

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Study Session Worksheet**

**Presentation Date:** 01/13/15   **Start Time:** 2:00 pm   **Approx. Length:** 1 hour  
**Presentation Title:** Approval of 2015 State and Federal Legislative Agendas  
**Department:** Public and Government Affairs  
**Presenters:** Gary Schmidt & Chris Lyons  
**Other Invitees:** Trent Wilson

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

Public and Government Affairs (PGA) is seeking final adoption from the Board of County Commissioners (BCC) of the County's federal and state legislative priorities for 2015. PGA also seeks BCC review of the County's legislative process, Special Operations Committee, and messaging for the 2015 legislative session.

**EXECUTIVE SUMMARY:**

On May 6, 2014, the BCC provided staff with direction to research 4-5 possible legislative "strategic" priorities for the 2015 legislative session, including priorities focused on land use and transportation, as well as continue supporting departmental legislative priorities. Following the May study session, PGA established Special Operations Committees comprised of staff from all relevant departments who met regularly to further study these topics.

On September 9, 2014, the BCC further narrowed the list of possible legislative "strategic" priorities to two: land use and transportation funding.

On November 25, 2014, the BCC received feedback from County departments on legislative priorities, which were adopted into the agenda being considered today.

On December 3, 2014, the BCC met again to finalize their strategic priorities. At this time, the land use ask was removed from the list of 2015 strategic priorities and the transportation project strategic priorities were further clarified.

The **transportation funding issues** included a focus on two priority projects:

1. Sunrise Phase II
  - The County's top transportation project, PGA will advocate for state and federal funding to support extension of the Sunrise System from 122<sup>nd</sup> Ave. to 172<sup>nd</sup> Ave. or other operational enhancements that contribute to the entire Sunrise System. A legislative request could include funding to pay for right-of-way acquisition.
2. I-205 Expansion
  - Identified by the BCC as the region's most important transportation project, PGA will advocate for state and federal funding to add an additional travel lane in each direction of I-205 between Stafford Road and the Abernethy Bridge in Oregon City. A legislative request could include funding to pay for an Environmental Impact Statement (EIS) and preliminary engineering.

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

In 2014, with BCC approval, PGA hired a contract lobbyist to focus exclusively on legislative issues relating to land use. While the Board has decided not to pursue a land use request during the 2015 state legislative session, PGA will retain the contract lobbyist for recommendations on how to proceed with the Board's land use goals. This is an ongoing financial implication, not a new one.

**LEGAL/POLICY REQUIREMENTS:**

N/A

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

Public and Government Affairs (PGA) continues to maintain close working relationships with the County's legislative delegation and staff at both the state and federal levels, who are instrumental in helping to advance the County's legislative priorities.

**OPTIONS:**

1. BCC accepts the 2015 State and Federal Legislative Agendas as drafted
2. BCC amends the 2015 State and Federal Legislative Agendas as drafted

**RECOMMENDATION:**

1. BCC accepts the 2015 State and Federal Legislative Agendas as drafted

**ATTACHMENTS:**

- Draft 2015 State and Federal Legislative Agendas Page 3
- Clackamas County Legislative Process, Special Operations Committee, & Messaging for the 2015 Legislative Session Page 10
- Draft AOC 2015 Priorities Page 12
- NACo Legislative Priorities 2015 Page 34

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_ s/ Gary Schmidt \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Gary Schmidt @ 503-742-5908

# Summary of 2015 State Legislative Priorities

Sections highlighted below are new or have been updated since the Nov. 25 Legislative Agenda Planning Meeting.

## Business and Community Services

- **Industrial Lands:** Support legislation to increase the supply of available land ready for industrial development; Support state financing and incentives to assist local governments in constructing infrastructure and preparing shovel-ready industrial sites.
- **Enterprise Zones:** Support the creation of additional Enterprise Zones in Oregon; Oppose measures that would mandate prevailing wage requirements on private industries within Enterprise Zones.
- **Brownfields:** Support legislation that facilitates redevelopment of vacated industrial sites, through measures such as recapitalizing the state Brownfields Redevelopment Fund, creating local land banks, offering property tax abatements, and creating state tax credits.
- **Infrastructure Investment:** Support general fund appropriations and bonding authority dedicated to investing in improvements for the transportation of goods and services and improved infrastructure.
- **Urban Lumber Program:** Support efforts to establish a pilot Urban Lumber program managed by Clackamas County, for the purpose of utilizing urban forests to stimulate economic, carbon capture, and direct job creation.
- **Vertical Housing:** Support legislation to extend the sunset on the state's Vertical Housing Development Zone program, which incentivizes mixed use development in downtown areas.
- **Willamette Falls Legacy Project:** Support efforts to aid in the public access component of the redevelopment of the 23-acre former Blue Heron paper mill site adjacent to Willamette Falls in Oregon City.
- **Willamette Falls Locks:** Support legislation that creates a State Task Force to work with the Corps of Engineers to develop a plan for sustainable operations of Willamette Falls Locks.

## C-COM

- **9-1-1 Tax:** Support an increase of \$0.50 to the current monthly 9-1-1 tax of \$0.75, which has remained unchanged since 1995, and index the tax for inflation.
- **Next Generation 9-1-1:** Support new spending authority to allow for the installation of the Next Generation 9-1-1 network.
- **9-1-1 Consolidation:** Oppose state-mandated consolidation of 9-1-1 centers and preserve local control of consolidation decisions.

## Community Corrections

- **Community Corrections Funding:** Advocate for adequate and stable funding of the Department of Corrections' Grant-in-Aid Program to counties, which provides key funding for probation and parole services, drug/alcohol treatment, work release, community service and victim service.

## Employee Services

- Monitor and influence proposed legislation that affects Public Employees Retirement System (PERS), workers' compensation, and the definition of supervisor under state law.
- **Veterans' Preference:** Support legislation that clarifies language affecting veterans' preference in public employment.

## Finance

- **Financial Sustainability:** Monitor and influence proposed legislation to ensure adequate and stable funding of county programs and services.
- **State/County Shared Revenue Agreements:** Preserve counties' share of tobacco, liquor, video lottery and recreational vehicle fee revenue.
- **Preemption and Local Control:** Oppose preemption of local tax sources and other efforts to restrict local government authority.
- **Franchise Fees:** Advocate for prohibiting public agencies from subjecting other public agencies to franchise fees in public right-of-ways unless the fees are directly related to administering the right of way program.
- **Public Contracting:** Monitor and influence proposed changes to the requirement for public agencies to procure services using Qualified Rehabilitation Facilities (QRFs) as priority vendors.

## Health, Housing and Human Services (H3S)

- **Funding for Health and Human Services:** Preserve state funding levels and maintain investments from FY13-15 for health and human services programs – behavioral health, social services, public health, children, youth & families, community solutions, and developmental disabilities – to enable Clackamas County programs to continue at current service levels and, in some cases, provide additional prevention, support and treatment services to vulnerable individuals and families.
- **Affordable Housing and Support Services:** Support efforts to create and preserve affordable housing and support services for moderate, low, and very low income residents and those experiencing homelessness.
  - Preserve state funding levels for the Emergency Housing Account (EHA) and State Homeless Assistance Program (SHAP);
  - Preserve state funding levels for senior programs, including Oregon Project Independence, Health Promotion activities, abuse prevention activities through the Gatekeeper program, and the Options Counseling program; and
  - Increase funding for veterans' housing needs to meet the rise in the number of homeless veterans in Clackamas County.

- **Electronic Cigarettes:** Monitor and influence efforts to update the Oregon Indoor Clean Air Act to regulate e-cigarettes, including restricting access to minors.
- **Recreational Marijuana:** Monitor and influence efforts to regulate recreational marijuana, including requiring child-proof containers.
- **Task Force on the Future of Public Health Services:** Support legislation that implements recommendations of the Task Force on the Future of Public Health Services, which was established under HB 2348 in 2013 to modernize Oregon’s public health system.
- **Mental Illness:** Monitor and support legislation establishing community-based alternatives to incarceration for the purpose of diverting persons with serious mental illness from entering the criminal justice system, or linking people with serious mental illness to community-based services upon release to prevent further involvement in the criminal justice system.
- **Payment for Multiple Services:** Monitor and support legislation that allows payment for multiple services that were provided to a patient on the same day.

## Justice Court

- **Prohibiting Weapons in Court Facilities:** Support legislation to allow the presiding judge of municipal, justice, juvenile, and probate courts to prohibit firearms and other weapons in the court facility – a restriction that already exists in circuit court buildings.
- **Adjustment to Court Fees:** Support legislation that would increase various court fees, including filing fees, trial fees, motion fees, and miscellaneous fees (transcripts, copies of judgment, etc.). Most Justice Court fees have not been increased for years, while the volume of cases and the cost of providing services has increased.
- Monitor and influence proposed legislation relating to Justice Courts becoming courts of record, new Justice Court reporting requirements to the State, and restrictions on the charging of fees.

