

CITY OF SALEM LEGISLATIVE SUBCOMMITTEE

Si necesita ayuda para comprender esta información, por favor llame 503-588-6178

Disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting or event, are available upon request. Sign language and interpreters for languages other than English are also available on request. To request such an accommodation or interpretation, contact the ADA Liaison at 503.588.6255 at least **two business days** before meeting; or TTD/TTY telephone (503) 588-6439, is also available 24 hours a day, seven days a week.

LEGISLATIVE COMMITTEE

Members

Mayor Bennett, Chair
Councilor Tom Andersen
Councilor Chris Hoy
Councilor Brad Nanke
Councilor Cara Kaser (alternate)

Staff

Justin Martin, Perseverance
Debra Aguilar (Police)
Courtney Busch (City Manager's Office)
Tiffany Corbett (Information Technology)
Greg Hadley (Fire)
Jason Pulley (Public Works)
Josh Eggleston (Finance)
Mina Hanssen (Human Resources)
Eunice Kim (Community Development)
Sara Long (Urban Development)
Marc Weinstein (Legal)
Ryan Zink (Budget)

It is the City of Salem's policy to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity, and source of income, as provided by Salem Revised Code 97. The City also fully complies with Title VI of the Civil Rights Act of 1964, and Americans with Disabilities Act of 1990, and related statutes and regulations, in all programs and activities.

Declare potential or actual conflicts of interest prior to each item on the agenda.

MEETING AGENDA

February 22, 2019, 12:00 - 1:00 PM
City Manager's Conference Room
Salem Civic Center
555 Liberty Street SE

1. Welcome and Call to Order
2. Returning from Council
 - House Bill 2001: Multi-Family in Single Family Zoning
 - House Bill 2306: Timing of Building Permits for Residential Subdivisions
3. Revisiting from Legislative Committee
 - House Bill 2449: 9-1-1 Tax Increase
4. Other Issues
 - Legislative Fix to Protect Confidentiality in Child Abuse Cases
 - Purchasing and Prevailing Wage-related bills (see memo)
 - Property tax, PERS, & TOT-related bills (see memo)
 - Court-Supported: House Bill 2614/Senate Bill 776
 - Cap and Invest Concepts (see memo)
 - House Bill 2974: Bridge District
5. Proposed City position on bills before Legislature
6. Updates on Interim Priorities
 - Drinking water protections (including Drinking Water Resiliency)
 - Municipal broadband
 - Funding for affordable housing
 - Legislative fix for stolen vehicles
 - Increasing revenue options for local government
 - Preservation of urban renewal authority

TO: City Council Legislative Committee

FROM: Jason Pulley
Public Works Department

DATE: February 22, 2019

SUBJECT: **Legislative Bills Related to Prevailing Wages**

Several bills have been introduced this legislative session that address the prevailing wage rate on projects that meet the definition of “public works”. The bills have varying effects on the current prevailing wage laws and their subsequent impacts on City funded public works projects. The bills are described below.

House Bill 2407

- **Purpose:** Consolidates the districts used to determine regional prevailing wage rates from 14 to 5.
- **Potential Impact:** Currently, Marion County is included in District 3, which also includes Polk and Yamhill Counties. The new districting would add seven additional counties, including Linn, Lane, and Benton Counties, for use in determining the prevailing wage. It is unlikely the redistricting would result in a significant increase in the prevailing wage for City contracts.

House Bill 2408

- **Purpose:** Modifies the definition of “funds of a public agency” for determining whether prevailing wage rate requirements apply to certain projects.
- **Potential Impact:** The bill would require tax credits and tax abatements on private projects be considered “funds of a public agency”, resulting in increased costs for the construction of private economic development projects that receive tax incentives from the City.

House Bill 2409

- **Purpose:** Requires the prevailing wage to be set according to collective bargaining agreements (CBAs) in the region. If no CBAs exist, the wage would be set by a survey of wages in the region, similar to existing law.
- **Potential Impact:** CBAs typically negotiate higher wages than those of non-represented laborers. The net effect is likely higher prevailing wages on public projects, thus increasing the overall project cost.

House Bill 2414

- **Purpose:** Expands prevailing wage requirements to include maintenance for buildings that a public agency owns or occupies. The bill also expands prevailing wage rate requirements to the fabricating or manufacturing of custom items to be used on public works projects.
- **Potential Impacts:** The term “maintenance” is not defined in the bill. Depending on how it is interpreted, the bill could significantly escalate costs on relatively small “maintenance” projects on City buildings and facilities.

House Bill 2443

- **Purpose:** Raises the threshold for prevailing wage requirements from \$50,000 to \$100,000 total contract price for public works projects. The bill also allows BOLI to adjust the threshold annually based on CPI.
- **Potential Impacts:** The threshold increase could potentially save the City time and costs on small projects by raising the contract price for which prevailing wages are required.

Senate Bill 305

- **Purpose:** Raises the threshold for prevailing wage requirements from \$50,000 to \$64,000 total contract price for public works projects. The bill also allows BOLI to adjust the threshold annually based on CPI.
- **Potential Impacts:** The threshold increase could potentially save the City time and costs on small projects by raising the contract price for which prevailing wages are required.

TO: City Council Legislative Committee

FROM: Josh Eggleston
City Manager's Office

DATE: February 22, 2019

SUBJECT: **Legislative Bills Related to Property Taxes, PERS and Transient Occupancy Tax**

Several bills have been introduced this legislative session that address property tax, PERS, and Transient Occupancy Tax. The bills have varying effects on the current property tax and PERS systems. The bills are described below.

