



CITY OF MANZANITA

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COUNCIL WORK SESSION

Zoom Video Conference
<https://ci.manzanita.or.us>

AGENDA **updated**

August 3, 2022
03:00 PM Pacific Time

Video Meeting: Council will hold this meeting through video conference.
The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining the Zoom webinar:

<https://us02web.zoom.us/j/82350153278>

Call in number:

+1 253 215 8782

Please note that a passcode is not required to enter the webinar.

Note: Agenda item times are estimates and are subject to change.

1. **CALL TO ORDER (3:00)**
Mike Scott, Mayor
2. **AFFORDABLE HOUSING TAX ABATEMENT ORDINANCE REVIEW (3:01)**
Leila Aman, City Manager
3. **LEAGUE OF OREGON CITIES – LEGISLATIVE PRIORITIES (4:00)**
Leila Aman, City Manager
4. **SHORT TERM RENTAL COMMITTEE POLICY DISCUSSION (4:15)**
Leila Aman, City Manager
Jerry Spegman, Councilor
5. **ADJOURN (5:00)**
Mike Scott, Mayor

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request listening and mobility assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at cityhall@ci.manzanita.or.us or phone at 503-368-5343. Staff will do their best to respond in a timely manner and to accommodate requests. Most Council meetings are broadcast live on the [city's youtube channel](#).

CITY OF
MANZANITA



COUNCIL PACKET

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR TILLAMOOK COUNTY, OREGON

In the Matter of an Ordinance)
Implementing a Property Tax)
Exemption for Workforce Housing)
within Unincorporated Tillamook)
County; Providing Administrative)
Procedures for Compliance and)
Enforcement of the Exemption)
Program)

ORDINANCE #85

The Board of Commissioners for Tillamook County ORDAINS as follows:

Section 1. Title

This Ordinance shall be known as the "Workforce Housing Property Tax Exemption Ordinance" and may be cited and pleaded as such and shall be cited herein as "this Ordinance", or by any reference to a section or subsection of this Ordinance.

Section 2. Authority

This Ordinance is enacted pursuant to ORS 203.035.

Section 3. Purpose

The purpose of this Ordinance is to incentivize workforce housing in furtherance of Tillamook County's housing and livability goals. Oregon House Bill 2377 (2017) and ORS 307.867 authorize local governments to enact a property tax exemption for certain multifamily workforce housing. This Ordinance implements House Bill 2377 and ORS 307.867 and provides additional terms for receipt and administration of the property tax exemption.

Section 4. Applicability

This Ordinance shall apply within the unincorporated areas of Tillamook County, including areas within urban growth boundaries, but shall not apply within the boundaries of any incorporated City, except as allowed in the provisions of Oregon House Bill 2377 (2017) and ORS 307.867.

Section 5. Definitions

Except where the context otherwise requires, the definitions established in this Section govern the construction of this Ordinance.

- (a) "Affordable". Housing which costs a household no more than thirty percent (30%) of its gross income.

- (b) "Area median income". The Housing and Urban Development Area Median Income for Tillamook County that is effective as of January 1 of the calendar year in which an applicant is seeking this property tax exemption.
- (c) "Assessor". The Tillamook County Assessor.
- (d) "Building". The same as it does at Section 11.030 of the Tillamook County Land Use Ordinance.
- (e) "Claim" or "claimed". A unit that was deemed eligible and for which the applicant sought the property tax exemption.
- (f) "Community Development". The Tillamook County Department of Community Development.
- (g) "Dwelling unit". The same as it does at Section 11.030 of the Tillamook County Land Use Ordinance.
- (h) "Eligible". A building or dwelling unit that qualifies under Section 6 of this Ordinance.
- (i) "Multi-unit" or "multifamily". For the purposes of this exemption, any detached structure within which there are at least three (3) separate dwelling units.
- (j) "Real Market Value". The real market value as determined by the Assessor.
- (k) "Rehabilitation". Bringing an existing multifamily building, having been occupied for no fewer than twenty (20) years, up to full compliance with applicable building code and completing all deferred maintenance. Additionally, the cost of the rehabilitation must exceed fifty percent (50%) of the most recent Real Market Value of the structure prior to the proposed improvement.
- (l) "Transient lodging" means:
 - (A) Hotel, motel, and inn dwelling units that are used for temporary overnight human occupancy;
 - (B) Spaces used for parking recreational vehicles or erecting tents during periods of human occupancy; or
 - (C) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any of these dwelling units, that are used for temporary human occupancy.

- (m) "Unclaimed". An otherwise eligible unit for which the applicant did not claim the property tax exemption.