## Juvenile

- **Juvenile Crime Prevention Funding:** Advocate for Juvenile Crime Prevention (JCP) funding from the Youth Development Council at the highest funding level possible, which provides approximately \$206,000 annually to the County Juvenile Department.
- **Oregon Juvenile Code:** Oppose any statutory change to the Oregon Juvenile Code until adequate exploration of best practices by juvenile justice experts.

## Law Library

- **Law Library Services:** Support funding at current levels for county law libraries, which help preserve county residents’ access to justice by providing direct professional legal research assistance and legal materials, resources, and services.

## Resolution Services

- **Mediation Services Funding:** Support an increase in funding for mediation services, which has seen a reduction in funds since passage of HB 2710 in 2011.

## Tourism

- **Transient Lodging Tax:** Prevent state “sweeps” of the transient lodging tax.
- **Farm Liability:** Support efforts to resolve the issue of liability threats stemming from visitors to farms for agritourism-related activities.

## Transportation and Development

- **Roadway Policy and Funding:** Advocate for state transportation policy and funding that supports the maintenance and construction of roads in order to improve the reliability and safety of our transportation system and meet the needs of our interconnected economy.
- **Sunrise Phase II Funding:** Advocate for state funding to support extension of the Sunrise System from 122<sup>nd</sup> Ave. to 172<sup>nd</sup> Ave. or other operational enhancements that contribute to the entire Sunrise System. The Sunrise Phase II project is the County’s top transportation priority and is listed as a Federal Highway Administration Project of National and Regional Significance.
- **I-205 Expansion Funding:** Advocate for state funding to support an additional lane of capacity in each direction of I-205 from Stafford Road to OR 99E. The I-205 expansion project is listed as a Federal Highway Administration Project of National and Regional Significance and is of vital importance to the Portland metropolitan region.
- **Land Use:** Advocate to find solutions to Clackamas County’s land use needs. Clackamas County faces a significant shortage of industrial and other employment land, in large part because the region had originally envisioned that the City of Damascus would fulfill considerable housing and industrial land supply needs. The County also is impacted by an administrative rule restricting new roads in rural reserves, which effectively landlocks many of our current and future industrial lands. The County will continue to focus on finding solutions to these issues in 2015.

# Summary of 2015 Federal Legislative Priorities

## Business and Community Services

- **Federal Forest Management and Oregon & California (O&C) Lands:** Support legislation for responsible management of federal forest lands, including O&C Lands, which improves counties' financial stability and creates a predictable, long-term solution to county revenue needs.
- **Secure Rural Schools & Community Self-Determination Act:** Support future reauthorization or extension of the expired Secure Rural Schools and Community Self-Determination Act (County Payments) or similar legislation. Extending the Secure Rural Schools Act would continue critical funding to timber dependent counties in Oregon while Congress works to enact legislation to allow for responsible management of federal forest lands.
- **Stewardship Contracting:** Support the distribution of receipts to counties as part of stewardship contracts for management of federal forests.

## C-COM

- **First Responder Network Authority (FirstNet):** Support FirstNet, which was created by Congress in 2012 and is working to build, operate, and maintain the first high-speed, nationwide wireless broadband network dedicated to public safety.

## Emergency Management

- **Emergency Management Performance Grant:** Support continuation of grant funding for the Emergency Management Performance Grant (EMPG) Program as a stand-alone grant and process, which provides approximately \$208,000 annually to the County's emergency management program.

## Health, Housing and Human Services (H3S)

- **Funding for Housing Programs:** Support increased funding for the housing choice voucher, public housing, and capital fund programs, which is critical to maintaining a sustainable level of operations for the Clackamas County Housing Authority.
- **Public Housing and Housing Choice Voucher Program Regulatory Relief:** Support reform of the Public Housing and Housing Choice Voucher Programs to reduce administration, streamline process and benefit clients.
- **Moving to Work (MTW) Program:** Support expansion of the Moving to Work (MTW) Program, which provide public housing authorities with the opportunity to test innovative, locally-designed strategies with the aim of using federal dollars more efficiently while helping residents find employment and increasing housing choices for low-income families.
- **Community Development Block Grant (CDBG) and HOME Funding:** Support funding for the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships Program (HOME). CDBG funds are the only funds available to the County

to construct infrastructure improvements in low income areas, while the HOME program is a keystone in the development of any affordable housing project in the County.

- **Older Americans Act (OAA):** Support reauthorization of the Older Americans Act, which is the major vehicle for the organization and delivery of social and nutrition services to seniors.
- **Weatherization and Energy Assistance Programs:** Oppose funding reductions to the Department of Health & Human Services' Low Income Home Energy Assistance Program (LIHEAP) and the Department of Energy's Low Income Weatherization Assistance Program.
- **Supplemental Nutrition Assistance Program (SNAP) Funding:** Oppose funding reductions to the U.S. Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program.
- **Institutions for Mental Disease (IMD) Rule:** Support elimination of the Institutions for Mental Disease (IMD) Rule for addictions and mental health treatment facilities, which are currently prohibited from receiving Medicaid reimbursements for persons between the ages of 22 and 64 if the facility has more than 16 beds.
- **Privacy Protections for Addictions:** Support careful revision of federal regulations relating to privacy protections of alcohol and drug abuse patient records to enable improved information sharing for people with addictions.
- **Public Health Funding:** Support funding increases to the Centers for Disease Control and Prevention's Public Health Emergency Preparedness (PHEP) and the U.S. Department of Health & Human Services' Prevention and Public Health Fund.

## Juvenile

- **Juvenile Justice Grant Funding:** Support continued federal funding of juvenile justice programs, including the Juvenile Justice and Delinquency Prevention Act (JJDP) Title II State Formula Grants Program, JJDP Title V Local Delinquency Prevention Grants Program, and the Juvenile Accountability Incentive Block Grants. The latter provides approximately \$115,000 annually to the County Juvenile Department for youth services.

## Transportation and Development

- **Sunrise Phase II Funding:** Advocate for federal funding to support extension of the Sunrise System from 122<sup>nd</sup> Ave. to 172<sup>nd</sup> Ave. or other operational enhancements that contribute to the entire Sunrise System. The Sunrise Phase II project is the County's top transportation priority and is listed as a Federal Highway Administration Project of National and Regional Significance.
- **I-205 Expansion Funding:** Advocate for federal funding to support an additional lane of capacity in each direction of I-205 from Stafford Road to OR 99E. The I-205 expansion project is listed as a Federal Highway Administration Project of National and Regional Significance and is of vital importance to the Portland metropolitan region.
- **Transportation Reauthorization:** Advocate for Congress to fix the Highway Trust Fund and pass a multi-year surface transportation authorization bill that adequately funds the



maintenance and construction of roads in order to improve the reliability and safety of the transportation system and meet the needs of an interconnected economy. Insolvency of the Highway Trust Fund threatens the viability of numerous transportation projects in Clackamas County that could receive funding through the Statewide Transportation Improvement Program (STIP) and regional flexible funds.

- **Job Access and Reverse Commute (JARC) Program Funding:** Support continued federal funding of the Federal Transit Administration's Job Access and Reverse Commute (JARC) Program, which works to improve access to transportation services to employment and employment related activities for welfare recipients and eligible low-income individuals and to transport residents of urbanized and non-urbanized areas to suburban employment opportunities.
- **Waters of the U.S.:** Oppose the proposed Waters of the U.S. rule that seeks to clarify federal jurisdiction under the Clean Water Act, which has the potential to greatly expand the scope of federal jurisdiction and subject Clackamas County to new rules, standards, and significant new costs.

### Willamette Falls

- **Willamette Falls Legacy Project:** Support efforts to aid in the public access component of the redevelopment of the 23-acre former Blue Heron paper mill site adjacent to Willamette Falls in Oregon City.
- **Willamette Falls Locks:** Support continued operation and restoration of the Willamette Falls Locks.
- **Willamette Falls Heritage Area:** Support designation of the Willamette Falls Heritage Area.

## Clackamas County Legislative Process, Special Operations Committee, & Messaging 2015 Legislative Session

### Legislative Process

For Issues on the County's Legislative Agenda:

- PGA coordinates with departments and affiliates, and consults with the Special Operations Committee if needed.
- BCC updated weekly at a minimum, if not more frequently depending on legislative action.

For Issues **NOT** on the County's Legislative Agenda that require County action:

- PGA Director determines if issue is major or minor.
  - If major, PGA swiftly convenes Special Operations Committee to assess issue and craft County position. Special Operations Committee may defer decision to full BCC if desired. Special Operations Committee provides ongoing direction to staff on issue.
  - If minor, PGA Director approves County position.
- BCC informed of any new County positions and is updated weekly after that at a minimum.

