

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING METRO )	ORDINANCE NO. 90-355
CODE SECTION 7.01.050 BY EXEMPTING )	
CERTAIN PAYMENTS TO THE METRO )	Introduced by Rena Cusma,
WASHINGTON PARK ZOO FROM THE )	Executive Officer
EXCISE TAX )	

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

The Council finds that Metro currently receives on behalf of the Metro Washington Park Zoo certain payments in the nature of contributions, bequests, sponsorships, program underwriting, grants, or support for promotional efforts. These payments may be subject to the Excise Tax pursuant to the terms of the Metro Code Chapter 7.01. It is appropriate to exempt such payments from the excise tax since the payments received by the District are not necessarily related to the use of the Zoo by the person making the payment, while in general the excise tax is imposed on the use of District Facilities.

NOW, THEREFORE,

Metro Code Section 7.01.050 Exemptions is amended to read as follows:

7.01.050 Exemptions:

(a) The following persons, users and operators are exempt from the requirements of this Chapter:

(1) Persons, users and operators whom the District is prohibited from imposing an excise tax upon under the Constitution or Laws of the United States or the Constitution or Laws of the State of Oregon.

(2) Persons who are users and operators of the Memorial Coliseum, Portland Civic Stadium or the Portland Center for the Performing Arts.

(3) Persons whose payments to the District or to an operator constitute a donation, gift or bequest for the

receipt of which neither the District nor any operator is under any contractual obligation related thereto.

(4) Any persons making payment to the District for a business license pursuant to ORS 701.015.

(5) Any person which is a state, a state agency or a municipal corporation to the extent of any payment made directly to the District for any purpose other than solid waste disposal, use of a Metro ERC facility, or use of the Metro Washington Park Zoo.

(6) Users who are sublessees, subtenants, sublicensees, or other persons paying compensation for the use of Metro ERC Facilities to lessees, tenants or licensees of Metro ERC Facilities including payments by users for concessions or catering services made to the Commission or its agents, but not users who purchase admission tickets for events at Metro ERC Facilities that are available to members of the general public.

(7) An operator of a franchised processing center that accomplishes material recovery and rfecycling [sic] as a primary operation.

(8) Persons making payments to the District on behalf of the Metro Washington Park Zoo for the following purposes:

(A) Contributions, bequests, and grants received from charitable trusts, estates, nonprofit corporations, or individuals regardless of whether the District agrees to utilize the payment for a specific purpose including all payments to the Zoo Parents program;

(B) Corporate sponsorships or co-promotional efforts for events that are open to the

general public, or for specific capital improvements, educational programs, publications, or research projects conducted at the Zoo;.

(C) Payments that entitle a person to admission to a fund-raising event benefiting the Zoo that is not held on the grounds of the Zoo;

(D) Payments that entitle a person to admission to a special fund-raising event held at the Zoo where the event is sponsored and conducted by a nonprofit organization approved by the Council and the primary purpose of which is to support the Zoo and the proceeds of the event are contributed to the Zoo;

(E) Notwithstanding the provisions of subsection (A) through (D) above, all payments received by the District for admission to the Zoo, or which entitle individuals to receipt of food, beverages, goods, or rides on the Zoo train shall be subject to tax regardless of whether payment is received from an individual or otherwise on behalf of special groups


including but not limited to employee and  
family member picnics, corporate or family  
parties, or similar events.

(b) Any person, user or operator that is exempt for the payment of an excise tax pursuant to this section shall nonetheless be liable for compliance with this Chapter and the payment of all taxes due pursuant to any activity engaged in by such person which is subject to this Chapter and not specifically exempted from the requirements hereof. Any operator whose entire compensation from others for use of a District facility is exempt from the provisions of this Chapter shall be deemed to be a user and not an operator.

ADOPTED by the Council of the Metropolitan Service District  
this 26th day of July, 1990.

  
Tanya Collier, Presiding Officer

ATTEST:

  
Clerk of the Council

DBC/gl  
1027

STAFF REPORT

REQUESTING APPROVAL OF ORDINANCE NO. 90-355  
AMENDING METRO CODE SECTION 7.01.050  
BY EXEMPTING CERTAIN PAYMENTS TO THE  
METRO WASHINGTON PARK ZOO FROM THE EXCISE TAX

Date: June 18, 1990

Presented by: Y. Sherry Sheng

FACTUAL BACKGROUND AND ANALYSIS

Historically, the people of the region have supported their Zoo in broad-based ways. On-going tax support helps provide up to 50% of the zoo's operating base. In addition, because of our unique role in the community and state, many individuals, groups, corporations and foundations have taken extra steps to support us in our efforts to seek excellence as a zoological institution.

