

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF EXEMPTING) RESOLUTION NO. 85-552
METRO'S ZOO AND SOLID WASTE)
SERVICES FROM A SALES TAX) Introduced by Presiding
) Officer Bonner, and
) Executive Officer Gustafson

WHEREAS, The Oregon Legislature has indicated its intention to refer a sales tax measure to a vote of the people;

WHEREAS, The question of whether local governments will be required to pay a sales tax on the goods they purchase or to charge a sales tax for the services they provide remains unclear;

WHEREAS, Local jurisdictions would be required to increase their property tax levies and/or the fees they charge their citizens for the services they delivery; and

WHEREAS, The Metropolitan Service District (Metro) could be forced to pass a sales tax on to its constituents in the form of solid waste disposal fees; Zoo admissions and food purchased for resale at the Zoo; now, therefore,

BE IT RESOLVED,

That the Metro Council supports exemption from the sales tax of solid waste disposal charges; Zoo admission fees and food purchased for resale at the Zoo.

ADOPTED by the Council of the Metropolitan Service District this _____ day of _____, 1985.

NOT ADOPTED
Ernie Bonner, Presiding Officer



Memo

Agenda Item No. 7.4

Meeting Date Feb. 28, 1985

*METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646
Providing Zoo, Transportation, Solid Waste and other Regional Services*

Date: February 20, 1985

To: Metro Councilors

From: Phillip Fell, Acting Public Affairs Director

Regarding: Resolutions on proposed legislation

RESOLUTION NO. 85-543 FOR THE PURPOSE OF ADOPTING A COUNCIL POSITION
ON PROPOSED LEGISLATION EXTENDING ENERGY TAX
CREDITS

The Metro Council has adopted positions favoring energy recovery facilities and recycling as methods of waste management. Oregon's Energy Tax Credit program is an important component of financing these energy recovery facilities by virtue of making them cost-effective to construct. Staff contacts with several area recycling firms indicate that these firms would not have invested in necessary equipment if they had not been able to count on the tax credit offered under the existing program. This program is scheduled to sunset this year unless H.B. 2053, which would extend the program until 1991, is passed.

RESOLUTION NO. 85-544 FOR THE PURPOSE OF ADOPTING A COUNCIL POSITION
ON PROPOSED LEGISLATION ESTABLISHING A STATE
ADVISORY COMMISSION ON INTERGOVERNMENTAL
AFFAIRS

Overlapping responsibilities and duplication of services have long been problems which all levels of government have tried to reduce. They contribute to an inefficient allocation of both functions and finances among governments and a public perception of government which is out of control and wasteful.

The Federal government acted to reduce these problems in 1958 by creating a Federal Advisory Commission on Intergovernmental Relations. Since that time, the ACIR has encouraged a reevaluation of relations between the federal and state governments which has reduced the duplication of services among levels of government. H.B. 2038, if passed, would create the same type of commission focusing primarily on state and local relations. The commission would be charged to recommend changes in the structural, functional and financial relationships existing among Oregon's cities, counties, special districts and the State. Although the Commission's authority would be limited to making recommendations, an analysis of the

existing relationships by an independent third party is clearly the first step toward reducing existing inefficiencies in governmental service provision.

RESOLUTION NO. 85-545 FOR THE PURPOSE OF ADOPTING A COUNCIL POSITION
ON PROPOSED LEGISLATION MODIFYING STATE
LANDFILL SITING AUTHORITY

Although the Metro Council has not introduced any legislative proposals seeking to streamline the landfill siting process, we are aware of the existence of at least one such bill. At its special Council meeting on the Legislature, the Council decided that it would be easiest to evaluate those principles which such a bill should contain, rather than attempt to analyze any specific bill when we aren't sure that we have all related bills in our possession. Accordingly, Resolution No. 85-545 contains the five principles which the Council had discussed prior to this date. Of these five principles, the greatest controversy has surrounded the proposal that statewide land use goals are a more appropriate criteria than an acknowledged comprehensive plan.

RESOLUTION NO. 85-546 FOR THE PURPOSE OF ADOPTING A COUNCIL POSITION
ON PROPOSED LEGISLATION ALLOWING METRO TO
CREATE CITIZEN COMMISSIONS

Citizen commissions are a time-honored Oregon mechanism for involving the public in administering the provision of various services. Local governments and the public at large are looking to Metro today as a vehicle to provide additional services, such as parks, on a regional basis. Should Metro actually assume a greater service delivery role, the Council should have the option of using citizen commissions to provide those services. Legislation which was originally introduced as an amendment to a Metro bill, would provide us the necessary authority, which we currently lack, to appoint citizen commissions. These amendments have since been introduced by the House Intergovernmental Affairs Committee as H.B. 2558. The language in the bill is exactly the same as the language in the attached amendments.