### Special Operations Committee

As discussed in our study session in April of last year, the Special Operations Committee will be comprised of two commissioners and representatives from Administration, County Counsel, PGA, and the appropriate department director. The purpose of this Committee is to provide swift action on policy matters so that PGA staff can carry out lobbying activities quickly and effectively.

PGA recommends the following specific individuals to serve on the Committee during the 2015 session:

1. Chair of the County Commission
2. Vice Chair of the County Commission
3. County Administrator
4. County Counsel
5. Strategic Policy Administrator
6. PGA Government Affairs Staff
7. Relevant Department Director (rotates based on issue of focus)

## **Messaging**

### **Policy Statements/Letters:**

Per feedback from legislators, PGA will minimize the use of formal County letters this session and instead communicate official County positions using concise policy statements that will be emailed or hand delivered by the County lobbyist. These policy statements will be vetted and approved by PGA, in consultation with appropriate county department director or designee, and will adhere to the County's legislative agenda or other board approved positions. Should a letter be written, it will be signed by the Chair on behalf of the entire BCC without need for formal approval from all BCC.

### **Testimony:**

- Testimony will adhere to the county's legislative agenda or other board approved positions
- Testimony will be vetted and approved by PGA, in consultation with appropriate county department director or designee
- Testimony may be given without need for approval from all BCC
- Testimony will be available for review by all BCC

## **Individual Commissioner Letters/Testimony**

- Individual commissioners may sign letters and/or provide testimony in support or opposition to non-county legislative agenda issues
- Individual commissioners will not write a dissenting letter or provide dissenting testimony that is in opposition to the county's legislative agenda or other board approved positions
- Letters/testimony will note that opinion is that of individual the commissioner, not the entire BCC
- Letters/testimony does not need prior approval from all BCC
- Signed letter/testimony will be shared with BCC and PGA

ASSOCIATION OF OREGON COUNTIES  
Issues/Items for 2015 Legislative Session  
*[Working draft: not for distribution]*

*This document contains a list and description of issues and legislative concepts that AOC policy managers anticipate will be considered during the 2015 Legislative Session. Several have not been acted on by AOC steering committees or the Legislative Committee. Those that have are noted at the bottom of the description. This document is for county information and input, not for distribution. You are encouraged to be engaged in the AOC steering committee process as items are considered at the January 12, 2015, meetings. The intention is to provide an official **2015 AOC Introduction to Oregon Counties and Legislative Policy Platform** by mid-January, 2015, which will be refined as needed during the legislative session.*

DRAFT

## COMMUNICATIONS

### **Extend the sunset for the Oregon Broadband Advisory Council**

LC 1139 extends sunset to January 2, 2020.

*AOC supports (9-8-14)*

### **FirstNet and Next Gen 9-1-1 implementation**

Coordinate with State Interoperability Executive Council and Office of Emergency Management.

*AOC supports (10-13-14).*

### **Broadband services**

Continue to increase access to broadband services, especially in rural Oregon, with the help of the broadband mapping project by Oregon Broadband Advisory Council.

*AOC supports (10-13-14).*

### **9-1-1 Tax increase (joint with public safety)**

*AOC supports (9-8-14).*

## ECONOMIC & COMMUNITY DEVELOPMENT

### **Strategic Investment Program/Gain Share**

Legislation to extend the sunset and otherwise protect the program. All possible tools are needed to attract and retain businesses. Washington County is sharing its unexpectedly large proceeds with local school districts and may be willing to share some with distressed counties. There is a misunderstanding that only Washington County benefits from the Strategic Investment Program. In fact, nine counties use SIP (Multnomah-no gain share, Union, Morrow, Clatsop, Washington, Umatilla, Sherman, Gilliam, and Columbia).

### **Oregon Business Development Department (Business Oregon)/Infrastructure Finance Authority**

There is a huge demand for infrastructure throughout the State, recognized by the Governor's Recommended Budget, including:

- \$28 million bond authority to meet general sewer/water infrastructure needs;
- \$15 million bond authority for a new Working Forest & Farms Financing program;
- Additional Lottery bond authorization for levee certification and repair;
- Additional Lottery bond authorization for patient capital loan funding to communities for industrial site infrastructure ("patient"= borrow now, start to pay back in five years);
- \$10 million bond authority for rural infrastructure projects in a new program, the Oregon Infrastructure Opportunity Program;
- \$1.5 million bond authority for an Alternative Fuels Lab at Linn-Benton Community College;
- Direct lottery funding to support Governor's three-state Pacific Coast Collaborative Energy & Climate Plan;
- Direct lottery funding to establish a Natural Resource Transformative Technology Grant Program to facilitate development of natural resource industries and technologies;

- \$70 million General Obligation bonds for seismic retrofitting of schools;
- \$30 million GO bonds for seismic retrofitting of emergency services buildings;
- \$8 million in Lottery revenue and \$14 million lottery bonding Investments in local Regional Solutions priority projects as delineated by Regional Boards under Governor's Office. AOC has been successful in having a county judge or commissioner on each of the 11 Regional Solution Advisory Committees. Each region selects their economic and community development priorities. Under Senate Concurrent Resolution 4 (2013), state agencies are required to support these priorities. The GRB \$22 million of general funds is for regional projects (\$2M per region).
- \$7.0 million Lottery bond proceeds to address assessment and cleanup of contaminated industrial/employment properties through the recapitalization of the brownfields.

### **Brownfields**

There are several brownfield sites throughout the state sitting empty and of low value. AOC is part of the widely represented brownfield lobby group working on proposals to address the cleanup, improved market value, and new development of these sites. Possible solutions include:

- Property tax abatement on brownfield land (allowing difference between old and improved value for developer from cleanup).
- Income tax credit.
- Allow for land trust. That is, remove municipalities from liability allowing them to acquire properties (such as foreclosed property) and possibly do cleanup with assistance from the state. The property is passed to the developer, who must accept any remaining liability on the property.

## ENERGY, ENVIRONMENT, & LAND USE

### **Energy Development Incentives**

#### **Biomass development – Department of Energy (LC 581)**

The Department of Energy, by LC 581, is seeking the continuation of the existing biomass collection or production tax credit, with the limit of \$15 million for biomass producers or collectors as incentives for investment. The current tax credit mostly benefits transporters of biomass from the collection site to the facility for processing. This proposal is a modification and expansion to more fully support the project applicants and therefore encourage more biomass facilities around Oregon.

#### **Biomass development – Department of Forestry**

The Governor's Recommended Budget includes \$1.1 million of general funds to the Department of Forestry for small-scale grants for technical support of forest biomass co-generation projects. These projects would give a much needed boost to the struggling industry. The plans have a great deal of support, and a recent Environmental Protection Agency memo revealed positive news that it is taking a more thorough look at carbon emissions from forest products. *AOC supports (5-12-14).*

### **Energy incentive program**

This is the trimmed down version of the old Business Energy Tax Credit. This program supports small and/or community scale projects. There may be some improvements to the program including extension of the sunset date to 1/1/22.

### **Solar property tax abatement**

Reform the method under which property taxes are calculated for grid-direct , non-net metered solar plants, so that solar plants are not subject to central assessment and pay taxes set by counties beginning in year one in some consistent manner across the state, but are not burdened by rates that are a very high percentage of revenue.

### **Solar income tax credit**

Provide for a production-based income tax incentive (such as 2.5 cents/kilowatt hour for seven years in sunnier parts of the state; 3.5 cents/kwh for nine years in the less sunny parts of the state). Solar plants using this incentive would not be eligible for incentives under Energy Trust of Oregon. The state would keep the renewable energy credits during the incentive phase, then transfer them to the project developer when the developer begins to pay taxes. Using a production-based incentive would avoid previous problems of the Business Energy Tax Credit (dollars paid before results occur).

### **Energy Facility Siting Council review of applications and amendments**

This concept is intended to modify the EFSC process so that an amendment request does not trigger the full process and a lengthy timeframe for a minimal change to the application. AOC is sitting with other stakeholders on an administrative rules advisory committee and is identifying what legislation is needed, as well as what can be done by rule change.

### **Energy facility siting process cost recovery**

Places in statute authority for the Department of Energy to administer cost recovery on development projects from developers for other state agencies and for local governments (e.g., tribes, counties, and cities) that expend resources and staffing to participate in studies for projects.

### **Clean diesel**

Requires state purchasers in 2016 and local government purchasers in 2017 to favor firms with clean diesel technology for contracts. Incentive dollars have dried up. The Department of Environmental Quality is searching for other ways to incentivize investment in clean diesel technology.

