature decide to take up the issue of referring to voters a measure legalizing the recreational use of marijuana, the League would like to be involved in those discussions, particularly as they relate to: the governing agency responsible for oversight; public safety; local licensing, siting and zoning authority; production limits and taxation and revenue distribution.

Local Improvement Districts

Cities rely on local improvement districts to complete important upgrades to infrastructure that benefits a local area within the city's boundaries. The League is concerned that legislation will be brought that will limit the ability of cities to use this financing mechanism that insures that the beneficiaries of specific improvements bear the cost of those improvements and instead lead to the general taxpayer funding these projects from the limited general funds cities currently have available.

9-1-1 Tax on Prepaid Wireless

While the legislature extended the sunset date for the 9-1-1 tax on telecommunication services, the prepaid cell phone market remains outside this important revenue source. With prepaid phones becoming an increasing portion of the industry and such phones being used to access the emergency service system, we believe that the work of finalizing the collection mechanism for such a fee must be finished in the 2014 session and the prepaid cell phone users will thereby pay their fair share for this vital service.

Water Supply Development Fund Appropriations

The League requests a budget note to the budget reconciliation bill, or other appropriate legislation, clarifying the appropriation of lottery bonds from the Water Supply Development Fund. This fund was established in 2013 legislation, which included authorization for two specific projects – the state $1.5 million match for a water reallocation project in the Willamette Basin and a $750,000 fund for a comprehensive basin study for the Deschutes Basin. In 2013, $10 million was appropriated to the development fund and the two projects now need a budget note to finalize the funding outside the loan and grant process as laid out in the authorizing bill.

Labor and Supervisor Management

The League would once again oppose changes to Oregon's collective bargaining law that would place supervisory employees into collective bargaining units and require mid-term bargaining to be subjected to binding arbitration. Similarly, the League would urge caution in regards to changing Oregon's public contracting code in a short session. Public contracting is an area fraught with complications that require robust deliberations not offered in the time available.

Franchise Fees

While the League worked on legislation in the 2013 session to address the differences in franchise fees charged to different types of telecommunication companies. While we appreciate the need for equity, the League is concerned about proposed legislation that would alter the statutory basis for franchise fees. We oppose any preemption on local authority related to franchise fees and other right-of-way management policies. We prefer that the discussions started in 2013 continue through a work group and present a solution for possible consideration in the 2015 session.

2013 Legislative Agenda

Tigard, Oregon

"She flies with her own wings."
–Judge Jessie Quinn Thornton, 1854

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Economic Development/Jobs

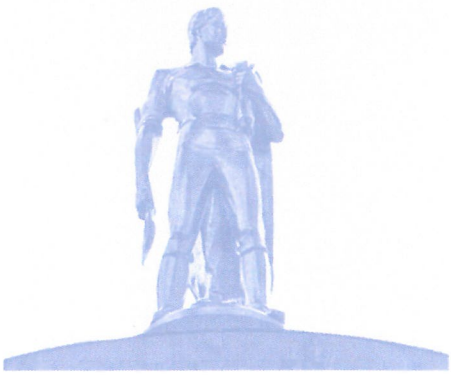
- **Jobs/Economic Development Initiative**
  Endorse the League of Oregon Cities (LOC) Jobs/Economic Development Initiative to support three policy options in the Oregon Business Development Department's budget:
  - The Brownfields Redevelopment Fund for gap funding to clean up industrial sites.
  - Patient Capital for Industrial Lands Pilot Program for funding to cities to install infrastructure and conduct feasibility studies needed for sites to be "shovel ready."
  - The Employment Site Re-Use/Redevelopment Pilot Program to assist communities with funding incentives to reuse/redevelop existing industrial lands.
- **Downtown Brownfield Development**
  In addition to supporting the LOC's Jobs/Economic Development Initiative, pursue available federal funding to clean brownfield sites.

Transportation

- **Defeat legislation that would extend or make permanent the moratorium on raising existing or levying new local gas taxes and/or any legislation that proposes to restrict or pre-empt cities' ability to charge any transportation-related fee or tax.**
  In 2009, legislation was adopted that prohibited local governments from enacting or amending charter provisions, ordinances or resolutions related to the collection of local motor vehicle taxes until Jan. 2, 2014. The legislation did not apply to Tigard because our local motor vehicle tax was in place. Oppose any legislation that pre-empts the city's ability to charge any transportation-related fee or tax.
- **Seek additional funding, efficiencies and program support for multimodal transportation and rail projects.**
  Pursue state and federal grants and other funding sources, and regional, state and federal support for multimodal transportation investments including high-capacity transit (HCT) and the Columbia River Crossing project.
- **Tigard Street Trail**
  Work with ODOT Rail and Portland & Western Railroad to secure the property rights for the former rail bed land paralleling Tigard Street. Pursue regional, state and federal funds for construction of a trail.

Financial Stability

- **Local Control Amendment**
  This constitutional amendment would allow local voters to consider a local option levy outside of compression and extend the duration from 5–10 years. (HJR 26 in the 2011 legislative session.)
- **Maintain and strengthen the state's commitment to the State Shared Revenue funding formula.**
  Prevent erosion of the formula for distribution of state liquor, cigarette and gas tax revenue to cities. At a minimum retain the current distribution formula.
- **Address tax equity issues in the context of state telecommunications laws including removing existing pre-emptions that have led to declining revenues.**
  The predominant system of franchising telecommunications providers has not kept pace with technology. In particular, the shift from land line telephones to wireless technologies has resulted in an erosion of telecommunications revenues in Tigard and throughout Oregon cities. Over the last three years, Tigard has seen a 45 percent decrease in telecommunications franchise revenues.
- **Allow local governments a more flexible use of transient lodging tax to meet the increased demands placed on both essential services and infrastructure created by tourism activities.**
  Current law prohibits cities from imposing new local transient lodging taxes. Cities' share of state transient lodging taxes may fund city or county services without restriction. Retain the current distribution formula of state transient tax dollars and fund city services without restriction.
- **9-1-1 Tax Renewal**
  Renew the 9-1-1 emergency tax beyond its expiration in 2014 and extend the tax to prepaid cell phones and VoIP services. As these services become a higher share of the market, the tax revenues to 9-1-1 centers is declining which shifts the financial burden for operating 9-1-1 centers to cities even though the demand for service increases. It is estimated that extension of the 9-1-1 tax would generate $700,000 for WCCA to pay for increased service demand.



Growth and Development

- **Support an urban growth boundary agenda that would provide for a more efficient urban growth management system.**
  Support a requirement that concept and community planning for urban growth boundary expansion areas is conducted by the jurisdiction that will ultimately govern the area, and that those final plans be adopted and annexation occur prior to development.