Property Taxes

House Bill 2104

- **Purpose:** Reduces discount for on-time payment of property taxes imposed on business property.
- **Potential Impact:** HB 2104 would increase property tax collections by reducing the current discount for on-time payment of property taxes for business property.
- **Recommended Position:** Support 1

House Bill 2157

- **Purpose:** Disallows discounts, otherwise allowable on timely partial or full payments of property taxes, on payment of taxes imposed on property classified as commercial or industrial.
- **Potential Impact:** HB 2157 would increase property tax collections by disallowing the current discount for on-time payment of property taxes for business property.
- **Recommended Position:** Support 1

House Bill 2167

- **Purpose:** Provides that, for ad valorem property tax purposes, real market value of commercial and industrial property be three-year average.
- **Potential Impact:** HB 2167 would reduce large fluctuations in the Real Market Value (RMV) of commercial and industrial property.
- **Recommended Position:** Support 1

House Bill 2359

- **Purpose:** Requires county at higher risk of financial distress to withhold from taxing districts costs to county of assessing property and collecting property taxes.

- **Potential Impact:** HB 2359 authorizes counties in financial distress to withhold taxes from taxing districts. The latest County Financial Condition Report in 2016 included Polk County on the monitor list.
- **Recommended Position:** Oppose 1

House Joint Resolution 1

- **Purpose:** Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, ratio of maximum assessed value to real market value of property may not be less than 0.75.
- **Potential Impact:** The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 1 attempts to set a floor for the changed property ratio which will ensure new development comes onto the tax rolls at least .75 of the market value. This bill also allows for a homestead exemption of \$25,000 or 25% of Real Market Value (RMV), whichever is less.
- **Recommended Position:** Support 1

House Joint Resolution 2

- **Purpose:** Proposes amendment to Oregon Constitution relating to ad valorem property taxation.
- **Potential Impact:** HJR 2 makes the Assessed Value (AV) for all residential properties that are the subject of sale or other transfer for which seller receives consideration of \$1 million or more, equal to the Real Market Value (RMV).
- **Recommended Position:** Support 2

House Joint Resolution 3

- **Purpose:** Proposes amendment to Oregon Constitution relating to ad valorem property taxation.
- **Potential Impact:** The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 3 sets the Maximum Assessed Value (MAV) to the Real Market Value (RMV) for commercial or industrial properties with a four year ramp up.
- **Recommended Position:** Support 1

House Joint Resolution 4

- **Purpose:** Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, notwithstanding assessment provisions of Ballot Measure 50 (1997) and collection limit provisions of Ballot Measure 5 (1990), property classified as commercial or industrial shall be assessed at real market value and taxes on such property collected without compression.
- **Potential Impact:** The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 4 would tax industrial and commercial property based on the Real Market Value (RMV) and would be collected without compression.
- **Recommended Position:** Support 1

House Joint Resolution 11

- **Purpose:** Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation under Ballot Measure 50 (1997), property that is subject of sale or other transfer shall have maximum assessed value equal to property's real market value, only for first tax year that begins after sale or other transfer becomes final.
- **Potential Impact:** The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 11 would implement a "reset at sale" that would set the Assessed Value (AV) of a property equal to the Real Market Value (RMV) at a sale or transfer of property.
- **Recommended Position:** Support 1

Senate Joint Resolution 1

- **Purpose:** Proposes amendment to Oregon Constitution directing Legislative Assembly, notwithstanding any provision of Ballot Measure 50 (1997), to enact laws necessary to ensure that property taxes are equitable and fairly apportioned.
- **Potential Impact:** SJR 1 directs the Legislative Assembly to enact laws that is deems necessary to ensure that property taxes are equitable and fairly apportioned. This language is vague and needs to be more detailed to define "fair and equitable" and what may be deemed necessary.
- **Recommended Position:** Watch 2

Senate Joint Resolution 2

- **Purpose:** Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, ratio of maximum assessed value to real market value of property may not be less than 0.75.
- **Potential Impact:** The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. SJR 2 attempts to set a floor for the changed property ratio which will ensure new development comes onto the tax rolls at least .75 of the market value. This bill also allows for a homestead exemption of \$25,000 or 25% of Real Market Value (RMV), whichever is less.
- **Recommended Position:** Support 1

Public Employee Retirement System (PERS)

Senate Bill 148

- **Purpose:** Requires members of Public Employees Retirement System to elect to participate in pension programs and traditional individual account program, or to participate in alternative individual account program, on and after July 1, 2020.
- **Potential Impact:** SB 148 would create an alternative individual account program and redirect "traditional" individual account program to defined benefit costs. Requires the six percent be paid by employees.

- **Recommended Position:** Watch 2

Senate Bill 531

- **Purpose:** Redirects employee contribution to Public Employees Retirement System to account to be used to pay for pension or other retirement benefits payable to member or member's beneficiary accrued on or after January 1, 2020.
- **Potential Impact:** SB 531 attempts to reform the Public Employee Retirement System (PERS) in the following ways:
 - Redirects the employee contribution to be used to pay the defined benefit.
 - Caps the final average salary at \$100,000.
 - Changes calculation of final average salary to five year instead of three.
 - Lowers the factor to calculate future pension benefits.
- **Recommended Position:** Watch 2

Senate Bill 532

- **Purpose:** Requires member of individual account program of Public Employees Retirement System and member's employer to each contribute three percent of member's salary to individual account program.
- **Potential Impact:** SB 532 requires a payment of three percent to be made by the employee and employer to the PERS individual account program.
- **Recommended Position:** Watch 2