### **On-site septic program**

Support legislation to allow the Department of Environmental Quality to contract with private organizations to perform on-site septic work with county approval. Some counties are turning over their public health programs to nonprofit organizations and this legislation would allow DEQ to contract directly with these entities with county approval. This provides more local control for counties in operating their on-site septic program.

## **Waste materials management**

The Department of Environmental Quality is proposing a rate increase on tip fees at landfills and that the tip fee be adjustable based on volume and inflation. The increased funds would be used for a variety of programs, including staffing for education and outreach for recycling and solid waste reduction and rural household hazardous waste programs. DEQ is also proposing increasing the recycling goals for waste sheds. The solid waste industry seems to be opposed to these actions until more information on how the increased funds will be used.

## **GOVERNANCE**

### **AOC Court Facilities Task Force**

AOC formed the Court Facilities Task Force to submit a prioritized list of county court facility projects to the Chief Justice for inclusion in the Oregon State Judicial Department budget. The task force adopted criteria related to need, readiness, and commitment. Multnomah and Jefferson Counties already have commitments from the Legislature to fund their projects. Prioritized for state bond funding in 2015-17 are replacement projects for Crook, Hood River, Lane, and Tillamook counties. The fiscal impact is \$17,775,000. Prioritized for non-bond funding in 2015-17 are improvement projects for Wasco, Malheur, Grant, Columbia, Wallowa, Coos, Douglas, Clatsop, and Tillamook Counties. The fiscal impact of the recommendation of nine projects is \$4 million.

### **Precinct Committee Persons; Elections**

Under current Oregon law, Precinct Committee Persons (PCPs) for the major political parties are chosen by taxpayer-funded elections. However, very few PCP elections are contested. Therefore, conducting those uncontested elections is a waste of resources. Other states have eliminated this waste. Oregon should do likewise, and dispense with holding uncontested PCP elections. The uncontested positions would be certified as elected. Write-ins will be permitted for races in which no one has filed. Fiscal impact to counties statewide: savings of \$500,000/biennium.

*AOC supports (9-8-14).*

### **County Fiscal Distress**

Current county financial distress legislation sunsets in January of 2018. It has not been used, and likely won't be used. A replacement bill has been crafted that provides a method for addressing distress for local governments, up to and including allowing the filing of Chapter 9 bankruptcy.

*AOC supports (12-8-14).*

### **Legislative package of the Oregon Association of County Clerks**

Related to recording and election housekeeping.

*AOC supports (9-8-14).*



### Mental health

#### **Oregon Health Authority (LC 477); “370” population**

The census at the Oregon State Hospital (OSH) is largely flat with the exception of the “370” population, who are individuals unable to aid and assist in their own defense of a criminal charge. This 370 population has increased 23 percent in the last two years and may cause the state to open new wings at OSH. The cost for one year of 370-care at OSH for one person is approximately \$300,000. The Oregon Health Authority will introduce a bill to limit OSH care to 370 cases that cannot be managed effectively and safely in an alternative community setting, which costs far less. AOC supports redirection of savings that result to enhance community mental health 370 services.

#### **Department of Corrections (LC 492); Medicaid and incarceration**

Most individuals with mental illnesses qualify for Medicaid through Social Security Insurance. As written, HB 2087 (2013) requires the Oregon Health Authority to suspend, instead of terminate, medical assistance benefits for those who are expected to be incarcerated for 12 months or less. As written, it does not apply to those who are incarcerated in DOC facilities for 12 months or longer. For those persons, benefits are terminated, and a new application for benefits is required. This concept would fix this issue.

#### **Community Developmental Disabilities Program; funding for workload model**

The Governor’s Recommended Budget includes the Oregon Division of Developmental Services (ODDS)/Department of Human Services (DHS) budget request for 2015-17 to increase the Community Developmental Disabilities Program (CDDP) budget from \$83,201,793 in 2013-15 to \$114,730,394, an increase of \$29,281,107 or 35.2%. This increase is based on the ODDS move to a workload model, to reflect the considerable changes in CDDP workload due to new Center for Medicaid and Medicare Services (CMS) regulations and requirements for more Medicaid accountability and to assure person-centered planning, i.e., individual choices for services and community inclusion. Much of the additional funding will go to FTEs, with an increase of 173 FTEs statewide. This shift reflects the DHS decision to move its divisions to the workload model, as recently occurred in the Adults and People with Disabilities Division. The Association of Community Mental Health Programs strongly supports the DHS budget request to preserve the CDDP existence and to enhance their ability to meet all of the new CMS requirements. This will result in better care and outcomes for people with intellectual and developmental disabilities.

### Public health

#### **Task Force on the Future of Public Health Services**

HB 2348 (2013) established a task force to study options for regionalizing public health services. The Task Force has released its final report and recommendations. The Task Force has recommended an incentivized funding model that would roll out in waves, in which a county could apply for funds on its own, sharing some services with other entities or as a complete

partnership/consortium. The Task Force also recommends the Legislature determine a baseline of services that counties (using one of the three pathways above) must be able to provide. Issues to be determined by the Legislature: foundational capabilities for public health, governance structure for local and state public health, timeline for roll-out, and a sustainable funding stream. Of particular issue will be ensuring that the local perspective (through the Coalition of Local Health Officials) continues to be part of the public health governance structure.

### **Prescription drug abuse**

- Allow the Board of Pharmacy to add additional prescription drugs (that are not scheduled controlled substances) to the Prescription Drug Monitoring Program (PDMP), such as those with a high potential for dangerous drug interaction or abuse (for example, Tramadol). Language is in SB 470A (2013), which was removed from SB 470B.
- Authorize the PDMP to send out automated notices to prescribers and pharmacists when the system detects a dangerous potential drug interaction, or potential abuse. Language is in SB 470A (2013), which was removed from SB 470B.
- Require that medication-assisted treatment program data (methadone clinics) be put into the PDMP. Frequently persons either leave treatment or while in treatment approach a provider and get put on high doses of opioids. The prescriber has no way of knowing that the patient is getting, or had been getting, methadone. It is very unsafe situation for the patient and certainly for the community at large.
- Add local health officers to those who can access the PDMP for overdose death investigation purposes. The Health Officer needs access to the PDMP to correlate prescribing data with those who have died of an overdose. The only mechanism now is delegation from the State Medical Examiner, to our local ME. That authority should be delegated to the Health Officer. The ability to know how the deceased got the medication the patient died from has genuine public health implications.
- Link the Emergency Department Information Exchange with PDMP data (current practice in the State of Washington).
- Allow local public health access to various forms of de-identified aggregate data on the local level. The state currently has this authority.
- Allow local public health access to more focused data, such as what is the prescribing pattern for a group of providers.
- Require the use of the PDMP before opiates are prescribed for chronic non-cancer pain (current law in the State of New York).
- Mandate the use of certain protocol for the dispensing of opiates for chronic non-cancer pain (current law in the State of Washington).
- Require PDMP entries to include the diagnosis code(s).
- Provide the local health departments access to PDMP data without restrictions; or except data for individual patient identifiers and individual prescriber names.
- Provide conforming amendments, if any, necessary to enable Oregon retail pharmacies to establish receptacle locations for prescription drug take-back.
- Require the pharmaceutical industry to pay for the cost of prescription drug take-back services and programs.

*AOC supports (9-8-14; 12-8-14).*

## Veterans

### **Veterans Preference Workgroup Report Re. ORS 408.237: Statutory Requirements for Interviews of Veterans by Public Employers (LC 1181)**

In practice, ORS 408.237 has proved to be ambiguous and difficult to implement for public employers. It has not been a consistent and predictable framework to ensure the intent of the Legislature for public employers to interview qualified veterans who are applying for jobs. Counties and other public employers have been involved in litigation on this issue and will benefit from changes to the statute that will make it more clear and pragmatic in implementation. During the 2014 Short Legislative Session, the Chairs of the House and Senate Veterans Committees directed a group of stakeholders to form a workgroup to address implementation challenges related to the statute. The workgroup's report and LC 1181 are consensus documents that reflect the participation of the Oregon Department of Veterans Affairs, the Oregon Department of Administrative Services, the League of Oregon Cities, the Oregon Military Department, the Oregon Employment Department and the Association of Oregon Counties.