Section 6. Eligibility and Duration of Exemption

- (a) An applicant may apply for this exemption on the basis of new construction or rehabilitation; in either case, the property tax exemption shall apply in the first property tax year after receipt of a Certificate of Occupancy for the subject building.
- (b) Only those dwelling units which are affordable to households making up to one hundred twenty percent (120%) of the Area Median Income shall be considered eligible for the property tax exemption.
- (A) An applicant may choose to omit an otherwise eligible dwelling unit from the exemption program; this unit shall be referred to as unclaimed.
- (1) No more than twenty percent (20%) of the total units shall be omitted via this mechanism.
- (B) An applicant may not claim or unclaim new units for this exemption once an application has been approved and the first property tax year of the approved exemption has begun, unless Community Development, in conjunction with the Assessor, determines that unforeseen circumstances necessitate the change. Tax statements shall be adjusted, including adding previously exempt property taxes as required, according to any changes in eligibility made as a result of this subsection, to be assessed on the next property tax year.
- (c) The percentage of units which claim the exemption, rounded down to the nearest ten percent (10%), shall determine the duration of the exemption according to the following table:

Minimum % of Eligible Units	Years of Exemption
10%	1
20%	2
30%	3
40%	4
50%	5
60%	6
70%	7
80%	8
90%	9
100%	10

- (d) No building shall be eligible for this property tax exemption more than once for its lifetime, regardless of whether it was claimed on the basis of rehabilitation or new construction.
 - (e) Any limits on rent pursuant to this Ordinance shall expire on the first property tax year after the exemption expires.
 - (f) A property shall only be eligible for the exemption granted under this Ordinance upon passage of a board order, resolution, or other formal document in support of this Ordinance by tax districts whose property tax rates, when combined with the rates of Tillamook County, equal 51 percent or more of the total combined rate of taxation on the eligible rental property.
- (A) The exemption, if granted, shall apply to all property tax levies of all taxing districts in which eligible rental property is located.
- (g) If this Ordinance or ORS 307.867 is repealed, eligible rental property that is granted exemption under this Ordinance shall continue to receive the exemption under the provisions of this Ordinance for the period of time for which the exemption was granted.

Section 7. Rent Limits

- (a) The maximum chargeable monthly rent for a claimed unit shall be based on the maximum rent affordable to the Area Median Income and then adjusted according to the number of bedrooms available, with a studio apartment being a 0-bedroom. The adjustments shall occur by multiplying the Area Median Income rent by the corresponding adjustment factor in the following table:

Number of Bedrooms	Rent Adjustment
0	70%
1	80%
2	90%
3	110%

- (b) Each additional bedroom beyond the adjustment factors in Section 7(a) shall increase the maximum allowable rent on a claimed unit by ten percent (10%).
- (c) The average rent of the claimed units shall not exceed the average rent of the same units rented at a level affordable to a household making one hundred percent (100%) of the Area Median Income, after adjustment according to the table in Section 7(a).

- (d) Any utilities separately charged from the landlord to the tenant shall count toward the charged rent. Utilities for which the tenant is solely responsible, or for which the landlord does not separately charge the tenant, shall not count toward the charged rent.
- (e) An otherwise eligible building seeking this exemption on the basis of rehabilitation, which has received State or Federal funding and which, as a condition of securing said funding, limits rents to those affordable to households making eighty percent (80%) or less of Area Median Income at the time of application for this program, and which continues to be limited by that condition at the time of application for this exemption, shall be prohibited from setting rents on its claimed units any more than that percentage limit to which they were previously bound, for the duration of the property tax exemption.

Section 8. Additional Rules

- (a) All rents and rent limits shall be rounded to the nearest dollar for the purposes of determining compliance.
- (b) Claimed units shall be prohibited from being converted to any form of transient lodging for the lifetime of the building.
 - (A) Property owners shall record a legally binding covenant with the County Clerk identifying units for which the property tax exemption was claimed and prohibiting them from future usage as transient lodging.

Section 9. Application Process

- (a) Community Development shall provide for the necessary forms to apply for this exemption both initially and as part of the yearly renewal required by this Ordinance.
- (b) The applicant must own or lease the property to which the application relates.
- (c) The applicant shall pay a fee of one hundred dollars (\$100) to pay for review of the application.
- (d) The applicant must submit an application renewing the exemption each year for the duration of the property tax exemption.
 - (A) This renewal shall not require a Resolution by the Board of County Commissioners but shall be recorded by Community Development.

- (e) Upon receipt of an application, Community Development shall determine, as soon as practicable:
 - (A) Whether the subject property falls within the boundary of the County;
 - (B) The date on which the rehabilitation or construction of the subject property was or will be completed;
 - (C) The date on which the subject property was first offered for residential occupancy;
 - (D) The rent charged for each unit of the subject property and whether the rent meets the requirements of this Ordinance.
- (f) An application for the property tax exemption shall be filed by March 1 of the year preceding the tax year to which the application relates.
- (g) An application may be filed by December 31 of the current property tax year if accompanied by a late filing fee of the greater of two hundred dollars (\$200) or one-tenth of one percent (0.1%) of the real market value as of the most recent assessment date of the eligible rental property to which the application relates.
- (h) An application may be filed on or before April 1 of the current property tax year if the application is accompanied by a late filing fee of two hundred dollars (\$200) and the applicant demonstrates good and sufficient cause, as defined in ORS 307.162, for failing to file a timely application or is a first-time filer, as defined in ORS 307.162, of an application under this property tax exemption.
- (i) Late fees collected shall be deposited to the Tillamook County General Fund.
- (j) Determinations made under this application process cannot be appealed.
- (k) An application must receive final approval via Resolution by the Board of County Commissioners acknowledging the property tax exemption on or before April 1 of the year preceding the year to which the application relates.

