

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as (if applicable)**  
**Policy Session Worksheet**

**Presentation Date:** Tuesday, July 19      **Approx Start Time:** 2:00 pm

**Approx Length:** 1 Hour

**Presentation Title:** Ballot Measure – Motor Vehicle Fuel Tax and associated IGA

**Department:** County Counsel/DTD/PGA

**Presenters:** Stephen L. Madkour, Barbara Cartmill, Gary Schmidt

**Other Invitees:**

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Authorization to proceed with preparing resolution to file ballot measure with the clerk for publication of notice and eventual placement on the November ballot.

**EXECUTIVE SUMMARY:**

The Board of County Commissioners has requested that staff prepare ballot title for a tax measure to be placed on the November election ballot. The ballot measure has been prepared and is attached. Additionally, an Intergovernmental Agreement (IGA) with cities within Clackamas County has been prepared.

**FINANCIAL IMPLICATIONS** (current year and ongoing):

It is estimated that the 6-cent-per-gallon fuel tax will raise approximately \$9 million annually.

Is this item in your current budget?       YES       NO

What is the cost?      \$

What is the funding source?

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with the County’s Performance Clackamas goals? This aligns with the Performance Clackamas goals of Building Public Trust through Good Government by voter involvement in all taxing decisions and directing tax revenues toward maintaining county infrastructure.

**LEGAL/POLICY REQUIREMENTS:**

A number of legal/policy issues are relevant to this issue.

**Ballot Measure Requirements:**

- The question must include three components:
  - A ballot title – the caption that describes the subject of the referral (up to 10 words)
  - The question of the referral (up to 20 words), and
  - A summary describing the major effects of the referral (up to 175 words)

The question may also include a 500-word explanatory statement.

**Timeline for November 8 election:**

1. No later than **Friday, August 19**, the ballot title, question and summary must be sent to the County Clerk for publication.
2. There is a seven-day ballot title challenge period. If the title is challenged, the county would be in court for first and final review.
3. On **September 8**, all challenges must be completed and Form 801 submitted to the clerk.
4. The measure would be included in the voter’s pamphlet in which interested parties could include arguments in favor or against. Such arguments are due by **September 12**.

The Ballot Measures will require forwarding to the clerk who publishes notice of the measure, which is then subject to a ballot title challenge. Only after that period expires will the measure formally be referred to the ballot for the November election.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

The Ballot Measure will require a Resolution formally referring the matter to the clerk to be published and placed on the ballot.

**OPTIONS:**

Motor Vehicle Fuel Tax:

1. Refer the Motor Vehicle Fuel Tax Ballot Measure as drafted;
2. Refer the Motor Vehicle Fuel Tax Ballot Measure as amended.
3. Circulate IGA as drafted;
4. Circulate IGA as amended

**RECOMMENDATION:**

1. Refer the Motor Vehicle Fuel Tax Ballot Measure as drafted;
2. Circulate IGA as drafted;

**ATTACHMENTS:**

1. Ballot Measure for Motor Vehicle Fuel Tax and Explanatory Statement;
2. Draft IGA with Cities;

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Stephen L. Madkour, County Counsel, [SMadkour@clackamas.us](mailto:SMadkour@clackamas.us) or 503-655-8362.

## BALLOT TITLE

### **CAPTION (10 words):**

Temporary 6-Cent Per Gallon Vehicle Fuel Tax

### **QUESTION (20 words):**

Shall Clackamas County adopt a seven-year, 6-cent-per-gallon motor vehicle fuel tax dedicated to road maintenance projects?

### **BALLOT SUMMARY (175 words):**

The measure imposes a temporary 6-cent-per-gallon tax on motor vehicle fuel sales within Clackamas County. The tax must be used as required by the Oregon Constitution for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in the county. The tax is estimated to raise approximately \$9 million per year for seven years. The County will use 60 percent of the revenue for specific County road paving and safety projects, and will distribute the remaining 40 percent of the revenue to participating cities in Clackamas County to use for their own transportation projects. To be eligible to receive fuel tax revenues, a city must have entered into an Inter-Governmental Agreement with the County prior to September 1, 2016. A list of county projects and their estimated costs can be found at <http://theroadahead.us/>.

The tax is implemented in March 2017 and will expire seven years after the implementation date. The County will adopt an ordinance for the administration of the motor vehicle fuel tax and establish and implement licensing requirements.

## EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet

*500 word limit under ORS 251.345 and OAR 165-022-0040(3)*

Road funds primarily come from gas taxes and vehicle registration fees. Oregon law prohibits using ad valorem (property) taxes for roads. The county uses road funds efficiently, but is unable to keep pace with maintenance needs. There is a \$17 million annual gap between funds needed to maintain roads and revenue.

Over 50% of Clackamas County's 1,400 road miles are in fair or poor condition. Every year, a larger percentage of county roads slip into disrepair, and the county doesn't have the necessary revenue to keep up. Waiting also comes at a price, as the cost to reconstruct a road in the future is more than 10 times greater than the cost of providing preventive maintenance today.

Ongoing preventive maintenance is critical to safe roads. Smooth roadways, clear lane markings, unobstructed sightlines, drainage and well-marked intersections help reduce crashes and keep travelers safe.