*AOC supports (12-8-14).*

## PUBLIC LANDS & NATURAL RESOURCES

### Federal land management

#### **Federal forest management reform**

- AOC continues to be fully engaged in national efforts to improve the health and production of federally owned forests in the state, both National and O&C Forests, through active management that will create jobs, strengthen rural communities, and improve the ecosystem in Oregon. As a prominent member of the National Association of Counties and the National Forest Counties & Schools Coalition, and with close relations to the Oregon congressional delegation, AOC has a hands-on presence in Washington, D.C.
- AOC, in addition, is participating as a member in the productive activities of the Federal Forestland Advisory Committee Implementation Work Group to increase the pace and scale of production on dry side federal forests in Oregon (SB 357 (2013); SB 5521 (2013)), along with engagements in the work of the Board of Forestry Federal Forest Subcommittee.
- Oregon Department of Forestry Federal Forest Restoration budget item – the Governor's Recommended Budget expands from the \$2.885 million package in the 2013-15 biennium (SB 359 (2013); SB 5521 (2013)) to \$6,050,000 in lottery funds for 2015-17. This would enhance capacity to increase the pace and scale of implementation of federal forest projects, fund local forest collaboratives, and evaluate methods to achieve time/cost efficiencies for required project-level analysis.

*AOC supports (9-8-14).*

## State land management

### **State Forests/County Forest Trust Lands (Governor's Recommended Budget)**

- South Fork Inmate Camp – the GRB provides \$750,000 in general funds to shift funding from 100 percent of Forest Development Fund (FDF) dollars, which are used to manage State Forests, to more accurately reflect the proportion of work related to state forest management.
- Recreation, Education and Interpretation (REI) – the GRB would fund at \$1.4 million in general funds the one-time request for needs related to operations of the Tillamook Forest Center. AOC/CFTLC support depends upon the Board of Forestry taking necessary action on harvest levels to return ODF State Forest Division to an independent and fully functioning entity.
- Research and Monitoring – the GRB provides \$650,000 for the one-time request to meet information and science-based needs required by long-term planning. AOC/CFTLC support depends upon the Board of Forestry taking necessary action on harvest levels to return ODF State Forest Division to an independent and fully functioning entity.

*AOC supports (9-8-14)*

## Predator control

### **Funding for U.S. Department of Agriculture Wildlife Services [Governor's Task Force on Federal Forest Payments & County Services (January 2009) Recommendation #6]**

State funding for the U.S. Department of Agriculture Wildlife Services is appropriated through the budgets of the Oregon Departments of Agriculture and Fish & Wildlife. After severe cuts beginning in 2009, counties were forced to fill the shortfall to the extent possible. For the 2009-11 biennium, counties contributed over \$2.4 million to Wildlife Services compared to the State's total of \$340,000, or more than seven times the state appropriation. For the 2013-15 biennium, the state has rebounded its contribution to \$931,778. By maintaining or enhancing this level of funding in 2015-17, the state will help to relieve the pressure on overly burdened county budgets and permit a more effective predator control program in Oregon. The Governor's Recommended Budget includes a modest enhancement to funding to \$949,884. *AOC supports (9-8-14).*

## PROPERTY TAX ADMINISTRATION; RESOURCES

There has been a significant reduction of state resources to property tax administration. The administrative processes required by Measures 5 (1990) and 50 (1997) are nearly indecipherable, yet the revenues they produce are critical to public services. With available resources counties lack the ability to fully discover new properties and improvements improperly missing from the tax rolls, which mean loss of potential for new revenues for education, public safety, physical and mental health, among other critical services.

A Department of Revenue study (11-04) with findings made before additional cutbacks in county A&T resources found: "The current level of funding allows all counties to fulfill most *but*

*not all of their critical program requirements” [emphasis added]; and funds are inadequate to maximize tax-generating revenue by maintaining active appraisal and omitted property discovery programs, to generate accurate or timely statistical data for system decision-makers, and to absorb significant statutorily mandated program changes.*

**County self-help: substantial, but not nearly enough.**

- Counties spend \$99 million per year (FY 2014-15) to appraise, assess, and collect property taxes for all local taxing districts, while *retaining a mere 17 percent of collections statewide*. (Education receives 45% of collections statewide).
- Pilot projects with great promise statewide.  
The Southwest Oregon Assessment & Taxation Coalition (Coos, Curry, Douglas, Jackson, Josephine, Lane, and Klamath) was formed to conduct pilot projects proposed by the counties. The pilots were kick-started in 2014 by a \$345,000 legislative appropriation. The pilots -- 1) Compliance auditing of business personal property returns; and 2) sharing commercial and industrial appraisers – are intended to pay for themselves and then some. *One suspects that the self-reporting business personal property tax system would bring robust returns, if all counties had the resources to be in the field to find property omitted from the tax rolls, including compliance auditing of business personal property.*

**Return the State General Fund appropriation to the County Assessment Function Funding Assistance Account (CAFFAA) of \$5.2 million that was begun in 1999 but swept away in 2009.**

In 1999, the Legislature began appropriating \$5 million plus CPI/biennium through the Department of Revenue budget to the state assessment and taxation account (CAFFAA) to support assessment and collection of taxes for the state-funded education system. This advanced the policy that beneficiaries of the service will help pay the cost.

Unfortunately, in the 2009 session dominated by the Great Recession and its accompanying finance challenges, the Legislature eliminated its biennial appropriation to the A&T fund, “sweeping” the \$5.2 million for other state general fund programs. The reasons for the sweep of these critical state-shared revenues have passed.

*Of the \$99 million spent by counties in FY 2014-15, CAFFAA provides merely 20% of that total. As conceived in 1989, CAFFAA was intended to pay 35% of county property tax administration costs.*

*CAFFAA has become so inadequate that the Governor’s Recommended Budget for 2015-17 includes \$1,836,000 of general funds for the Department of Revenue to fill the shortfall in the DOR share of 10% of CAFFAA to perform industrial and centrally assessed valuation.*

*AOC has a modest request, given other local public services needs that require state-shared funding. AOC asks simply that the Legislature resume its 10-year practice that was suddenly ended six years ago, and return the \$5.2 million general fund appropriation to CAFFAA.*

## PUBLIC FINANCE AND REVENUE

**To address our own needs, give counties the authority to use existing revenues more flexibly and to enact new revenue options with approval of county voters [Governor’s Task Force on Federal Forest Payments & County Services (January 2009) Recommendation #3]**

- Permit counties to tax tobacco products, including e-cigarettes.
- Permit counties to tax alcoholic beverage.

AOC supports (9-8-14)

**Comcast Corporation v. Department of Revenue: potential consequences (also Economic and Community Development)**

On October 2, 2014, the Oregon Supreme Court held that both the cable television and internet access services provided by Comcast qualify as data transmission services and are thus “communication services” subject to central assessment under ORS 308.515(1)(h). Taxpayers that are centrally assessed by the Department of Revenue (DOR) are assessed on intangible as well as tangible property. Intangible property is property without a physical presence such as contracts, licenses, franchises, patents, trade names, labor force and goodwill. Unlike other property such as houses, office buildings and industrial plants, centrally assessed property is typically part of an integrated system that is operated across county and state lines. Wires, pipelines, tracks or operational routes may connect the property. Centrally assessed properties (e.g., communications companies, railroads) are typically bought and sold on the market as an operating unit, not as separate parts. The value of the property of these companies in a single state is not easily isolated from the value of the entire operating unit. The appraisal methods used to value centrally assessed companies measure the full value of the business enterprise; tangible and intangible property together. The percent of a taxpayer’s intangible value varies with the industry, but can range from five to 30 percent of total value. The amount of uncollected taxes of Comcast is \$84,689,638 statewide.

Reaction to this court decision has caused: 1) rulemaking by DOR to clarify activities that are considered “communication”; 2) a potential lawsuit by Comcast on the question of whether the Maximum Assessed Value of its property will be raised (note: discovery of new property results in a higher MAV; DOR had not assessed intangibles before 2009); 3) filing of at least one bill to reduce or eliminate assessment of intangible values; and 4) fear in some counties that communications providers will back out of planned expansions that are important to their communities, so as to avoid the intangible tax.

AOC has offered to discuss an appropriate resolution with stakeholders.

**New property tax expenditures sought**

As with virtually every legislative session, certain interests will seek new exemptions from property taxes. Such bills are expected from food processors generally and others. Under Oregon’s rate-based property tax system, a new exemption, deferral, or special assessment causes a straight loss of revenue for public services. AOC has not been rigid in opposition to new exemptions (e.g., five-year exemption for new machinery and equipment of agricultural food processors, who clearly demonstrated business failures and a bleak economic future for its sector; personal property manufactured structures valued below \$12,500 in Clackamas, Lane, Multnomah, and Washington Counties). AOC, however, has fought bills that do not answer affirmatively to these questions: 1) Is the proposal *necessary* to implement an important statewide public purpose? 2) Is a property tax expenditure the *only way* to accomplish that purpose, as opposed to creating an income tax credit? 3) Will the business or economic sector *fail* without the property tax expenditure?