Section 10. Reporting and Enforcement

- (a) Community Development shall track active property tax exemptions under this Ordinance, including the duration as well as all units of the affected buildings, their eligibility and claim on the exemption, and their rents.
- (b) Community Development shall publish the rent thresholds no later than the second Monday of the year for which the rent thresholds apply and shall

notify affected property owners via written notice as soon as practicable, in addition to publishing the thresholds on the County website.

- (c) Any activity which Community Development deems to have violated the terms of the property tax exemption and in which Community Development has exhausted all notice requirements required by this section shall result in a recommendation to the Assessor on whether to terminate the exemption; the Assessor shall make a final determination and act accordingly without right of notice or appeal for the applicant.
 - (A) Exemptions terminated via this process shall have all property taxes previously exempted via this Ordinance assessed the next applicable property tax year.
- (d) As soon as practicable, but no later than fourteen (14) days after the rent thresholds are published, all property owners receiving the exemption shall file an application to continue the property tax exemption with Community Development.
 - (A) Failure to apply within fourteen (14) days shall result in written notice to the owner.
 - (B) Failure to apply within twenty-eight (28) days shall result in immediate termination of the exemption according to Section 10(c).
- (e) Property owners who receive the exemption must provide written notice to all tenants at time of lease that their unit is rent limited and provide contact information for Community Development.
 - (A) Community Development shall provide the requisite language and shall have forms available at the Community Development office for this purpose.
- (f) Any change in rents on claimed units shall be reported to Community Development no later than one (1) week before the change in rent is due to take effect.
 - (A) Any changes in rent must continue to comply with Section 7 of this Ordinance.
- (g) If at any time the rent of an individual claimed unit exceeds the limits set forth in the published rent limits, or if the average rent of all claimed units exceeds the average rent limit, Community Development shall notify the landlord with written notice.

- (A) Failure to adjust the rent below the individual unit limit within fourteen (14) days of notice shall result in termination of the exemption according to Section 10(c).
- (h) Repeat offenses of the rent limits are subject to the terms of Section 10(c).
- (i) The assessment and tax rolls shall show "potential additional tax liability" for each eligible rental property granted exemption under this Ordinance.
- (j) The above subsections notwithstanding, no part of this ordinance precludes a property owner from adjusting rents on a given claimed unit.

Section 11. Severability

If any section, subsection, provision, clause or paragraph of this Ordinance shall be adjudged or declared by any Court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect the validity or the remaining portions of this Ordinance and it is hereby expressly declared that every other section, subsection, provision, clause or paragraph of this Ordinance, irrespective of the portion thereby declared to be unconstitutional or invalid, be valid.

Section 12. Effective Date

This Ordinance shall take effect on January 12, 2021, the ninetieth (90th) day after the date this Ordinance is adopted.

Date of First Reading: September 23, 2020.

Date of Second Reading: October 14, 2020.

ADOPTED this 14th day of October, 2020.

BOARD OF COUNTY COMMISSIONERS FOR TILLAMOOK COUNTY, OREGON

Bill Baertlein
Bill Baertlein, Chair

Mary Faith Bell
Mary Faith Bell, Vice Chair

David Yamamoto
David Yamamoto, Commissioner

Aye Nay Abstain/Absent

✓ — — / —

✗ — — / —

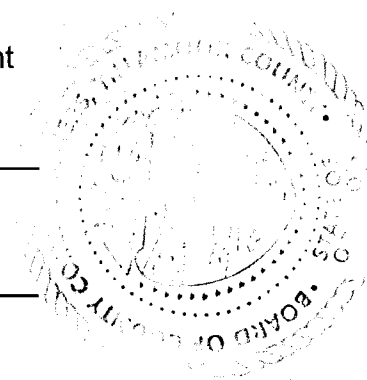
✗ — — / —

ATTEST: Tassi O'Neil, County Clerk

By: Isabel Gilda
Isabel Gilda, Special Deputy

APPROVED AS TO FORM:

Joel W. Stevens
Joel W. Stevens, County Counsel





2023 Legislative Priorities Ballot

Issued on June 10, 2022

Ballots due by 5:00 p.m. on August 5, 2022

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2023 Legislative Priorities Ballot – League of Oregon Cities

Background: Each even-numbered year the LOC appoints members to serve on 7 policy committees. These policy committees are the foundation of the LOC's policy development process. Composed of city officials, these committees are charged with analyzing policy and technical issues and recommending positions and strategies for the LOC. Each committee provides a list of recommended policy positions and actions for the LOC to take in the coming two year legislative cycle. This year, all 7 committees identified between 3 to 5 legislative policy priorities to advance to the full membership and LOC Board of Directors.

Ballot/Voting Process: Each city is being asked to review the recommendations from the 7 policy committees and provide input to the LOC Board of Directors as it prepares to adopt the LOC's 2023 legislative agenda. After your city has had an opportunity to review the proposals, please complete the electronic ballot indicating the top 5 issues that your city would like to see the LOC focus on during the 2023 legislative session.

Each city is permitted one vote. As such, each city must designate a person to enter the vote electronically on the below link. For those cities without electronic options for voting, paper ballots may be requested from LOC's Legislative Director Jim McCauley at jmccauley@orcities.org.

Important Deadlines: The deadline for submitting your city's vote is **5:00 p.m. on August 5, 2022.**

Ballots were emailed to the CAO of each city. If your city didn't receive the ballot, please email Jim McCauley at jmccauley@orcities.org.