Senate Bill 533

- **Purpose:** Redirects employee contribution to Public Employees Retirement System to account to be used to pay for pension or other retirement benefits payable to member or member's beneficiary accrued on or after January 1, 2020.
- **Potential Impact:** SB 533 redirects the employee contribution to the PERS individual account program to be used to pay for defined benefits costs.
- **Recommended Position:** Watch 2

Transient Occupancy Tax

Senate Bill 595

- **Purpose:** Adjusts allocation percentages of net revenue from new or increased local transient lodging tax to allow up to 30 percent of such revenue to be used to fund affordable workforce housing.
- **Potential Impact:** SB 595 would allow additional flexibility for up to 30% of Transient Occupancy Tax to be used to fund affordable workforce housing.
- **Recommended Position:** Support 1

TO: City Council Legislative Committee

FROM: Courtney Knox Busch
City Manager's Office

DATE: February 22, 2019

SUBJECT: **Initial Framework for Cap and Invest**

The City Council Legislative Committee has expressed interest in the carbon reduction policy framework under consideration by the Legislature during this session, the Cap and Invest framework. The following is a high level overview of the concept and ideas for the Legislative Committee to consider, while the bills evolve this session.

The Framework

The *cap and trade* framework is a system of capping emissions and allocated limited allowances to the firms that emit pollution. The firms then start trading allowances freely on an exchange. In the 2018 session, the Oregon State Legislature considered a *cap and invest* framework, in which a price is placed on carbon by requiring emitters of greenhouse gases to purchase a permit from the state for each metric ton of carbon-equivalent emitted. Revenue generated from the sale of these permits would be directed into investments in clean energy, carbon-reducing transportation projects, and transition assistance for low-income households.

Possible Impacts on Local Governments

- Outcome of legislation should preserve transportation revenues generated through a carbon tax on the transportation fuels sector, and local governments should retain flexibility in use of the revenues to account for needs of local communities.
- Revenue from the purchase of allowances be invested in evidence-based technologies to reduce emissions from regulated sectors to help these sectors become more efficient over time and less carbon intensive.
- Additional revenues should be dedicated to support local governments in climate adaption and resilience, programs to further greenhouse gas emissions, and efforts to incent clean energy job creation and economic development opportunities.

House Bill 2974

Sponsored by Representative EVANS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes formation of bridge district in capital city region, consisting of Linn, Marion, Polk and Yamhill Counties. Authorizes bridge district to levy property taxes for purpose of planning, financing, constructing, operating and maintaining bridges over Willamette River in capital city region. Provides for organization of district board consisting of four members, one elected from each of four counties in capital city region, and one member representing Department of Transportation appointed by Governor.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a special bridge district; creating new provisions; amending ORS 198.010, 198.115,
3 198.180, 198.210, 198.310, 198.335 and 198.510; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 198.010 is amended to read:

6 198.010. As used in this chapter, except as otherwise specifically provided, "district" means any
7 one of the following:

8 (1) A people's utility district organized under ORS chapter 261.

9 (2) A domestic water supply district organized under ORS chapter 264.

10 (3) A cemetery maintenance district organized under ORS chapter 265.

11 (4) A park and recreation district organized under ORS chapter 266.

12 (5) A mass transit district organized under ORS 267.010 to 267.390.

13 (6) A metropolitan service district organized under ORS chapter 268.

14 (7) A special road district organized under ORS 371.305 to 371.360.

15 (8) A road assessment district organized under ORS 371.405 to 371.535.

16 (9) A highway lighting district organized under ORS chapter 372.

17 (10) A health district organized under ORS 440.305 to 440.410.

18 (11) A sanitary district organized under ORS 450.005 to 450.245.

19 (12) A sanitary authority, water authority or joint water and sanitary authority organized under
20 ORS 450.600 to 450.989.

21 (13) A vector control district organized under ORS 452.020 to 452.170.

22 (14) A rural fire protection district organized under ORS chapter 478.

23 (15) An irrigation district organized under ORS chapter 545.

24 (16) A drainage district organized under ORS chapter 547.

25 (17) A water improvement district organized under ORS chapter 552.

26 (18) A water control district organized under ORS chapter 553.

27 (19) A weather modification district organized under ORS 558.200 to 558.440.

28 (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (21) A geothermal heating district organized under ORS chapter 523.

2 (22) A transportation district organized under ORS 267.510 to 267.650.

3 (23) A library district organized under ORS 357.216 to 357.286.

4 (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.

5 (25) A heritage district organized under ORS 358.442 to 358.474.

6 (26) A radio and data district organized under ORS 403.500 to 403.542.

7 (27) A sand control district organized under ORS 555.500 to 555.535.

8 **(28) A bridge district organized under sections 2 to 5 of this 2019 Act.**

9 **SECTION 2. (1) As used in sections 2 to 5 of this 2019 Act:**

10 (a) **“Bridge district” or “district” means a bridge district established pursuant to this**
11 **section.**

12 (b) **“Capital city region” means the area lying within the boundaries of Linn, Marion, Polk**
13 **and Yamhill Counties.**

14 (2) **A bridge district may be formed within the boundaries of the capital city region for**
15 **the purpose of planning, financing, constructing, operating and maintaining bridges over the**
16 **Willamette River in the capital city region.**

17 (3) **A petition for formation of a bridge district must include a permanent rate limit for**
18 **operating taxes for the proposed district. A bridge district is a municipal corporation for**
19 **purposes of ORS 294.305 to 294.565.**

20 (4) **Except as otherwise expressly provided under sections 2 to 5 of this 2019 Act, ORS**
21 **198.705 to 198.955 apply to bridge districts.**

22 **SECTION 3. (1) The governing body of a bridge district shall be a board organized in ac-**
23 **cordance with this section and shall exercise all powers of the district.**