## Criminal justice system reform

### **Criminal Justice-Behavioral Health Partnership Legislative Concept**

Establishes community-based alternatives to incarceration for the purpose of diverting persons with serious mental illness from entering the criminal justice system, or linking people with serious mental illness to community-based services upon release to prevent further involvement in the criminal justice system. The target population is adults, but local partners retain the choice to include services for juveniles. The eligible programs may be new or an expansion of existing services, but must be implemented in coordination with Community Care Organizations (CCO) services and jail diversion initiatives.

This proposal was developed from prior statewide planning efforts, including the 2007 Community Services Workgroup Report and the SB 5529 Jail Diversion Workgroup Report, resulting in a Budget Note presented by the Addictions and Mental Health Division (AMHD) to the 2013 Legislature. Funding for this proposal shall not supplant existing funding and when possible will leverage other funding streams like Medicaid and align with established community programs.

### Eligible Programs

Community-based alternatives to incarceration and re-entry services, at a minimum, must be evidenced based, directed toward diverting individuals with serious mental illness or releasing individuals with serious mental illness from the public safety system and into community-based treatment, to include, but not be limited to:

- Center-based and/or Mobile crisis response
- Psychiatric emergency services
- Respite services
- Forensic Assertive Community Treatment
- Sobering stations
- Specialty housing
- Specialty Courts (Mental Health, Drug, Veterans)
- Coordinated transition planning
- Acute or sub-acute centers
- Other programs that have proven results for diversion or re-entry
- Crisis Intervention Training (CIT)

### Equity Grant Funding Allocations to Counties

All counties would receive funding according to a statewide distribution formula, and at a minimum, a base funding level for the first biennium (2015-17) with the following planning requirements:

1. Demonstrate a coordinated effort to address the target population that is developed and adopted by the Local Public Safety Coordinating Council as defined by ORS 423.560, in cooperation with each CCO in the county.
2. Complete a written plan of how the county intends to use funding based on recognized, evidence-based community alternatives to incarceration directed toward persons with serious mental illness, to be approved and submitted by the County Governing Body (CGB) or delegated

by the CGB to the Community Mental Health Program to approve and submit in certain counties.

3. AMHD shall be the lead agency for review and approval of these plans, with the advice and consent of the Criminal Justice Commission (CJC).

### Funding Mechanism

Written plans will be submitted from the counties to the AMHD. The counties will receive funding through the AMHD, with shared oversight by the CJC.

### Accountability

Each county will track and report outcomes to the State, mutually agreed upon between the AMHD and the CJC, in alignment with the incarceration alternative and recidivism reports currently submitted to the AMHD, and congruent with directives by the US Department of Justice. The baseline data reported in the first biennium will inform the potential decision to award incentives or disincentives in the next round of funding parallel to other funding processes.

### Funding Amount and Source

The funding for this concept would be primarily from a second phase of mental health investments from the State General Funds. The \$50 million estimate of need is based on the amount and reach of the first round of new investments for programs serving people at risk of incarceration, and informed by the original recommendations from the Community Services Workgroup for funding increases through the 2013-15 biennium. The amount of Medicaid funding that could be used to contribute to the community-based alternatives to incarceration would need to be determined by the Division of Medicaid Assistance Programs. Some community-based services, especially capacity-based programs, are not reimbursable by Medicaid (e.g., Mobile Crisis Outreach, Forensic Peer Support, Sobering Services, and Specialty Courts).

Additionally, the estimated funding was derived from two community-based alternative models of interest in Texas and Utah -- the Texas model funded annually at \$25,500,000 for about half of the population of Oregon, and the Utah model funded annually at \$10,880,000 with roughly one-quarter of Oregon's population. The focus of this concept is funding for programs and services in the community, but there may be regions in Oregon in which a sub-acute, respite, or other type of center is needed. If so, funding may be needed from both public and private sources.

*AOC supports (10-13-14).*

### **Training for law enforcement**

The Governor's Recommended Budget provides \$350,000 in general funds to the Department of Public Safety Standards and Training for two new positions: 1) an instructor for the regular Academy curriculum; and 2) a traveling instructor to provide crisis intervention training for law enforcement personnel.

### **Prosecution services [Governor's Task Force on Federal Forest Payments & County Services (January 2009) Recommendation #7]**



Over the last 15 years, the state has largely defaulted on the obligation shared with counties to pay the cost of prosecution services, threatening public safety in many Oregon communities. The state used to pay for part of the costs of deputy district attorneys, of which there are approximately 350 and each of whom represents the state. In addition, the state paid for fees for witnesses called on behalf of the state. In biennium 2003-05, the state appropriated over \$1.9 million to pay deputy DAs; it is now zero. Likewise, the state budgeted \$584,135 in 2001-03 for witness fees; it has been zero ever since. Moreover, until 2014 elected DAs had not received a salary increase since 2005. In 2014, the legislature considered a DA salary increase of \$10,000, but decided on \$5,000. State support must be restored for prosecution services in the 2015-17 state budget: deputy DAs approximately \$8.6 million; witness fees approximately \$930,000; and a second increase of DA salaries of \$468,000.  
*AOC supports (9-8-14).*

### **Criminal Justice Commission justice reinvestment grants**

The Governor's Recommended Budget provides CJC with \$58.5 million to counties and local programs to reduce recidivism. This is the continuation of the \$15 million authorized for the same purposes under HB 3194 (2013).

### **Modernize the 9-1-1 tax**

The 9-1-1 tax has been 75 cents per month since 1995. That amount has neither kept up with inflation nor the ever increasing need for enhanced 9-1-1 services in the 21<sup>st</sup> century. The tax should be raised by 50 cents and indexed for inflation.  
*AOC supports (9-8-14).*

### **Other criminal justice items**

#### **Prohibiting weapons in court facilities**

Currently, statute allows presiding judges in circuit court buildings to prohibit firearms and other weapons. Municipal and justice courts would be included with this legislative concept.  
*AOC supports with amendments to add juvenile and probate courts (10-13-14).*

#### **Adjustments to Court Fees**

The Oregon Justices of the Peace Association is proposing increases to various court fees. This includes filing fees, trial fees, motion fees, and miscellaneous fees (transcripts, copies of judgment, etc).  
*AOC supports (10-13-14).*

### **Maintain dedicated funding sources for the Oregon State Police Fish & Wildlife Division**

Funding must be assured, because in emergencies an officer may be called on to provide back-up assistance to rural, in-distressed counties. The Governor's Recommended Budget keeps the funding whole.  
*AOC supports (9-8-14).*

## **Marijuana**

### **Regulation of medical marijuana dispensaries**

AOC supports each of these measures designed to keep operation of these dispensaries safe for the community.

- LC 212: Clarify that the location of proposed and licensed dispensaries are not confidential.
- LC 213: Clarify local authority to opt out of dispensaries.
- LC 214: Basic permitting for persons that work in dispensaries and handle cannabis.
- LC 215: Licensing and regulation of testers.
- LC 216: Licensing and regulation of manufacturers of concentrates.
- LC 217: Limits on amounts of products that can be sold to a person at one time.
- LC 218: Oregon Health Authority regulation of untruthful or misleading marketing.
- LC 219: Broader OHA authority over product labeling.
- LC 220: Clarify that normal land use, zoning, and building code rules apply.
- LC 221: Making the smoking of marijuana subject to the Indoor Clean Air Act.
- LC 222: Clarify that dispensaries don't have to be licensed by the Board of Pharmacy.
- LC 393: Licensing and regulation of manufacturers of edibles.
- LC 391: Require a backup "Person Responsible For," so operations can continue if a PRF dies or can no longer serve.
- LC 392: Permit transfer of marijuana from one dispensary to another in event of closure, or in the event a dispensary moves location.

*AOC supports (9-8-14).*

### **Recreational marijuana (Measure 91 [2014])**

A number of amendments to the recently passed Measure 91 (marijuana legalization) are needed to ensure the system works effectively, including:

- Clarifying the scope of local authority to regulate time, place, and manner of marijuana businesses;
- Clarifying land use issues;
- Clarifying the process for local opt out of marijuana businesses;
- Allowing for local taxation, within limits, or adjusting the taxation distribution formula; and
- Providing a better distribution formula for the local government allocations that takes better account of impacts and need.

*AOC supports (12-8-14).*

## **TRANSPORTATION**

### **The Oregon Transportation Forum transportation legislative package**

The Oregon Transportation Forum (OTF) has developed a transportation legislative package following these principles: fund all modes; fix it first; provide reliable funding; share costs fairly; and preserve local options.