Brought to you by the Community Development Policy Committee

Full Funding and Alignment for State Land Use Initiatives

Legislative Recommendation: *The LOC will support legislation to streamline and fully fund local implementation of any recently adopted or proposed state land use planning requirements, including administrative rulemaking.*

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including increasing burdens for local government. While the LOC shares the state's policy goals, these updates have resulted in extensive, continuous, and sometimes conflicting rulemaking efforts that are not supported by adequate state funding. Cities simply do not have the staff capacity or resources needed to implement current requirements. Existing planning updates should be streamlined to enable simpler, less costly implementation and any new proposals should be aligned with existing requirements.

Local Funding to Address Homelessness

Legislative Recommendation: *The LOC will seek funding to support coordinated, local responses to addressing homelessness.*

Background: The LOC recognizes that to end homelessness, a statewide and community-based coordination approach to delivering services, housing, and programs is needed. Addressing homelessness will look different and involve different service provider partners from one city to the next, but one thing is consistent, addressing the crisis requires significant financial resources. While cities across Oregon have developed programs, expanded service efforts, built regional partnerships, and have significantly invested both their local General Fund and federal CARES Act and American Rescue Plan Act dollars into programs to address the homelessness crisis in their respective communities, the crisis continues. The homelessness crisis exceeds each city's individual capacity – necessitating the need for meaningful fiscal support from the State of Oregon.

Infrastructure Funding to Support Needed Housing

Legislative Concept: *The LOC will support state funding for infrastructure needed to support needed housing.*

Background: As Oregon works to overcome its historic housing supply deficit, development costs continue to rise. Cities have limited tools to address the rising costs of infrastructure necessary to support the impact of new housing development. A statewide fund to address infrastructure costs and improve housing affordability is needed.

Economic Development Incentives (co-sponsor with Tax and Finance Committee)

Legislative Recommendation: *The LOC will support legislation to preserve and strengthen discretionary local economic development incentives including the Enterprise Zone (EZ), Long Term Rural Enterprise Zone (LTREZ) and Strategic Investment Program (SIP).*

Background: The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new property of a business (3 to 5 years for the standard EZ and 7 to 15 years for the rural EZ). The SIP program allows local governments to offer a 15-year

partial exemption on the value of new property that exceeds a certain investment threshold (\$25 million to \$100 million depending on location and total project value). Recent studies by Business Oregon confirmed what city economic development professionals knew; these incentive programs are crucial for Oregon to remain competitive nationally and show massive benefits to Oregon in terms of jobs, enhanced economic activity, and tax revenues. The EZ and LTREZ programs will sunset in 2025 without action by the legislature, and “gain share” provisions of the SIP program transferring a portion of income taxes resulting from qualified projects to local governments will sunset in 2026. The LOC will advocate for sunset extensions and for changes that will improve the programs, and advocate against any changes that will reduce local control or devalue the incentives.

Community Resiliency and Wildfire Planning

Legislative Recommendation: *The LOC will support investments for climate and wildfire resiliency planning, as well as infrastructure upgrades, to fill existing gaps and assist cities in planning for extreme weather events and wildfire.*

Background: Oregon communities are increasingly looking for help planning for climate change impacts, including infrastructure upgrades, to handle extreme weather events. Cities of all sizes, especially small to mid-sized cities, need technical assistance and additional capacity to better plan for and recover from climate events and wildfire. Investments in infrastructure upgrades, repairs, and resiliency will help rebuild communities, better ensure equity and access to critical services, protect public health and the environment, improve community resiliency, and promote economic recovery.

Brought to you by the General Government Policy Committee

Protecting Public Employees and Officials

Legislative Recommendation: *The LOC will introduce legislation to protect the personal contact information of public employees and increase criminal sanctions when public officials and employees are subject to criminal activity connected to their service.*

Background: Cities have seen an increase in harassments, threats and property damage in recent years. Over 80 percent of city leaders who participated in a National League of Cities [report](#) on public civility indicated they had personally experienced harassing or harmful behavior because of their role as a public official. Additionally, an ambiguity in the phrasing in a statute intended to protect the private information of public employees may require an employer to release home addresses, personal emails and contact information.

Return to Work

Legislative Recommendation: *Eliminate the sunset on the ability of retirees to return to work.*

Background: PERS covered retirees are currently allowed to return to work without suffering a tax or pension penalty until 2024. Allowing retirees to return to work allows employers to fill critical vacancies while not paying pension and other costs in times of both fiscal hardships and workforce scarcity. The sunset was established as part of a compromise PERS reform package passed in 2017 but has been successful for retirees and employers.

Attorney Client Privilege

Legislative Recommendation: *Ensure that privileged communications between public bodies and officials and their legal counsel remain confidential indefinitely.*

Background: A recent court ruling limited public sector attorney client privilege to 25 years, which is identical to the lifespan of other public records exemptions. The LOC believes that public officials should have the same right to unimpeded legal counsel as all other attorney clients.