24 (2)(a) **The board shall consist of five members serving four-year terms.**

25 (b) **The four elective members must be electors residing within the bridge district. One**
26 **member shall be elected from each of the four counties in the capital city region in which**
27 **the respective member resides.**

28 (c) **The four elective district board members shall be elected as provided in this section**
29 **and ORS 198.815.**

30 (3)(a) **Each of the initial four elective district board members shall be elected at the**
31 **election for district formation by voters in the county in which the member resides and shall**
32 **serve for the following terms:**

33 (A) **If the effective date of the formation of the district occurs in an odd-numbered year,**
34 **two district board members shall be elected for four-year terms and the other two district**
35 **board members shall be elected for two-year terms.**

36 (B) **If the effective date of the formation of the district occurs in an even-numbered year,**
37 **two district board members shall be elected for three-year terms and the other two district**
38 **board members shall be elected for one-year terms.**

39 (b) **The Governor shall appoint one district board member representing the Department**
40 **of Transportation from among individuals recommended by the Director of Transportation.**

41 (4) **At the first meeting of the district board, or as soon as practicable, the board shall**
42 **choose one of the members of the board as president.**

43 (5) **Each district board member shall hold office until election and qualification, or ap-**
44 **pointment, of a successor, as applicable.**

45 **SECTION 4. A bridge district has the power:**

1 (1) To have and use a common seal.

2 (2) To sue and be sued in the name of the district.

3 (3) To make and accept any and all contracts, deeds, leases, releases and documents of
4 any kind that, in the judgment of the district board, are necessary and proper to the exercise
5 of any power of the district, and to direct the payment of all lawful claims or demands.

6 (4) To assess, levy and collect taxes on all taxable property within the boundaries of the
7 district in order to pay:

8 (a) The costs of planning, financing, constructing, operating and maintaining bridges over
9 the Willamette River in the capital city region; and

10 (b) The administrative costs of the district and the district board.

11 (5) To employ all necessary agents and assistants.

12 (6) To plan, finance, construct, operate and maintain bridges over the Willamette River
13 in the capital city region.

14 (7) To call elections for the district after the formation of the district.

15 (8) Generally to do and perform any and all acts necessary and proper to the complete
16 exercise and effect of any of the powers of the district or the purposes for which the district
17 was formed.

18 **SECTION 5.** (1) Each year, the district board of a bridge district shall certify, as pre-
19 scribed under ORS 294.456, the amount or rate of ad valorem property taxes to be assessed,
20 levied and collected by the district for the next property tax year.

21 (2) Ad valorem property taxes collected pursuant to this section shall be deposited or
22 transferred for deposit in the general fund of one of the four counties in the capital city re-
23 gion. Upon organization of the board, the members shall select the county in whose general
24 fund the revenues of the district shall be deposited. The selection may not be changed more
25 often than once in five years.

26 (3) The district board may enter into an intergovernmental agreement under ORS chap-
27 ter 190 with any county or city pursuant to which the road funds of the county or city may
28 be deposited in the account of the bridge district for the purpose of contributing to the costs
29 of any purpose for which the district was formed that is a use of revenue consistent with the
30 requirements of Article IX, section 3a, of the Oregon Constitution.

31 (4) The district board may accept appropriations, grants, gifts, bequests or any other
32 funds from any public or private source for deposit in the district fund. Such funds may be
33 used only for the payment of costs described in section 4 (4) of this 2019 Act.

34 (5) For any property tax year in which all bridge projects of the district are open for
35 public use, the district board may not certify a rate of ad valorem property taxes that is
36 reasonably estimated to exceed the amount of revenue necessary to pay the administrative
37 costs of the district and the district board.

38 **SECTION 6.** ORS 198.115 is amended to read:

39 198.115. (1) As used in this section, "district" has the meaning given that term in ORS 198.010
40 (1) to (5), (7) to (24), [and] (27) and (28).

41 (2) A district, by an ordinance or resolution that takes effect at least one year prior to the date
42 of the regular district election, may provide that any individual who is an employee of the district
43 is not eligible to serve as a member of the governing board of the district by which the individual
44 is employed.

45 **SECTION 7.** ORS 198.180 is amended to read:

1 198.180. As used in ORS 198.190, unless the context requires otherwise, “district” has the
 2 meaning given that term by ORS 198.010 (2) to (5), (7) to (23), [and] (25) **and (28)**. In addition, “dis-
 3 trict” means any one of the following:

4 (1) A county service district organized under ORS chapter 451.

5 (2) A diking district organized under ORS chapter 551.

6 (3) A corporation for irrigation, drainage, water supply or flood control organized under ORS
 7 chapter 554.

8 (4) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900
 9 to 568.933.

10 (5) The Port of Portland created by ORS 778.010.

11 **SECTION 8.** ORS 198.210 is amended to read:

12 198.210. As used in ORS 198.220, in addition to the meaning given the term by ORS 198.010 (1)
 13 to (5), (7) to (24), [and] (27) **and (28)**, “district” means any one of the following:

14 (1) A corporation for irrigation, drainage, water supply or flood control organized under ORS
 15 chapter 554.

16 (2) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900
 17 to 568.933.

18 (3) A weed control district organized under ORS 569.350 to 569.445.

19 (4) A port district organized under ORS chapter 778.

20 **SECTION 9.** ORS 198.310 is amended to read:

21 198.310. As used in ORS 198.320, in addition to the meaning given the term by ORS 198.010 (1)
 22 to (5), (7) to (24)[(26) and (27)] **and (26) to (28)**, “district” means a soil and water conservation
 23 district organized under ORS 568.210 to 568.808 and 568.900 to 568.933.