Action to support or oppose the 14 items contained in the OTF initial proposal was taken on September 8, 2014, by the AOC Transportation Steering and Legislative Committees. At an OTF meeting on September 10, members voted on 16 individual items (two were added that day). The results were later discussed by the OTF Board and a final package proposal was presented

at the OTF Annual Meeting on November 6, 2014. This package consists of following 11 items, some of which were not supported earlier by AOC:

1. Prevent loss of highway fund revenue by indexing gas taxes to increases in fuel efficiency of the automobile fleet.
2. Increase of fuel taxes and/or vehicle registration fees to fund highway maintenance and preservation (“Fix-It”) in an amount to be determined by the Legislature.
3. Increase of fuel taxes and/or vehicle registration fees to fund Highway Modernization (“Enhance”). The amount and the means of distributing these funds will be determined by the Legislature.
4. Address “orphan highways” and freight corridors by adopting a one-cent gas tax for a program to facilitate the transfer of road miles between the Oregon Department of Transportation and local governments to better align ownership and responsibility with state versus local interests.
5. Increase funds to enhance non-highway modal infrastructure by restoring the Connect Oregon multi-modal funding level to \$100 million in lottery bonds for the 2015-17 biennium. Funds would be used for grants and loans to support capital projects that involve one or more of the following modes of transportation: air; marine; freight rail; passenger rail; public transit; bicycle; and pedestrian.
6. Provide \$22.6 million per biennium for Cascades AMTRAK service.
7. Provide \$75 million per biennium of state funds to cover the cost of elderly and disabled transit service.
8. Provide up to \$20 million per biennium for Youth Transit Passes.
9. Develop a 10-year multi-modal transportation needs assessment to establish and quantify the need to operate, maintain, and improve the system on a consistent statewide basis. This will serve as the basis for funding proposals to be considered by future legislatures.
10. Recommend that state transportation planning efforts:
  - a) Include findings regarding how each mode should best interconnect with other modes to maximize use of system resources; and
  - b) Evaluate the impact of the plans’ findings on other transportation modes.
11. Direct ODOT to enter into agreements with other state agencies or local governments to share the costs of facilities and equipment, to the extent that the facilities and equipment meet the needs of both entities and provide efficiencies to taxpayers. ODOT shall attempt to develop one facility and/or equipment sharing project in each of the five ODOT Regions.

*This amended OTF Package will be considered by AOC on January 12, 2015.*

### **Amend ORS 190.083 for Public Transit**

Deschutes, Crook, and Jefferson Counties seek AOC’s support for an amendment to ORS 190.083, which would allow for the Central Oregon Intergovernmental Council (COIC) to assess, levy, and collect ad valorem property taxes for public transportation operation (subject to voter approval), while retaining regional governance of the Cascades East Transit at COIC. ORS 190.083 currently allows for intergovernmental entities to “operate, maintain, repair and modernize transportation facilities.” The proposal would expand the definition to include transportation operations.

**Propose legislation to allow counties to charge franchise fees to utilities [Governor’s Task Force on Federal Forest Payments & County Services Recommendation #25]**

Change the law to give counties a specific exemption to the rule prohibiting collection of franchise fees from utilities. There is a significant cost to counties at every stage of utility work in county rights-of way, which counties are legally unable to recover. Counties desire the same exemption cities have to charge franchise fees.

*AOC supports (9-8-14).*

**WATER POLICY**

**Grants of specific authority to the Water Resources Department for place-based planning activities (LC 612)**

Although the Water Resources Department (WRD) believes it has broad authority, the WRD does not have explicit authority to enter into contracts and other agreements with other entities. Currently, WRD must undertake these activities through authorities under the Department of Administrative Services and the Public Contracting Code. Other state agencies in Oregon have received specific authority allowing them to enter into contracts.

WRD would like to ensure that it has clear authority to provide grants for place-based planning. This bill implements Integrated Water Resources Strategy Action #9a.

*AOC supports (9-8-14).*

**Water Resources Department Funding; task force (LC 614)**

Until 2013, the Water Resources Department, which is heavily dependent on the General Fund for its operating budget, had experienced a declining share of the General Fund, reductions in staffing capacity, as well as declining dollars overall for the past two decades. This has been compounded by a corresponding decrease in water management funds from county and federal partners. In the meantime, WRD workloads are increasing in complexity, particularly in regards to groundwater science. The Water Resources Commission, the overarching policy body, increasingly concerned about these trends, previously formed a revenue enhancement subcommittee. This bill would continue the commission’s efforts by establishing a task force to identify and recommend solutions to stabilize and increase WRD funding. This bill implements Integrated Water Resources Strategy Action #13b.

*AOC supports (9-8-14).*

**Water Resources Department 2015-17 budget under Governor’s Recommended Budget**

Related to the Integrated Water Resources Strategy (now referred to as IWR Program, to indicate its institutionalization) and the Water Supply Development Program, the Governor recommends \$50 million (\$30 million in general obligation bonds and \$20 million in lottery-backed bonds) for Placed-based Planning pilots, project feasibility grants (SB 1069 [2008]), and project development grants and loans under SB 839 (2013). The Governor adds general funds for Water Resources Department staffing for the IWRP and data needs, for a total investment in water supply of \$53 million. The Governor notes that his commitment will continue in the 2017-19 biennium, signaling that he wants Oregon to be competitive with Washington State in water development.

**Water Resources Department proposed 2015-17 Policy Option Packages (POPs) as treated by the Governor's Recommended Budget.**

- POP 102 – Rebuilding water management field capacity; assistant watermasters (IWRS Action #13b). WRD's watermaster corps protects and manages water rights including out-of-stream and instream water rights. In the 1990s, WRD staff was supplemented by 37 county-funded assistant watermasters in the field. With decreases in county budget capacity they are funding only 15 assistant watermasters. The technical assistance and water distribution capacity at WRD has declined, leaving fewer field resources to help senior water right holders and Oregon communities. Positions would be located in the Klamath Basin and other Eastern Oregon field offices. Fiscal impact: \$356,082 General Funds; 2.0 FTE. [*Not in the Governor's Recommended Budget (GRB)*]
- POP 103 - Advancing groundwater data management and processing (IWRS Action # 1b, 1c). An NRS5, chief groundwater technology scientist, would serve as the liaison between the groundwater section and others internally and externally to implement improvements to how staff process, use, and share groundwater data. This in turn is expected to help WRD decrease groundwater rights processing times. Fiscal impact: \$215,261 GF; 1.0 FTE. [*Not in GRB*].
- POP 105 - Regional Solutions and Place-Based IWRS Planning Community Liaisons (IWRS Action # 9a, 9b, & 9c). Place-based, integrated water resources strategies are a tool for communities to determine how to meet their unique out-of-stream and instream water needs. Similarly, Regional Solutions focuses on implementing economic and community development projects at the local level. With two additional staff, WRD could increase its capacity to participate in these efforts, providing technical guidance, data, and permitting assistance necessary to secure water supplies for future out-of-stream and instream needs. This request would also include grants to communities to increase local capacity to develop place-based strategies. Fiscal impact: \$413,328 GF; \$872,469 Lottery bonds; 2.0 FTE. [*In GRB, but only related to Regional Solutions; 1.0 FTE; no grants. But see POP 115*].
- POP 106 - Helping communities evaluate water projects – SB 1069 (2008) Feasibility Study Grants (IWRS Action # 13c). Local communities often find it difficult to secure feasibility study funding as part of their project development. WRD currently has \$750,000 in its base budget to provide funding for water conservation, reuse, or storage feasibility studies. WRD would also benefit from increasing the resources available for staffing (currently at .25 FTE) to manage and monitor the granting process. Fiscal impact: \$139,318 GF; \$791,954 Lottery bonds; 0.75 FTE. [*In GRB; augmented to \$2 million for grants*].
- POP 110 - Monitoring Coordinator for efficient data sharing and management (IWRS Action #1b, 1c). Adding a monitoring coordinator will allow WRD to coordinate inter-agency collaborative monitoring efforts, fill data gaps, and make improvements to how we gather, process and share water resources data and information. This position would lead in assessing water resource data needs and providing data quality assurance in working with state and local governments, as well as non-governmental entities and other partners. Fiscal impact: \$211,067 GF; 1.0 FTE. [*In GRB*].
- POP 113 - Recapitalizing the Water Supply Development Fund (IWRS Action # 3a, 10a, 10b, 10c, 10e, & 11b). WRD will see the first bond sale to capitalize the state's Water

Supply Development Account during 2015. If the fund is not recapitalized and all of the money is granted in 2015, WRD will be unable to provide another round of grants or loans until 2019. There is a need to continue to recapitalize the fund to keep pace with demand and enable Oregon to meet its current and future out-of-stream and instream water needs. This includes a position to administer the grants. Fiscal impact: \$186,962 GF; \$20,483,990 Lottery bonds; 1.0 FTE. *[In GRB, but reduces to \$16 million of lottery bonds the recapitalization of the Water Supply Development Fund and Water Supply Account].*