Address Measure 110 Shortcomings

Legislative Recommendation: *Restore criminal justice incentives for seeking treatment for addiction while ensuring a path for expungement for successfully completing a treatment program.*

Background: Oregon voters passed Measure 110 in 2020 which eliminated criminal sanctions for simple possession for most narcotic drugs and replaced them with a waivable \$100 ticket. A citation cannot be issued if a person seeks treatment by calling a treatment referral service. The measure also re-dedicated local marijuana revenue to harm reductions services. Those funds are now pooled and distributed by an oversight and accountability committee. Oregon's overdose deaths continue to increase and funds that should have been distributed in January of 2021 are still not delivered. Additionally, problems related to drug abuse such as property crime have increased.

Brought to you by the Energy and Environment Policy Committee

Building Decarbonization, Efficiency, and Modernization

Legislative Recommendation: *The LOC will support legislation to protect against and rollback preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. Some initiatives may include a local option Reach Code, statewide home energy scoring or financial incentives like [CPACE](#).*

Background: Homes and commercial buildings need a lot of power. In fact, they consume nearly half of all the energy used in Oregon according to the Oregon Department of Energy 2020 Biennial Energy Report. Existing buildings need to be retrofitted and modernized to become more resilient and efficient. New buildings can be built with energy efficiency and energy capacity in mind, so they last longer for years to come, reduce the energy burden on occupants, and are built to a standard that is futureproof for carbon reducing technologies like electric vehicles

Continue Investments in Renewable Energy

Legislative Recommendation: *The LOC will work to identify barriers and potential solutions to local energy generation and will pursue funding assistance for feasibility studies and project implementation. The LOC will support legislation to study and invest in viable, preferably locally generated, options and to divest the Oregon Treasury from fossil fuels.*

Background: Renewable energy sources can be used to produce electricity with fewer environmental impacts. Local energy generation projects can better position cities to pursue and achieve local climate action goals, address capacity constraints of existing electric transmission lines, and can help cities respond to individual businesses that may be seeking green energy options. The types of local energy generation projects discussed by the committee include, but are not limited to, small-scale hydropower, in-conduit hydropower, methane capture, biomass and solar. Such projects are not intended to conflict

with existing low-carbon power purchase agreements but can position cities to pursue local climate action goals and supplement energy needs through renewable generation.

Investment in Community Climate Planning Resources

Legislative Recommendation: *The LOC will support investments that bring climate services (for mitigation and adaptation) together and work to fill the existing gaps to help communities get the high-quality climate assistance they need quickly and effectively.*

Background: Oregon communities are increasingly looking for help planning for climate change impacts and implementing programs to reduce greenhouse gases. Interest in climate services has continued as communities experience increasing disruptions caused or made worse by climate change. Oregon's small to mid-sized communities and rural communities are particularly in need of both technical assistance and additional capacity to address climate impacts and do their part to reduce greenhouse gas emissions. While some climate resources exist in Oregon, those programs are dispersed throughout state government, the nonprofit world, and academic institutions. Because of this current structure, it is not clear for communities what they should do once they decide to act on climate change.

Adequate Funding for State Climate Initiatives

Legislative Recommendation: *The LOC will support legislation to streamline processes and fully fund local implementation of climate mandates (like [Climate Friendly and Equity Communities](#) rules) from the state. Furthermore, the LOC will support legislation that allows the state to adequately maintain and staff programs that impact a city's ability to reduce greenhouse gas emissions.*

Background: On March 10, 2020, Governor Kate Brown signed [Executive Order 20-04](#) directing state agencies to take action to reduce and regulate greenhouse gas emissions. Additionally, the state has legislatively passed many greenhouse gas reduction measures. This has led to some unfunded mandates on cities as well as a significant workload for agency staff.

Brought to you by the Finance and Taxation Policy Committee

Property Tax Reform

Legislative Recommendation: *The LOC will advocate for constitutional and statutory reforms to the property tax system to enhance local choice, equity, fairness, and adequacy.*

Background: The property tax system is broken and in need of repair due to constitutional provisions in Measures 5 and 50 that were adopted by voters in the 1990s. The current system is inequitable to property owners and jurisdictions alike, is often inadequate to allow jurisdictions to provide critical services, removes meaningful local choice, and is incomprehensible to most taxpayers. Local governments and schools rely heavily on property tax revenues to pay for services and capital expenses. With federal pandemic aid to cities coming to an end and inflation looming, cities are concerned that their top revenue source will not allow residents to adequately fund the services that they demand. Therefore, the LOC will take a leadership role in pursuing efforts to draft and advocate for both comprehensive and incremental property tax reform option packages, including forming coalitions with other interested parties. The LOC will remain flexible to support all legislation that improves the system, but will, in the short term, focus on incremental changes that will allow for a foundation on which to build for broader revisions going forward. The LOC's overall focus will be on a property tax package that includes, but may not be limited to these elements:

- In the short term, advocating for a system that restores local choice and allows voters to adopt tax levies and establish tax rates outside of current limits and not subject to compression. This may also include advocating for a local option levy that has passed three or more times to become permanent (requires constitutional referral).
- Also in the short term, advocating for statutory changes to extend statewide a 2017 Multnomah County pilot that created an option that new property has a taxable value determined based on the city average of maximum assessed value to market value as opposed to countywide average.
- Over the longer term, to achieve equity, advocating for a system that has taxpayers' relative share tied to the value of their property, rather than the complex and increasingly arbitrary valuation system based on assessed value from Measure 50 (requires constitutional referral).
- Also over the longer term, to enhance fairness and adequacy, advocating for various statutory changes, some of which would adjust the impact of the above changes. For example, as a part of comprehensive reform the LOC will support targeted tax relief for lower income residents to make sure reform does not price vulnerable residents out of their homes.