24 **SECTION 10.** ORS 198.335 is amended to read:

25 198.335. As used in ORS 198.335 to 198.365, unless the context requires otherwise:

26 (1) “County board” means the board of county commissioners or the county court.

27 (2) “Special district”:

28 (a) Has the meaning given the term “district” in ORS 198.010 (1) to (5), (7) to (24), [and] (27)
 29 **and (28)**; and

30 (b) Also means:

31 (A) A diking district organized under ORS chapter 551.

32 (B) A corporation for irrigation, drainage, water supply or flood control organized under ORS
 33 chapter 554.

34 (C) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900
 35 to 568.933.

36 (D) A weed control district organized under ORS 569.350 to 569.445.

37 (E) A port district organized under ORS chapter 778.

38 **SECTION 11.** ORS 198.510 is amended to read:

39 198.510. As used in ORS 198.510 to 198.600, unless the context requires otherwise:

40 (1) “County” means the county in which the district, or the greater portion of the assessed value
 41 of the district, is located.

42 (2) “County board” means the board of county commissioners or the county court of the county.

43 (3) “County clerk” means the county clerk of the county.

44 (4) “District” has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (16),
 45 (17), (19), (20) to (23)[(25), (26) and (27)] **and (25) to (28)**. In addition, “district” means any one of

1 the following:

2 (a) A county service district organized under ORS chapter 451.

3 (b) The Port of Portland established by ORS 778.010.

4 (5) "District board" means the governing body of a district and the term includes a county board
5 that is in the governing body of a district.

6 (6) "Presiding officer" means the chairperson, president or other person performing the office
7 of presiding officer of the district board.

8 (7) "Principal Act" means the law, other than ORS 198.510 to 198.600, applicable to a district.

9 **SECTION 12. This 2019 Act takes effect on the 91st day after the date on which the 2019**
10 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

11

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2001 INTRO	Rep Fahey; Rep Marsh; Rep Mitchell; Rep Speaker Kotek (Pre-session filed)	No Position	1
<p>Relating to housing; declaring an emergency.</p> <p>Requires cities with population greater than 10,000 and counties with population greater than 15,000 to allow middle housing in lands zoned for single-family dwellings within urban growth boundary.</p> <p>2/12/2019 - HB 2001 referred back to Legislative Committee by Council - 2/11/19</p> <p>1/18/2019 - HB 2001 would preempt local authority by requiring the City to allow at least a duplex (or a triplex, quadplex, or cottage clusters) in a few zones such as the single-family residential (RS) zone by Dec. 31, 2020. The RS zone already allows duplexes on corner lots that are at least 7,000 square feet, but the bill seems to require the City to allow them on all lots in the RS zone (subject to siting and design regulations). Exploring the allowance of duplexes and triplexes is on the Housing Needs Analysis Work Plan that Council directed staff to implement. HB 2001 would also prohibit the City from collecting system development charges prior to issuing an occupancy permit for all duplexes, triplexes, quadplexes, and cottage clusters.</p>			
HB 2003 INTRO	Rep Speaker Kotek	Oppose	1
<p>Relating to buildings; prescribing an effective date.</p> <p>Requires Oregon Department of Administrative Services to develop methodology to conduct regional housing needs analysis and, for certain cities and Metro, to inventory existing housing stock and to establish housing shortage analysis.</p> <p>2/12/2019 - HB 2003 would change the requirements for a housing needs analysis by requiring the City, for example, to consider a regional housing needs analysis when estimating its local needs. The City would have to conduct the housing analysis every eight years and subsequently adopt a housing strategy. This type of timing requirement would be challenging to meet. The bill would also require the City to allow housing to be developed on public property if at least half of the units were affordable and the land was either zoned for, or was surrounded by property zoned for, residential development.</p>			
HB 2104 INTRO	Pre-session filed (at the request of Governor Kate Brown for Department of Support Revenue)	Support	1
<p>Relating to property tax administration; prescribing an effective date.</p> <p>Reduces discount for on-time payment of property taxes imposed on business property.</p> <p>2/11/2019 - HB 2104 would increase property tax collections by reducing the current discount for on-time payment of property taxes for business property.</p>			
HB 2157 INTRO	Pre-session filed (at the request of House Interim Committee on Revenue)	Support	1
<p>Relating to discount on payment of property taxes; prescribing an effective date.</p> <p>Disallows discounts, otherwise allowable on timely partial or full payments of property taxes, on payment of taxes imposed on property classified as commercial or industrial.</p> <p>2/11/2019 - HB 2157 would increase property tax collections by disallowing the current discount for on-time payment of property taxes for business property.</p>			
HB 2167 INTRO	Pre-session filed (at the request of House Interim Committee on Revenue)	Support	1
<p>Relating to property taxation of certain business property; prescribing an effective date.</p> <p>Provides that, for ad valorem property tax purposes, real market value of commercial and industrial property be three-year average.</p> <p>2/11/2019 - HB 2167 would reduce large fluctuations in the Real Market Value (RMV) of commercial and industrial property.</p>			
HB 2306 INTRO	Rep Marsh; Rep Nearman; Rep Stark (Pre-session filed)	No Position	1
<p>Relating to residential subdivisions.</p> <p>Requires city or county to issue residential building permits upon substantial completion of construction of public improvements in residential subdivisions.</p>			