- POP 115 - Integrated Water Resources Supply Development (IWRS Action # 3a, 5a, 9c, 10a, 10b, 10c, 10e, & 11b). This package would add to the existing Water Resources Development Team, allowing the state to proactively work with communities to identify, evaluate, and develop water resources solutions. This package would expand the water supply team, adding a project manager, two finance specialists, and a technical coordinator. In addition, an engineer focused on water resources would provide the necessary expertise to evaluate the practicality and safety of such projects. Fiscal impact: \$1,026,218 GF; 5.0 FTE. *[In GRB; and enhanced to \$1.2 million in general funds, \$750,000 lottery bonds, and 6.0 FTE to include \$750,000 for place-based planning grants and PBP support staff].*

*AOC supports (9-8-14).*

#### **Department of Fish & Wildlife 2015-17 budget**

Engage in the Water Supply Development Program and Integrated Water Resources Strategy by shifting funding from license fees to General Funds for positions in the Water Quantity and Quality program working on implementation. The Governor's Recommended Budget does this. *AOC supports (9-8-14).*

## FEDERAL ACTIVITIES

### Environment

#### **Sage grouse – potential listing under federal Endangered Species Act**

AOC is fully engaged with the counties in eastern Oregon, led by Harney County Judge Steve Grasty, in the state and federal administrative processes related to sage grouse and its habitat. The goal is to avoid listing under the federal Endangered Species Act. The Governor's Recommended Budget includes \$4.5 million of general funds for coordination of efforts; rangeland fire protection on unprotected lands; control of juniper; leverage of federal dollars; and grants to counties for implementation. The Oregon comprehensive land use planning system is playing a key role in attempting to retain local control of the solution.

#### **Waters of the U.S.**

On April 21 the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) jointly released a new proposed rule – Definition of Waters of the U.S. Under the Clean Water Act – that would amend the definition of “waters of the U.S.” to expand the range of waters that fall under federal jurisdiction. Counties and the state would likely feel a major impact as more waters become federally protected and subject to new rules or

standards. The proposed rule would impact roadside ditches, flood control channels, drainage conveyances, stormwater systems, and green infrastructure construction and maintenance. AOC is actively opposed to increased jurisdiction of the EPA on the waters of the US.

### **Clean Water Act: “navigable” waters**

AOC and the National Association of Counties support keeping the terms navigable and/or navigable waters in the Clean Water Act to protect intrastate waters, including wetland habitats, rivers, and streams within the United States and to protect the basic, fundamental principles of local land use control in accordance with the goals of the CWA. NACo and AOC will oppose any effort to remove the term “navigable” from the CWA.

## **Land Use**

### **National Flood Insurance Program**

AOC has requested the National Marine Fisheries Service to provide an opportunity to review and comment on the Draft Reasonable and Prudent Alternatives from the biological opinion related to consultation under the federal Endangered Species Act on implementation of the National Flood Insurance Program. AOC cites the likelihood of implementation triggering claims under Measure 49 (2007) for compensation for lost property rights. AOC is asking for an opportunity to protect anadromous fish in a way that will be implemented successfully and at lower cost at the local level.

## **Natural Resources and Public Lands**

### **Forest and rangeland health**

AOC, the National Forest Counties & Schools Coalition, and the National Association of Counties support initiatives to address the threat of catastrophic events to our public forest and rangeland resources. Federal land management agencies shall utilize an appropriate mix of management practices, and increased private, local, and state contracts and partnerships for pre-fire management, effective fire suppression, and restoration of federal forest and rangelands. As a goal, AOC and NACo support legislation to direct and enable federal forest management agencies to reduce Fire Regime Condition Class (FRCC 3) to a standard of FRCC 1 in all federal forests by the year 2030, and to reduce FRCC 2 to the standard of FRCC 1 in all federal forests by the year 2050, through means of active landscape scale management, fuels reduction, and immediate post-fire restoration.

### **Wyden-Crapo Wildfire Disaster Funding Act (S. 1875)**

The U.S. Forest Service and Bureau of Land Management have been forced to spend increasing proportions of their budgets on wildland fire suppression, diverting critical resources from the very programs designed to prevent fires. To illustrate, the proportion of budgets of the U.S. Forest Service devoted to wildland fire suppression has increased from 13% in 1991 to 41% in 2013. S. 1875 would move any spending above 70% of the 10-year rolling average for fire suppression outside of the agency’s baseline budget by making additional costs eligible to be funded under a separate disaster account.

AOC, the National Forest Counties & Schools Coalition, and the National Association of Counties support S. 1875, the Wildfire Disaster Funding Act, so that the budgets of the U.S. Forest

Service and Bureau of Land Management will have protection of its resources appropriately devoted to hazardous fuel treatments through active management of the federally owned landscape, rather than having those resources drained by wildland fire suppression.

### **Traditional receipt sharing with counties of stewardship end-result contracting project authority**

The U.S. Forest Service and Bureau of Land Management have renewed legislative authority to enter into stewardship contracts for management of federal forests and rangelands. The reauthorization does not include, however, traditional sharing with counties of revenues generated from these projects. AOC and the National Association of Counties support stewardship end-results contracting projects as a tool to manage federal forests and rangelands, but only if it retains the historical receipts sharing with counties. In this context, the sharing should be based on the gross appraised value of the commodity or product harvested or produced under the contract or agreement.

### **Active federal forest management with “bridge funding”**

While counties are deeply grateful for the financial lifeline of the Secure Rural Schools & Community Self-Determination Act (SRS), AOC, the National Forest Counties & Schools Coalition, and the National Association of Counties urge a new direction in management of our federal forests, for the very health of the forests themselves, and for job opportunities and social and economic sustainability. While some form of “bridge funding” to maintain solvency in our counties will be required, particularly given the dominance of federal forest presence in many counties, it must be in concert with a new direction in federal forest management. Legislation that provides “bridge funding” to forested counties and school districts while economic vitality is restored in these communities is vitally important and essential. Also, for economic vitality, Congress must mandate active sustainable forest management to achieve resilient forestlands managed by the United States government.

### **Improved economic analysis of the effects of Critical Habitat designations under the Endangered Species Act**

AOC and the National Association of Counties support legislation that would require the US Fish & Wildlife Service to perform cumulative and quantitative economic analysis, prior to the designation of Critical Habitat, that would measure the effects of such a designation on all affected stakeholders – not just on federal agencies – and would include the effects on possible uses of land, property values, employment, and revenues available for state and local governments.

### **Payment in Lieu of Taxes (PILT)**

AOC, the National Forest Counties & Schools Coalition, and the National Association of Counties support the permanent, full funding of the PILT program at its yearly authorized level.

### **Special use designations of federal lands**

Congress and federal agencies shall consult and confer with affected counties as early as possible when considering special land use designations that impact the use and status of public lands. Counties should be fully involved in the drafting and development of any bills



pertaining to wilderness designation within any affected county's jurisdiction. Public hearings must be held in the counties affected by the proposed designation. There must be compliance with the requirements of the National Environmental Policy Act (NEPA). AOC and the National Association of Counties oppose Executive Branch efforts to designate de facto wilderness or federal restrictions not explicitly enacted on use of public or private lands in proximity to a designated wilderness or a Wilderness Study Area without congressional approval.

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## NACo Legislative Priorities 2015

**Tax Reform:** NACo supports the preservation of the federal deductibility of local property and income taxes and the tax-exempt status of municipal bonds that provide critical funding for public facilities, infrastructure and development.

**Protecting the Federal-State-Local Partnership for Medicaid:** NACo supports maintaining the federal-state-local structure for financing and delivering Medicaid services. Counties continue to be concerned about measures that would further shift federal and state Medicaid costs to counties, including cuts, caps or block grants.

**Transportation Reauthorization:** NACo urges Congress to fix the Highway Trust Fund and pass a multi-year surface transportation bill that would provide funding certainty for counties.

**Marketplace Fairness Act:** NACo supports legislative initiatives that permit the collection of existing sales and use taxes from remote sellers.

**Payment in Lieu of Taxes and Secure Rural Schools:** NACo supports extending full mandatory funding for the Payment in Lieu of Taxes (PILT) program and legislative efforts to reform and fund the expired Secure Rural Schools (SRS) program.

**“Waters of the U.S.” Proposed Rule:** NACo has raised concerns over the scope of the proposed rule as released by EPA and the Army Corps of Engineers, including its potential impact on county-owned and maintained public safety infrastructure and has called on the federal government to withdraw the proposal until further analysis has been completed.

**Immigration Reform:** NACo supports comprehensive immigration reform that includes a modernized legal immigration system, establishes a temporary worker program, provides an earned path to citizenship and enhances border security.