Lodging Tax Flexibility

Legislative Recommendation: *The LOC will advocate for legislation to enhance flexibility in how cities may use transient lodging tax revenues. The goal is to help cities better serve visitors and improve local conditions that support the tourism industry.*

Background: The Legislature created the *state* lodging tax in 2003, and with it a new requirement that 70% of net revenues from new or increased *local* lodging taxes must be used for “tourism promotion” or “tourism related facilities.” Cities acknowledge and appreciate the economic development benefits that tourism brings to their local economies, but often struggle to support the industry in areas like public safety, infrastructure, workforce housing, and homeless services. Enhanced flexibility and clarification of allowed use of funds will benefit both visitors and business owners alike.

Economic Development Incentives (co-sponsor with the Community Development Committee)

Legislative Recommendation: *The LOC will support legislation to preserve and strengthen discretionary local economic development incentives including the Enterprise Zone (EZ), Long Term Rural Enterprise Zone (LTREZ) and Strategic Investment Program (SIP).*

Background: The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new property of a business (3 to 5 years for the standard EZ and 7 to 15 years for the rural EZ). The SIP program allows local governments to offer a 15-year partial exemption on the value of new property that exceeds a certain investment threshold (\$25 million to \$100 million depending on location and total project value). Recent studies by Business Oregon confirmed what city economic development professionals know; these incentive programs are crucial for Oregon to remain competitive nationally and show massive benefits to Oregon in terms of jobs, enhanced economic activity, and tax revenues. The EZ and LTREZ programs will sunset in 2025 without action by the legislature, and “gain share” provisions of the SIP program transferring a portion of income taxes resulting from qualified projects to local governments will sunset in 2026. The LOC will advocate for sunset extensions and for changes that will improve the programs, and advocate against any changes that will reduce local control or devalue the incentives.

Marijuana Taxes

Legislative Recommendation: *The LOC will continue to advocate for increased revenues from marijuana taxes. This may include proposals to restore state marijuana tax losses related to Measure 110 (2020) distribution changes, and to increase the current 3% cap on local marijuana taxes so local voters may choose a rate that reflects the needs of their community.*

Background: Recreational marijuana retailers are required to charge a state-imposed retail sales tax of 17 percent for all recreational marijuana sold. Until the end of 2020 cities received 10% of the net revenue from the state tax but Measure 110 changed the distribution formula and will reduce city distributions by an estimated 73% for the 2021-23 biennium. Cities may also impose a local retail sales tax of up to 3%, subject to voter approval. Tax rates for recreational marijuana vary widely across the states, but the total Oregon tax burden is 20-25% percent below other West Coast states. Unbiased academic studies indicate Oregon could increase marijuana taxes without pushing significant business to the illicit market. If the Legislature is not willing to allow increased taxes it should restore city revenues by other means back to what was agreed to when recreation marijuana was legalized.

Alcohol Revenues

Legislative Recommendation: *The LOC will advocate for enhanced revenues from the sale of alcohol to mitigate the impact of recent legislative changes that will otherwise reduce this crucial revenue source.*

Background: Oregon's beer tax has not been increased since 1978 and is \$2.60 per barrel which equates to about 8.4 cents per gallon or less than 5 cents on a six-pack. Oregon has the lowest beer tax in the country, and to get to the middle of the states Oregon would need a more than 10-fold increase. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines, this is the second lowest tax nationwide, and the first 2 cents of the tax goes to the wine board. Oregon is a control state and is the sole importer and distributor of liquor, which accounts for about 94% of total alcohol revenues. The Oregon Liquor and Cannabis Commission (OLCC) sets retail prices at about 105% of their cost and net revenues are distributed based on a formula. Cities are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% of the state alcohol revenues after the state takes 50% of beer and wine taxes off the top prior to this distribution. Recent legislative changes will reduce city revenues; the legislature approved a more generous compensation formula for liquor store owners in 2021 and approved a 148% cost increase for a planned OLCC warehouse in 2022. Both changes will reduce distributions to cities. Cities have significant public safety costs related to alcohol consumption and taxes on alcohol do not cover their fair share of these costs. There are numerous ways to address the issue: increasing taxes on beer or wine (possibly through a local sales tax option), increasing the markup on liquor, or increasing the per bottle surcharge currently in place at liquor stores and dedicating the funds to paying for the planned OLCC warehouse.

Brought to you by the Telecommunications, Broadband Policy Committee

Digital Equity and Inclusion

Legislative Recommendation: *The LOC will advocate for legislation and policies that help all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy.*

Background: Connectivity is crucial to modern life. It is being relied on more for how people do business, learn, and receive important services like healthcare. As technology evolved the digital divide has become more complex and nuanced. Now, discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds and to the skills they need to effectively use it.