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
2/12/2019 - HB 2306 referred back to Legislative Committee by Council - 2/11/19			
1/23/2019 - HB 2306 would preempt the City's ability to determine when building permits are issued after subdivisions are platted but before all public improvements are completed. Currently, the City requires all improvements to first be substantially completed, considering health, safety, and access issues. The bill would require the City to issue permits if 80 percent of required public improvements are completed (regardless of location, type of improvement, etc.) and a bond is secured for all remaining improvements.			
HB 2359 INTRO	Rep Smith DB (Presession filed)	Oppose	1
Relating to county property tax administration; prescribing an effective date.			
Requires county at higher risk of financial distress to withhold from taxing districts costs to county of assessing property and collecting property taxes.			
2/11/2019 - HB 2359 authorizes counties in financial distress to withhold taxes from taxing districts. The latest County Financial Condition Report in 2016 included Polk County on the monitor list.			
1/15/2019 - HB 2359: Requires county at higher risk of financial distress to withhold from taxing districts costs to county of assessing property and collecting property taxes. Limits withheld amount to two percent of tax distribution to taxing district.			
HB 2449 INTRO	Rep Findley; Rep Lively; Rep Marsh; Rep Smith G; Rep Wilde (Presession filed)	Support with amendments	1
Relating to tax for emergency communications; providing for revenue raising that requires approval by a three-fifths majority.			
Increases rate of tax for emergency communications.			
2/4/2019 - Support the amendment to double the 911 tax with the distribution amounts remaining the same.			
1/23/2019 - *Revised Review* 1/24/19 - Bill increases 9-1-1 tax from \$0.75 to \$1.50. Estimated revenue increase for Salem of \$200,000. Current receipts only cover approximately 18% of Salem's cost for 9-1-1 services (\$4.7M in FY19). Increases distribution of tax to counties with population under 40,000. Does not address sunset of 9-1-1 tax in January 1, 2022 (2013 HB 3317).			
HB 2614 INTRO	Rep Barker; Rep McLane; Rep Power; Rep Stark; Rep Williamson; Sen Dembrow; Sen Frederick; Sen Manning Jr; Sen Monnes Anderson (Presession filed)	Oppose	1
Relating to driving privileges; prescribing an effective date.			
Repeals driving privilege suspension and eliminates imposition of driving privilege restrictions for failure to pay fine.			
2/16/2019 - Would eliminate the Salem Municipal Court's ability to suspend or restrict driving privileges for failure to pay a fine imposed on a traffic offense, or comply with any condition upon which suspension of payment of the fine, in whole or part, was conditioned. Suspension for failure to comply is a vital tool to Courts to ensure that there is fair and meaningful enforcement of traffic laws passed by the legislature, and to bring people back into compliance with the Court's orders. The Bill will reduce compliance tools and options for the Court, and will have a substantial financial impact on the Court.			
HJR 1 INTRO	Presession filed (at the request of House Interim Committee on Revenue)	Support	1
Proposing amendment to Oregon Constitution relating to ad valorem property taxation.			
Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, ratio of maximum assessed value to real market value of property may not be less than 0.75.			
2/11/2019 - The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 1 attempts to set a floor for the changed property ratio which will ensure new development comes onto the tax rolls at least .75 of the market value. This bill also allows for a homestead exemption of \$25,000 or 25% of Real Market Value (RMV), whichever is less.			
HJR 3 INTRO	Presession filed (at the request of House Interim Committee on Revenue)	Support	1
Proposing amendment to Oregon Constitution relating to the maximum assessed value of business property.			
Proposes amendment to Oregon Constitution relating to ad valorem property taxation.			
2/12/2019 - The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50.			

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HJR 3 sets the Maximum Assessed Value (MAV) to the Real Market Value (RMV) for commercial or industrial properties with a four year ramp up.			
HJR 4 INTRO	Presession filed (at the request of House Interim Committee on Revenue)	Support	1
<p>Proposing amendment to Oregon Constitution relating to ad valorem property taxation of certain business property.</p> <p>Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, notwithstanding assessment provisions of Ballot Measure 50 (1997) and collection limit provisions of Ballot Measure 5 (1990), property classified as commercial or industrial shall be assessed at real market value and taxes on such property collected without compression.</p> <p>2/12/2019 - The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 4 would tax industrial and commercial property based on the Real Market Value (RMV) and would be collected without compression.</p>			
HJR 11 INTRO	Rep Gorsek (Presession filed)	Support	1
<p>Proposing amendment to Oregon Constitution relating to ad valorem property taxation.</p> <p>Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation under Ballot Measure 50 (1997), property that is subject of sale or other transfer shall have maximum assessed value equal to property's real market value, only for first tax year that begins after sale or other transfer becomes final.</p> <p>2/12/2019 - The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. HJR 11 would implement a "reset at sale" that would set the Assessed Value (AV) of a property equal to the Real Market Value (RMV) at a sale or transfer of property.</p>			
SB 595 INTRO	Sen Johnson (Presession filed) (at the request of Bill Baertlein, Tillamook County Commissioner)	Support	1
<p>Relating to local transient lodging taxes; prescribing an effective date.</p> <p>Adjusts allocation percentages of net revenue from new or increased local transient lodging tax to allow up to 30 percent of such revenue to be used to fund affordable workforce housing.</p> <p>2/12/2019 - SB 595 would allow additional flexibility for up to 30% of Transient Occupancy Tax to be used to fund affordable workforce housing .</p>			
SB 776 INTRO	Rep Piluso; Rep Sanchez; Rep Williams; Sen Dembrow; Sen Frederick; Sen Manning Jr; Sen Monnes Anderson; Sen Winters	Oppose	1
<p>Relating to driving privileges.</p> <p>Eliminates driving suspension for failure to appear on citation for traffic offense.</p> <p>2/16/2019 - Would eliminate the Salem Municipal Court's ability to suspend or restrict driving privileges for failure to pay a fine imposed on a traffic offense, or comply with any condition upon which suspension of payment of the fine, in whole or part, was conditioned, as well as for failure to appear on the case. Suspension for failure to comply or failure to appear is a vital tool to Courts to ensure that there is fair and meaningful enforcement of traffic laws passed by the legislature, and to bring people back into compliance with the Court's orders. The Bill will reduce compliance tools and options for the Court, and will have a substantial financial impact on the Court.</p>			
SJR 2 INTRO	Presession filed (at the request of Senate Interim Committee on Finance and Revenue)	Support	1
<p>Proposing amendment to Oregon Constitution relating to ad valorem property taxation.</p> <p>Proposes amendment to Oregon Constitution providing that, for purposes of ad valorem property taxation, ratio of maximum assessed value to real market value of property may not be less than 0.75.</p> <p>2/12/2019 - The City has an adopted legislative policy to mitigate the negative fiscal impacts created by Measures 5 and 50. SJR 2 attempts to set a floor for the changed property ratio which will ensure new development comes onto the tax rolls at least .75 of the market value. This bill also allows for a homestead exemption of \$25,000 or 25% of Real Market Value (RMV), whichever is less.</p>			