RESOLUTION NO. 85-547 FOR THE PURPOSE OF ADOPTING A COUNCIL POSITION
ON PROPOSED LEGISLATION TO PROTECT EXOTIC
ANIMALS

Under current law, a person can keep exotic animals without regard to any safety or hygienic standards as long as that person does not exhibit or sell the animals.

In September of last year, a raid on the Siletz Game Ranch resulted in the owner's arrest on charges of animal cruelty. Because the owner did not exhibit nor attempt to sell the animals, State Police were forced into an after-the-fact enforcement situation.

Legislation recently introduced in the Senate would require all keepers of exotic animals, for whatever reason, to comply with the regulations of, and receive a license from, the U.S. Department of Agriculture. The U.S.D.A. regularly inspects its licensees, such as the Washington Park Zoo, to assure that the animals are receiving

a certain standard of care. Passage of this legislation would provide authorities with a necessary tool to prevent animal cruelty, rather than limiting them to arresting an irresponsible keeper after-the-fact.

RESOLUTION NO. 85-552 FOR THE PURPOSE OF EXEMPTING METRO'S ZOO AND SOLID WASTE SERVICES FORM A SALES TAX

Although the House version of a state-wide sales tax has emerged from the Revenue Committee, the final form of the sales tax will be determined by the Senate Revenue Committee. One of the more controversial elements of the tax plan has been the question of local government's responsibility to pay a sales tax on their purchases. Local governments have consistently pointed to the irony of being forced to increase either property tax revenues or fee schedules to raise the money they would be forced to pay the State in the form of a sales tax levied on their purchases. Resolution No. 85-552 would give Metro's legislative representative the authority to seek exemption from the sales tax for solid waste disposal fees; zoo admissions and food purchased for resale at the Zoo in the event that the Legislature determines that local jurisdictions should be included in the sales tax payments.

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Consideration of Resolution No. 85-552, for the Purpose of Exempting Metro's Regional Services and Purchases from a Sales Tax. Mr. Fell said this resolution had been revised to provide more specific direction to Metro's legislative representative. The Resolution advocated a position of not taxing any services, including goods sold in the Zoo's gift shop and food concessions, he explained. (Note: previous discussion regarding this item occurred as a part of the Executive Officer's Report, Item No. 3.)

Councilor Kelley questioned why gift and food sales would be exempt when other providers of these services would be subject to tax. She explained these activities were entrepreneurial in nature and a tax seemed appropriate. She agreed with all other provisions of the Resolution.

Mr. Fell explained staff and Legislators were having difficulty defining what constituted an enterprise activity and, therefore, what would be taxable. The terms of this Resolution would provide for greater flexibility in addressing that issue, he said.

Deputy Presiding Officer Waker said because food and gift sales provided a large share of support dollars to keep the Zoo operating, he supported the Resolution.

In response to Councilor Myers question, Mr. Fell replied other governments were discovering the same difficulty in defining what would constitute an enterprise activity and, therefore, which goods and services would be subject to taxation.

Deputy Presiding Officer Waker asked if the Legislature would spend more time defining the terms of the tax legislation. Mr. Fell said this would occur and staff's intent was to take back the adopted Resolution to the Legislature in order to assist them in making a decision.

Councilor Van Bergen advised the Council not to adopt the Resolution. He thought it best to let the Legislature work out the specifics of which goods and services would be subject to taxation. Metro could then address specific problems with the tax at the next legislative session.

Executive Officer Gustafson said staff were seeking an opportunity to lobby the Legislature on Metro's position while the law was being drafted. He thought this would be a more workable approach than reacting after the law had been adopted.

Councilor Myers said he thought the Council should authorize Metro to participate in a discussion with the Legislature to assure the District's activities are treated consistently with those of other local governments. He urged the Council to adopt the Resolution with this position in mind.

Motion: Councilor Kirkpatrick moved not to adopt the Resolution, but to direct staff and Councilor Myers to discuss the sales tax issue with Legislators and that Metro's position be consistent with other local governments. Councilor Van Bergen seconded the motion.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Hansen, Kirkpatrick, Kelley, Myers, Oleson, Van Bergen and Waker

Absent: Councilors Kafoury and Bonner

The motion carried.

10. COMMITTEE REPORTS

Budget Committee. Councilor Hansen reported the first meeting of the Committee would take place following the Council Management Committee meeting on March 21, 1985. All Councilors were invited to attend.

Columbia County Energy Recovery Site. Councilor Hansen said Councilors would be receiving invitations to visit the proposed site. In response to Deputy Presiding Officer Waker's question, Executive Officer Gustafson said he was a member of the project's steering committee and staff were monitoring activities.

Intergovernmental Resource Committee. Councilor Kirkpatrick said the Committee concluded their work in three meetings and the Committee would be consulted for future advice on program and budget matters.

Tri-Met Special Meetings. Councilor Kelley explained the special task force was examining the issue of transportation for the handicapped. Subcommittees were in the process of examining various procedures and goals and would, within the next 30 days, report back to the task force with recommendations.