Resilient, Futureproof Broadband Infrastructure and Planning Investment

Legislative Recommendation: *The LOC will support legislation that will ensure broadband systems are built resiliently and futureproofed while also advocating for resources to help cities with broadband planning and technical assistance through direct grants and staff resources at the state level. The LOC will support legislation that addresses issues with the inconsistency of regulations applied to traditional and nontraditional telecommunications service as more entities move to a network based approach instead of what services are being provided. LOC will oppose any preemptions on local rights-of-ways, and municipalities right to own poles and become broadband service providers.*

Background:

Broadband Planning and Technical Assistance

Most state and federal broadband infrastructure funding sources require that communities have a broadband strategic plan in place to qualify for funds. Unfortunately, many cities do not have the resources or staff capacity to complete comprehensive broadband strategic plans.

Resilient and Long-Term Systems

As broadband is continually being made a priority on the state and federal level, we must think strategically about how to build resilient long-term networks that will serve Oregonians now and into the future. Ways to ensure broadband is resilient may include investing in robust middle mile connections, ensuring redundancy and multiple providers in all areas, and undergrounding fiber instead of hanging it on poles.

Optional Local Incentives to Increase Broadband Deployment

All levels of government have identified broadband as a priority. However, there continue to be proposed mandates on local governments to deploy broadband services more quickly. Cities have a duty to manage rights-of-ways (ROW) on behalf of the public and need flexibility to adequately manage the ROW. Instead of mandates the state should focus its efforts on allowing cities the option to adopt incentives that could help streamline broadband deployment.

Regulatory Consistency Amidst Convergence

Historically, the standards and oversight policies for a specific technology were established independently and were not developed with merging or interoperability in mind. For example, telephony (when providing voice), cable TV (when providing video), and mobile cellular technologies each follow their respective standards, and these services were regulated by policies specific to each type.

Incentives for Broadband Affordability, Adoption and Consumer Protections

Legislative Recommendation: *The LOC will seek additional state support and funding for increased broadband adoption and affordability and will advocate for consumer protections for those accessing the internet, internet enabled devices and broadband service.*

Background: Broadband infrastructure is being funded at a historic level. For that infrastructure to be adequately utilized affordability and adoption initiatives must receive investment. Initiatives that would help could include studying barriers to adoptions and affordability; ensuring adequate competition in providers; investing in more data centers statewide so service is cheaper for regions outside of the I-5 corridor as it is simply more expensive per megabit to provide; and ensuring providers are widely advertising programs meant for those with limited means.

Additionally, problems with internet providers are among the most common consumer complaints in Oregon. Complaints often involve paying more than expected, difficult cancellation policies and poor service. Consumers are at risk of being advertised or offered services that are not actually being delivered. For example, 25/3 is the current definition of broadband. Currently, providers are allowed to advertise

speeds as “up to” 25/3 or a certain speed. There is no one enforcing whether or not providers actually hit their advertised speeds. Providers should be accountable for making sure consumers have the appropriate equipment for the services they are paying for.

Cybersecurity & Privacy

Legislative Recommendation: *The LOC will support legislation that addresses privacy and cybersecurity for all that use technology, including but not limited to: funding for local government cybersecurity initiatives, statewide resources for cyber professionals, regulations of data privacy, or standards for software/hardware developers to meet to make their products more secure.*

Background: Society is becoming more technologically reliant than ever before and that will only increase. With this increase of technology there is an increased risk for cybercrimes. Therefore, cybersecurity and privacy systems must be taken seriously. Cybersecurity encompasses everything that pertains to protecting sensitive data, protected health information, personal information, intellectual property, data, and governmental and industry information systems from theft and damage attempted by criminals and adversaries.

Cybersecurity risk is increasing, not only because of global connectivity but also because of the reliance on cloud services to store sensitive data and personal information. Widespread poor configuration of cloud services paired with increasingly sophisticated cyber criminals means the risk that governments, businesses, organizations, and consumers suffer from a successful cyberattack or data breach is on the rise.

Brought to you by the Transportation Policy Committee

Transportation Safety Enhancement

Legislative Recommendation: *The LOC supports legislation that improves the overall safety of the transportation network in communities. The LOC will achieve this outcome by expanding authority for establishing fixed photo radar to all cities, increasing flexibility for local speed setting authority, and increased investment in the “safe routes to schools” and expansion of the “great streets” programs.*

Background: The City of Portland has demonstrated improved safety outcomes in neighborhoods with the addition of fixed photo radar along high-crash corridors. LOC’s efforts to expand the use of fixed photo radar to additional cities failed during the 2021 Session. ([HB 2019](#)) - High Crash Corridor for City of Unity) and ([HB 2530](#)) -Extending Fixed Photo Radar) were supported by the LOC, but lacked sufficient support from legislators to advance.

During the 2019 Session the LOC supported [SB 558](#), which would authorize a city to designate speed for a highway under the city’s jurisdiction that is five miles per hour lower than statutory speed when the highway is in a residential district and not an arterial highway. During the 2021 Session passage of [HB 3055](#) (Sect 81 (5)(g)) extended speed setting authority to highways within the jurisdictional boundaries of cities and Multnomah & Clackamas counties.

Road User Fee – Vehicle Miles Traveled (VMT) Structure

Legislative Recommendation: *The LOC will support replacement of Oregon’s Gas Tax with a road impact fee structure that will capture added revenue from cities with local gas tax structure. The pricing structure should also maintain a weight-mile tax structure to make sure that there is an impact element of the fees paid for transportation infrastructure.*

Background: The LOC has historically advocated for a fee structure that more closely matches road usage. Gas tax revenues are a declining source of revenue due to enhanced mileage in new vehicles and the increase of electric vehicles on roads.