Oregon law allows the voters of a county to vote to impose a motor vehicle fuel tax. The measure would impose a 6-cent per gallon tax on motor vehicle fuel sold in Clackamas County. Annual revenues generated by the vehicle fuel tax are estimated to be \$9 million. The tax would be collected by the Oregon Department of Transportation. The County will distribute 40% of the tax proceeds collected to participating cities in Clackamas County. The County and Cities will enter into an Inter-governmental Agreement to memorialize this arrangement. To be eligible to receive fuel tax revenues, each City must enter into the Inter-governmental Agreement before September 1, 2016. The tax must be used as required by the Oregon Constitution for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in the county. The tax would expire after seven years.

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
CLACKAMAS COUNTY  
AND  
THE CITIES OF CLACKAMAS COUNTY**

**I. PARTIES**

This intergovernmental agreement is entered into between Clackamas County (COUNTY) and the Cities of Barlow, Canby, Estacada, Gladstone, Happy Valley, Johnson City, Lake Oswego, Milwaukie, Molalla, Oregon City, Portland, Rivergrove, Sandy, Tualatin, West Linn, and Wilsonville (CITIES). This Agreement is authorized pursuant to ORS 190.110.

**II. PURPOSE**

The purpose of this agreement is to memorialize a revenue sharing plan for the gross receipt of motor vehicle fuel tax revenues collected in Clackamas County pursuant to ORS 319.950.

**III. SCOPE OF WORK AND COOPERATION**

A. CITIES agrees to:

1. Support COUNTY'S effort to obtain voter approval of a \$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax at the November 2016 general election;
2. [On or before September 1, 2016, adopt a resolution or proclamation supporting the imposition of a voter approved \\$0.06 per gallon, seven-year, county-wide motor vehicle fuel tax;](#)
3. To cooperate to the full extent necessary to achieve the objectives of the Agreement to the collective benefit of the CITIES and COUNTY; and
4. To devote all revenues derived from the motor vehicle fuel tax for the purposes of construction, reconstruction, improvement, repair, maintenance, operation and use of city highways, roadways and streets within the jurisdictional boundaries of the city.

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B. COUNTY agrees to:

1. Submit to the voters of Clackamas County a measure seeking voter approval of a temporary \$0.06 per gallon motor vehicle fuel tax. The tax would sunset after a period of [seven](#) years after the tax implementation date;

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2. Place the measure on the ballot for the November 2016 general election;
3. Receive proceeds from the state and distribute 40% of the net proceeds of the motor vehicle fuel tax revenues, based on population, to all [participating](#) CITIES within the COUNTY; and
4. To devote all revenues derived from the motor vehicle fuel tax for the purposes of county highways, roadways, streets and bridges within the jurisdictional boundaries of the COUNTY and as more specifically set forth in the County's ballot measure.

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### III. **DISTRIBUTION**

- A. COUNTY shall receive motor vehicle fuel tax revenues from the Oregon Department of Transportation;
- B. COUNTY will distribute 40% of the revenues received to the [participating](#) CITIES;
- C. Distributions to the [participating](#) CITIES will be [every six months](#); and
- D. The distribution to [participating](#) CITIES shall be pro-rated based on the population of that City from figures provided annually by Portland State University Population Research Center.

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### IV. **SPECIAL REQUIREMENTS**

- A. [COUNTY and CITIES agree that in order for an individual City to be eligible to receive any motor vehicle fuel tax revenues under this Agreement the City must first comply with the terms of this Agreement by September 1, 2016.](#)
- B. COUNTY and CITIES agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.

### V. **AMENDMENT**

This agreement may be amended at any time with the concurrence of all parties. Amendments become a part of this agreement only after the written amendment has been signed by all parties.

### VI. **TERM OF AGREEMENT**

This Agreement shall become effective upon signing by the jurisdictional representative. The terms of this [Agreement](#) become operative and enforceable only after the successful passage of the scope of work and cooperation provisions in Section III of this Agreement. Unless earlier terminated or extended, this Agreement shall expire seven years after the tax is first implemented.

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This agreement is subject to termination by either of the parties when thirty (30) days' written notice has been provided.

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IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be executed by their duly authorized officers.

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¶

**CITIES**

**CLACKAMAS COUNTY  
BOARD OF COUNTY COMMISSIONERS**

\_\_\_\_\_  
CITY OF BARLOW

Signing on Behalf of the Board:

Date: \_\_\_\_\_

\_\_\_\_\_  
John Ludlow, Chair

\_\_\_\_\_  
CITY OF CANBY

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF ESTACADA

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF GLADSTONE

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF HAPPY VALLEY

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF JOHNSON CITY

Date: \_\_\_\_\_

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\_\_\_\_\_  
CITY OF LAKE OSWEGO

Date: \_\_\_\_\_

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CITY OF MILWAUKIE

Date: \_\_\_\_\_

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CITY OF MOLALLA

Date: \_\_\_\_\_

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CITY OF OREGON CITY

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF PORTLAND

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF RIVERGROVE

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF SANDY

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF TUALATIN

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Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF WEST LINN

Date: \_\_\_\_\_

\_\_\_\_\_  
CITY OF WILSONVILLE

Date: \_\_\_\_\_

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