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2414 INTRO	Pre-session filed (at the request of House Interim Committee on Business and Labor)	Oppose	2
<p>Relating to projects that constitute public works projects; prescribing an effective date.</p> <p>Adds to definition of "public works" project to build or repair ship that public agency owns or for which using funds of public agency serves public interest, maintenance of building that public agency owns or occupies and fabricating or manufacturing custom item under contract and specifically for use in public works.</p> <p>1/30/2019 - Purpose: Expands prevailing wage requirements to include maintenance for buildings that a public agency owns or occupies. The bill also expands prevailing wage rate requirements to the fabricating or manufacturing of custom items to be used on public works projects.</p> <p>Potential Impacts: The term "maintenance" is not defined in the bill. Depending on how it is interpreted, the bill could significantly escalate costs on relatively small "maintenance" projects on City buildings and facilities.</p>			
HB 2509 INTRO	Rep Gorsek; Rep McLain; Rep Neron; Rep Nosse; Rep Piluso; Rep Rayfield; Rep Sanchez; Rep Smith Warner; Rep Sollman (Pre-session filed)	Oppose	2
<p>Relating to checkout bags.</p> <p>Prohibits use of single-use checkout bags except in certain cases.</p> <p>2/20/2019 - HB 2509 would implement a statewide ban on single use bags. Amendments offered to the bill would preempt existing local regulations. In Salem's case, this would mean thick plastic bags would be allowed at check out, the fee for each carry out bag would be \$0.10 (not \$0.05), and restaurants would be required to charge for plastic but not for paper.</p>			
HB 2909 INTRO	Rep Barker; Rep Helm; Sen Prozanski	Oppose	2
<p>Relating to intrastate delivery of marijuana items; prescribing an effective date.</p> <p>Allows delivery of marijuana items, pursuant to bona fide orders, to consumers within city or county in which marijuana retailer is located and to consumers in cities or counties that have adopted ordinances allowing for delivery of marijuana items from adjacent cities or counties.</p> <p>2/20/2019 - HB 2909 would allow for delivery of marijuana products within (and from) cities or counties with marijuana retailers. As written, a fee or tax on delivery is prohibited. Permits will be required by those delivering marijuana products and the bill includes rules limiting the amount (by value) of product that may be carried within the vehicle at any one time.</p>			
HJR 2 INTRO	Pre-session filed (at the request of House Interim Committee on Revenue)	Support	2
<p>Proposing amendment to Oregon Constitution relating to the assessment of high-value residential property for ad valorem property tax purposes.</p> <p>Proposes amendment to Oregon Constitution relating to ad valorem property taxation.</p> <p>2/12/2019 - HJR 2 makes the Assessed Value (AV) for all residential properties that are the subject of sale or other transfer for which seller receives consideration of \$1 million or more, equal to the Real Market Value (RMV).</p>			
SB 148 INTRO	Sen Knopp (Pre-session filed)	Watch	2
<p>Relating to public employee retirement; declaring an emergency.</p> <p>Requires members of Public Employees Retirement System to elect to participate in pension programs and traditional individual account program, or to participate in alternative individual account program, on and after July 1, 2020.</p> <p>2/12/2019 - SB 148 would create an alternative individual account program and redirect "traditional" individual account program to defined benefit costs. Requires the six percent be paid by employees.</p>			