New Mobility Services

Legislative Recommendation: *The LOC supports the entry and utilization of a variety of new mobility services that support a safe, sustainable, and equitable multimodal transportation system, while preserving local government's authority to regulate services and ensure public and consumer safety in communities.*

Background: The expansion of mobility services presents local governments with opportunities and challenges. Mobility services include Uber, Lyft, scooters, E-bikes, and food service delivery such as DoorDash, and UberEATS. Many cities across the country have initiated efforts to add regulatory oversight of these services to provide a base level of safety to consumers. Companies such as Uber and Lyft have tried to de-regulate their business model in states specifically introducing legislation that would pre-empt local governments to regulate and establish steps that protect their respective communities. The LOC has supported efforts during the 2019 session such as [HB 3379](#) and opposed efforts that pre-empted local governments such as HB 3023.

Funding for Recovery of Abandoned Recreational Vehicles

Legislative Recommendation: *The LOC supports the formation of a recovery fund that cities could access for disposing of abandoned Recreational Vehicles (RV).*

Background: With the ongoing houseless and affordable housing crisis cities have experienced an increase in dumping of vehicles and RVs in neighborhoods, streets and the right-of-way. The costs associated with towing, recovery, and determining ownership has presented significant costs in some communities. Several cities are allocating hundreds of thousands of dollars to recover abandoned vehicles from streets, parks, private property, and other locations. Tow companies have expressed an interest in a recovery fund as well, since the companies must deal with storage and disposal of the vehicles, which presents several challenges.

Brought to you by the Water and Wastewater Policy Committee

Water Utility Rate and Fund Assistance

Legislative Recommendation: *The LOC will collaborate with members of the bipartisan work group to continue the proposed legislative purpose of the Low-Income Household Water Assistance (LIHWA) program.*

Background: The LOC was successful during the 2021 legislative session in advocating for the development of a new water utility funding assistance program for ratepayers experiencing ongoing or recent economic hardships. The LOC worked with a bipartisan work group to pass legislation that formed the Low-Income Household Water Assistance (LIHWA) program which received federal funding for the

initial implementation through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARPA) of 2021. The program was incredibly successful, but the federal funding that was allocated to the State of Oregon was already exhausted in some counties in the Spring of 2022.

The bipartisan workgroup's intent was to make this program a permanent program, with initial pilot funding provided by the federal government.

Place-Based, Water Resource Planning (Program Support)

Legislative Recommendation: *The LOC will advocate for the funding needed to complete existing place-based planning efforts across the state and identify funding to continue the program for communities that require this support.*

Background: Oregon's water supply management issues have become exceedingly complex. Lack of adequate water supply and storage capacity to meet existing and future needs is an ongoing concern for many cities in Oregon and is a shared concern for other types of water users including agricultural, environmental, and industrial. The Legislature created a place-based planning pilot program in Oregon administered through the Oregon Water Resources Department that provides a framework and funding for local stakeholders to collaborate and develop solutions to address water needs within a watershed, basin, or groundwater area. The LOC Water & Wastewater Policy Committee recognized that while this funding is limited to specific geographic areas, they also recognized the importance of successfully completing these pilot efforts and conducting a detailed cost/benefit analysis. It is a critical step to demonstrate the benefits of this type of planning. If these local planning efforts prove to be successful, there will likely be future efforts to secure additional funding for other place-based planning projects across the state in 2022.

Infrastructure Financing and Resilience

Legislative Recommendation: *The LOC will advocate for an increase in the state's investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), Brownfield Redevelopment Fund, Regionally Significant Industrial Site loan program, and set asides through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient.*

Background: A key issue that most cities are facing is how to fund infrastructure improvements (both to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. An LOC survey of cities in 2016 identified a need of \$7.6 billion dollars over the next 20 years to cover water and wastewater infrastructure projects for the 120 cities who responded. This shows a significant reinvestment in the Special Public Works Fund (SPWF) is needed to help meet the needs of local governments.

# Years License was Held (No Longer Licensed)	Number of Licenses Held for Each # of Years
1	24
2	23
3	16
4	16
5	10
6	16
7	14
8	3
9	12
10	9
11	4
12	6
13	12
14	10
15	11
16	7
17	6
18	4
19	7
20	5
21	3
22	4
23	3
24	3
25	1
26	3
27	4

# Years License was Held (Current Licenses)	Number of Licenses Held for Each # of Years
1	22
2	16
3	16
4	20
5	10
6	10
7	15
8	13
9	8
10	8
11	6
12	12
13	5
14	5
15	5
16	8
17	6
18	6
19	3
20	6
21	4
22	6
23	4
24	7
25	3
26	4
27	1
28	20

# Years License was Held (All Licenses Since 2010)	Number of Licenses Held for Each # of Years
1	46
2	39
3	32
4	36
5	20
6	26
7	29
8	16
9	20
10	17
11	10
12	18
13	17
14	15
15	16
16	15
17	12
18	10
19	10
20	11
21	7
22	10
23	7
24	10
25	4
26	7
27	5
28	20