

## A devilish dilemma *Charter*

*MISC.*  
Metro charter should balance the need  
for future regional taxes with today's anti-tax climate

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Charter committee members must decide what taxing powers to give Metro in the proposed home-rule charter that will go before voters in November. Anyone who thinks that's a simple decision hasn't sampled Oregon's public-finance climate recently. Now is not an easy time to suggest giving broader taxing authority to any level of government.

But to fail to give Metro adequate ways to raise money would doom this unique experiment in regional governance. The charter committee must keep in mind its main priority, to write a charter that will enable regional government to be effective far into the future. Metro needs to

have a full range of revenue-raising options at its disposal.

Metro is not some capricious, uncontrollable bureaucracy. Its executive and council members are directly elected by the region's voters. Their power rests ultimately in voters' hands.

The charter committee should seek to give Metro as wide a range of revenue-raising devices as those available to other elected bodies, such as city councils and county commissions.

At the same time, committee members ought to accommodate the public's desire for fiscal responsiveness. Requiring voter approval before instituting such broad-based taxes as a personal income tax, sales tax or property tax is essential. Other taxes or fees that could be authorized by ordinance should carry a 90-day delay to allow referral to voters.

Such provisions strike a needed balance between power and restraint, flexibility and accountability.

They also chart the proper course between "damned if you do" and "damned if you don't."

# Hearings focus on expanding Metro's taxing powers

By JAMES MAYER

of The Oregonian staff

3-29-92

If the heart of any government is its power to raise money, the public will get an unusual chance to perform some open-heart surgery on the Metropolitan Service District this week.

A committee working on a home-rule charter for Metro has scheduled public hearings on a subcommittee recommendation to give the regional government broad powers to impose new taxes — many without a vote of the people.

Under the plan, Metro would have basically the same power that most cities and counties in Oregon now enjoy. But critics say voters should have a more direct grasp on the new government's purse strings.

Hearings on the plan are scheduled for 6 p.m. Monday in the Tigard Water District offices, 8841 S.W. Commercial St.; and 6 p.m. Tuesday in Room 338, Smith Memorial Center, Portland State University.

The charter committee is aiming for a November vote on the charter,

which will describe the functions, structure and financing for a regional government. Metro now is a creature of the Legislature.

The finance subcommittee's recommendation retains all of Metro's current taxing powers, including those authorized by state law but not now used.

Metro levies property taxes for the Washington Park Zoo and to repay the Convention Center bonds. It collects an excise tax on people using Metro services and charges local governments a "head tax" to pay for general government functions and planning. It issues revenue bonds to build things, such as the agency's new \$23 million headquarters. But most of its money comes from fees.

Metro's 1991-92 budget includes \$87 million from "enterprise" revenues such as garbage tipping fees, Coliseum rent and zoo tickets; \$10.2 million in property taxes; \$4 million from the excise tax; \$3.9 million in grants; \$4.3 million in interest; and \$2 million in donations.

The agency also has authority to

ask voters for more property taxes, a business and personal income tax up to 1 percent each, and a regional vehicle registration fee. Under the subcommittee's plan, voter approval would be required for any income tax, payroll tax other than that imposed by Tri-Met, property tax or sales tax.

But any other tax could be imposed by council ordinance, with a 90-day delay to allow for a referendum. A short list of such potential "niche" taxes includes: system development charges, hotel/motel taxes, restaurant taxes, admissions taxes, real estate transfer taxes, tax increment financing, business license fees, franchise fees and a construction tax.

"We don't want everything to go to the voters; that's what we have a council for," said Sen. Bob Shoemaker, D-Portland, chairman of the finance subcommittee.

Rep. John Meek, R-Hillsboro, also a member of the finance subcommittee, opposes the broad grant of authority.

"I think it runs contrary to the trend of what the public sentiment is right now," Meek said.

He argued that the charter should prohibit any taxes beyond those Metro now imposes, requiring a charter amendment for any new taxes.

But Shoemaker said the charter should allow the political process to work.

"It really didn't make sense for us sitting here at this point in 1992 to try and anticipate what might be an acceptable tax in the future and what isn't," he said.

The Regional Governance Committee, a coalition of local government officials keeping a close watch on the charter, also recommends that Metro keep its current taxing powers but that the government go to the voters for anything new.

Metro is a young government, a teen-ager, really. And as part of growing up, Metro should build a relationship with the public by asking for the money to run its programs, said Mike McKeever, a consultant working with the group.

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