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
SB 305 INTRO	Sen Hansell (Pre-session filed)	Support	2
<p>Relating to an increase in the contract price at which the prevailing rate of wage applies to a contract for public works; prescribing an effective date.</p> <p>Changes minimum contract price at which prevailing rate of wage applies to public works projects from \$50,000 to amount that Oregon Department of Administrative Services determines by rule.</p> <p>1/28/2019 - Purpose: Raises the threshold for prevailing wage requirements from \$50,000 to \$64,000 total contract price for public works projects. The bill also allows BOLI to adjust the threshold annually based on CPI.</p> <p>Potential Impacts: The threshold increase could potentially save the City time and costs on small projects by raising the contract price for which prevailing wages are required.</p>			
SB 531 INTRO	Sen Knopp (Pre-session filed)	Watch	2
<p>Relating to public employee retirement; declaring an emergency.</p> <p>Redirects employee contribution to Public Employees Retirement System to account to be used to pay for pension or other retirement benefits payable to member or member's beneficiary accrued on or after January 1, 2020.</p> <p>2/12/2019 - SB 531 attempts to reform the Public Employee Retirement System (PERS) in the following ways:</p> <ul style="list-style-type: none"> -Redirects the employee contribution to be used to pay the defined benefit. -Caps the final average salary at \$100,000. -Changes calculation of final average salary to five year instead of three. -Lowers the factor to calculate pension benefits. 			
SB 532 INTRO	Sen Knopp (Pre-session filed)	Watch	2
<p>Relating to contributions to the individual account program of the Public Employees Retirement System.</p> <p>Requires member of individual account program of Public Employees Retirement System and member's employer to each contribute three percent of member's salary to individual account program.</p> <p>2/12/2019 - SB 532 requires a payment of three percent to be made by the employee and employer to the PERS individual account program.</p>			
SB 533 INTRO	Sen Bentz (Pre-session filed)	Watch	2
<p>Relating to redirection of the employee contribution under the Public Employees Retirement System; declaring an emergency.</p> <p>Redirects employee contribution to Public Employees Retirement System to account to be used to pay for pension or other retirement benefits payable to member or member's beneficiary accrued on or after January 1, 2020.</p> <p>2/12/2019 - SB 533 redirects the employee contribution to the PERS individual account program to be used to pay for defined benefits costs.</p>			
SJR 1 INTRO	Pre-session filed (at the request of Senate Interim Committee on Finance and Revenue)	Watch	2
<p>Proposing amendment to Oregon Constitution relating to the property tax system.</p> <p>Proposes amendment to Oregon Constitution directing Legislative Assembly, notwithstanding any provision of Ballot Measure 50 (1997), to enact laws necessary to ensure that property taxes are equitable and fairly apportioned.</p> <p>2/12/2019 - SJR 1 directs the Legislative Assembly to enact laws that is deems necessary to ensure that property taxes are equitable and fairly apportioned. This language is vague and needs to be more detailed to define "fair and equitable" and what may be deemed necessary.</p>			
Bill Name	Bill Sponsor	Position	Priority

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2396 INTRO	Pre-session filed (at the request of Attorney General Ellen Rosenblum)	Support	3
<p>Relating to exemptions from the Public Contracting Code for procurements connected to legal matters for public bodies; prescribing an effective date.</p> <p>Exempts from Public Contracting Code contracts for goods or services related to existing or potential litigation or legal matters in which public body is or might become interested.</p> <p>2/13/2019 - HB2396 provides additional exemptions from the procurement code for the purchase of goods or services for pending or existing litigation matters which would be a benefit for the City as it would streamline the purchase process.</p>			
HB 2443 INTRO	Rep Barreto (Pre-session filed)	Support	3
<p>Relating to an increase in the contract price at which the prevailing rate of wage applies to a contract for public works; prescribing an effective date.</p> <p>Raises threshold at which prevailing rate of wage applies to projects for public works by amount Commissioner of Bureau of Labor and Industries specifies by rule.</p> <p>1/28/2019 - Purpose: Raises the threshold for prevailing wage requirements from \$50,000 to \$100,000 total contract price for public works projects. The bill also allows BOLI to adjust the threshold annually based on CPI.</p> <p>Potential Impacts: The threshold increase could potentially save the City time and costs on small projects by raising the contract price for which prevailing wages are required.</p>			
Bill Name	Bill Sponsor	Position	Priority
HB 2407 INTRO	Pre-session filed (at the request of House Interim Committee on Business and Labor)	Neutral	5
<p>Relating to districts within which public works projects may be performed for purposes of prevailing rate of wage; prescribing an effective date.</p> <p>Reduces number of districts within which public works project may be performed for purposes of applying prevailing rate of wage from 14 to five.</p> <p>1/28/2019 - Purpose: Consolidates the districts used to determine regional prevailing wage rates from 14 to 5.</p> <p>Potential Impact: Currently, Marion County is included in District 3, which also includes Polk and Yamhill Counties. The new districting would add seven additional counties, including Linn, Lane, and Benton Counties, for use in determining the prevailing wage. It is unlikely the redistricting would result in a significant increase in the prevailing wage for City contracts.</p>			
HB 2408 INTRO	Pre-session filed (at the request of House Interim Committee on Business and Labor)	Neutral	5
<p>Relating to the application of a prevailing rate of wage to public works projects; prescribing an effective date.</p> <p>Defines "funds of a public agency," for purposes of applying prevailing rate of wage to projects for public works, to include tax credits or tax abatements that contractor engaged in public works project receives from state in connection with project.</p> <p>1/28/2019 - Purpose: Modifies the definition of "funds of a public agency" for determining whether prevailing wage rate requirements apply to certain projects.</p> <p>Potential Impact: The bill would require tax credits and tax abatements on private projects be considered "funds of a public agency", resulting in increased costs for the construction of private economic development projects that receive tax incentives from the City.</p>			
Bill Name	Bill Sponsor	Position	Priority

Legislative Committee

Report Date: February 20, 2019

City of Salem

Bill Name	Bill Sponsor	Position	Priority
HB 2409 INTRO	Pre-session filed (at the request of House Interim Committee on Business and Labor)	No Position	No Priority

Relating to determinations of the prevailing rate of wage in a locality; prescribing an effective date.

Provides that prevailing rate of wage for trade or occupation in locality is rate of wage set forth in collective bargaining agreement for trade or occupation in locality or, if more than one collective bargaining agreement covers trade or occupation in locality, average of rate of wage set forth in collective bargaining agreements for trade or occupation in locality.

2/20/2019 - Purpose: Requires the prevailing wage to be set according to collective bargaining agreements (CBAs) in the region. If no CBAs exist, the wage would be set by a survey of wages in the region, similar to existing law.

Potential Impact: CBAs typically negotiate higher wages than those of non-represented laborers. The net effect is likely higher prevailing wages on public projects, thus increasing the overall project cost.