

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF)
REDEDICATING THE 1990 METRO)
TAX BASE TO THE OREGON ZOO)
)

RESOLUTION NO. 98-2666

Introduced by J. Ruth McFarland, Councilor
and
Mike Burton, Executive Officer

WHEREAS, in 1990 voters of the Metro region authorized a tax base dedicated to the operations of the Oregon Zoo (formerly the Metro Washington Park Zoo), and

WHEREAS, in 1997 voters of the State of Oregon adopted Measure 50, amending the Oregon constitution to substantially revise the Oregon property tax system, and

WHEREAS, Measure 50 converted the 1990 tax base into a permanent tax rate of 9.68 cents per thousand dollars of assessed valuation, and

WHEREAS, Measure 50 may have inadvertently removed voter-approved restrictions on the use of the 1990 tax base, and

WHEREAS, Metro wishes to abide by the dedication of the 1990 tax base originally approved by voters and to remove any uncertainty over the possible use of this tax base,

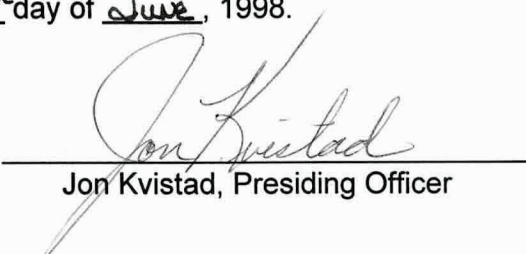
NOW, THEREFORE, BE IT RESOLVED:

Section 1. Metro's permanent operating property tax rate of 9.68 cents per thousand dollars of assessed valuation is dedicated to the support of operations and capital needs of the Oregon Zoo.

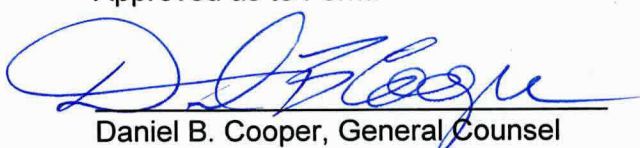
Section 2. Revenues from the application of Metro's operating tax rate shall be deposited in the Zoo Operating Fund for the use of the Oregon Zoo and may not be used for any purpose unrelated to Zoo activities.

Section 3. The policy set forth in Resolution 84-444 that at least 50% of the Zoo's operating revenues must come from non-property tax sources is hereby reaffirmed.

ADOPTED by the Metro Council this 25th day of June, 1998.


Jon Kvistad, Presiding Officer

Approved as to Form:


Daniel B. Cooper, General Counsel

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 98-2666 FOR THE PURPOSE OF REDEDICATING THE 1990 METRO TAX BASE TO THE OREGON ZOO

Date: June 1, 1998

Presented by: Jennifer Sims,
Chief Financial Officer

FACTUAL BACKGROUND AND ANALYSIS

Last year's Measure 50 created substantial changes to Oregon's property tax system. Some of these changes were known before the election, and some of them are only now becoming known.

Metro received a letter from the Multnomah County Tax Supervising and Conservation Commission (TSCC) informing us that, in their opinion, Measure 50 has removed the dedication of Metro's property tax base to the Zoo. The basis for this opinion is that Measure 50 theoretically abolished all previous tax bases and tax rates and created new, permanent rates for all taxing jurisdictions. TSCC has received an informal opinion from the state Attorney General on this matter, but that opinion clearly states that this outcome is not certain and that it would be best to obtain a declaratory ruling from the courts.

The TSCC opinion is surprising and, if it were upheld, it would raise serious concerns about future funding of the Zoo. This opinion is counter to the will of the voters as expressed in the 1990 vote authorizing the Zoo tax base. Rather than going to the time and expense of seeking a declaratory ruling from the courts, however, the Metro Council can adopt the Resolution No. 98-2666 reaffirming the will of the voters and dedicating the Zoo tax base to the Zoo.

FISCAL IMPACT

The Zoo is budgeted to receive \$6.5 million from property taxes in FY 1998-99. This resolution confirms existing practice, so there is no fiscal impact at this time. Without this resolution, a future Council could decide to divert property taxes from the Zoo which could have a major impact on the operation of the Zoo, depending upon the amount of taxes used for other purposes.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 98-2666.

MB:CP:rs
Attachment

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