

January 30, 1992
12:00 p.m.

BCC AND LANE COUNTY
REVENUE TASK FORCE

Commissioners'
Conference Room

1. CALL TO ORDER

Chair Ellie Dumdi called the Board of County Commissioners to order with Steve Cornacchia, Jack Roberts and Jerry Rust present. Marie Frazier excused. Chair Karsten Rasmussen called the Lane County Revenue Task Force to order with Rick Larson, Ken Mischel, Frank Leuck, Gretchen Pierce, Jean Reeder and Bess Knox present. Ron Hanson excused. Judy Haldeman, Recording Secretary.

2. Introduction of Revenue Task Force Members

3. Presentation of Task Force Findings

Rasmussen thanked the Task Force members for their diligent service to the County and expressed his appreciation to Jim Johnson, County Administrator; Margo Drivas, Assistant County Administrator, and Jane Burgess, Administrative Assistant. He stated that the Task Force was not asked to comment on Lane County's need for revenue; the Task Force was designed to assume revenue would be needed in the future. He explained that the Board of County Commissioners and the Lane County Budget Committee has instructed the County Administrator to prepare a budget for next year with \$4.4 million worth of cuts.

Rasmussen stated that the Task Force had considered and then eliminated as possible sources of revenue for Lane County: a sales tax, a gross receipts tax, a payroll tax on employees, a utility consumption tax, residential rental owners tax, a business license fee and an increased property tax. He stated that there were various reasons why these were not included in the proposal. The report does include: 1) a one percent tax on corporations and .9 of one percent tax on individuals in the form of an income tax coupled with an O&C rebate and 2) a smorgasbord approach with two phases (see material on file).

Johnson distributed a memorandum listing a number of policy issues that exist related to revenue recommendations (see material on file).

Rust commented that there had been a property tax shift in the wake of Ballot Measure 5 which has given a much bigger share of the relief to businesses. He stated that he will take this into consideration when it is time to decide who should pay in the next round. Rust added that he was unclear about how this revenue option would affect the current levy for corrections. Rasmussen stated that the task force had considered rolling the levy into the base, but that the levy had not been a part of the charge to the task force.


In response to a question from Dumdi, Rasmussen commented that the O&C revenues fluctuate and cause budgeting problems for the County; this proposed O&C rebate would give residents a direct interest in the O&C

revenues. Johnson noted that the County would not be writing checks and mailing them to residents; rather this would be a credit on income taxes. Reader stated that the salability of the income tax depends entirely on people understanding the rebate of the O&C revenues and how that would affect individuals. Individuals in the lower income categories are clearly going to get more money back than this will cost them. Cornacchia added that this was true only if O&C receipts remained fairly constant. Leuck commented that an income tax was not well received in the Eugene Decisions process; there would be a tremendous uphill battle if the County decides to adopt an income tax. He stated that he had a distaste for income tax at any level, but being able to offset the cost with O&C timber receipts and considering the long-term health of the County made it a little more palatable. An income tax grows with the economy, it is equitable and easy to administer, though there will need to be safeguards built into the proposal. Roberts commented that putting the income tax in the Lane County Charter would be a safeguard.

The group discussed the smorgasbord option; Rust and Pierce pointed out dangers with an increase in the room tax, though Pierce stated that dedicated revenues were usually easier to sell. With regard to consideration of the vehicle registration fee, Reader stated that vehicles were considerably undertaxed in this state and are one of the largest polluters. Cornacchia commented that he is interested in having this particular tax dedicated to Public Safety.

Dumdi thanked the Revenue Task Force for their hard work in preparing this report. Rasmussen stated that the task force had tried to throw as many revenue measures on the table as possible for discussion to provide a resource for the County for the next five years.

There being no further business, this meeting adjourned at 1:35 p.m.



Judy Haldeman
Recording Secretary