To help meet our mandated 50%-50% match of tax dollars, the Zoo seeks contributions. With donated in-kind and financial support we are able to stretch further the earned revenue and tax funding. Individual, corporate and community sponsors have played an important role in our future as tax funding of growth and development becomes more competitive. By federal definition, a zoo is a museum with a living collection, a cultural institution with a specific mission to fulfill. Under this designation, contributors are often motivated to support the Zoo's mission first and specific operational capital programs second.

With the passage of the Zoo's tax base, public support will grow at a cap of 6% annually. The increased costs of operations and construction put greater reliance on income from enterprise revenue sources and from contributions: contributions are budgeted in FY 91 to generate almost \$1.3 million.

For the Zoo's development program to succeed and help balance the Zoo's annual budget, we have to provide incentives for people to go beyond basic payment of gate fees and their property taxes. To do so, staff has developed contribution funding opportunities and experiences above and beyond the basic Zoo experience.

In light of the agency's recent adoption of an excise tax, and the non-specific nature of existing language in the Metro Code, staff recommends that the Code be amended to provide for a clear mechanism for the Zoo to continue its success in fund development. The staff recommends the exemptions from the excise tax as listed in the attached Ordinance Amendment.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of this Ordinance.

elph.ck  
Codextax.sr

## FINANCE COMMITTEE REPORT

ORDINANCE NO. 90-355, AMENDING METRO CODE SECTION 7.01.050 BY  
EXEMPTING CERTAIN PAYMENTS TO THE METRO WASHINGTON PARK ZOO  
FROM THE EXCISE TAX

Date: July 6, 1990

Presented By: Councilor Wyers

COMMITTEE RECOMMENDATION: At the July 5, 1990 Finance Committee meeting Councilors Collier, Devlin, Gardner and myself voted unanimously to recommend Council adopt Ordinance No. 90-355. Councilor Van Bergen was excused.

COMMITTEE DISCUSSION/ISSUES: Zoo Director Sherry Sheng presented the ordinance, noting the proposed Metro Code additions do not deviate from the intent of the Council's excise tax enactment, but the ordinance serves to clarify implementation of the tax at the Zoo. Specifically, the ordinance clarifies that Zoo funds received from development efforts -- special contributions, donations, bequests, designated non-profit organizations fundraising campaigns -- are not subject to the excise tax. These provisions are consistent with current practice and the excise tax implementation to date.

In response to Council staff questions, Ms. Sheng noted the Summer Concert series tickets would be subject to the excise tax. Ms. Sheng emphasized the ordinance serves to exempt only Zoo development efforts from the excise tax and Section 7.01.050(a)(8)(E) clearly provides for applying the tax on "all payments received....for admission to the Zoo, or which entitle individuals to receipt of food, beverages, goods, or rides on the Zoo train..."

The Committee noted if the Zoo or Friends of the Zoo were to hold a special fundraising event at the Oregon Convention Center the admission charge would be exempt from the excise tax.

The Committee raised no additional issues or questions about the ordinance.

jpmsix  
b:\90355.cr



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Date: July 9, 1990

To: Zoo Committee

From: Jessica *JPM* Marlitt, Council Analyst

Regarding: ORDINANCE NO. 90-355, AMENDING METRO CODE SECTION  
7.01.050 BY EXEMPTING CERTAIN PAYMENTS TO THE METRO  
WASHINGTON PARK ZOO FROM THE EXCISE TAX

The Finance Committee considered Ordinance No. 90-355 at their regularly scheduled meeting July 5, 1990. The Committee Report is attached for your information; the Committee unanimously recommended Council adoption of the ordinance. Following Zoo Committee action on Ordinance No. 90-355 it will come before the Council July 26, 1990. If you have any questions or would like additional information, please contact me at the Council Office, ext. 138.

jpmsix  
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ZOO COMMITTEE REPORT

ORDINANCE NO. 90-355 EXEMPTING CERTAIN PAYMENTS TO THE  
METRO WASHINGTON PARK ZOO FROM THE EXCISE TAX

Date: July 23, 1990

Presented by: Councilor DeJardin

COMMITTEE RECOMMENDATION:

At the July 19, 1990 Committee meeting, the Committee voted unanimously to recommend Council adoption of Ordinance No. 90-355. Committee members voting yes were Councilors DeJardin, Saucy and McFarland. Councilors Garner and Knowles were excused.

COMMITTEE DISCUSSION/ISSUES:

Zoo Director Sherry Sheng presented the ordinance. She indicated the purpose of the ordinance is to clarify the section of the Metro Code imposing the excise tax to assure that Zoo funds received from contributions and donations would not be subject to the excise tax.

She pointed out that the provisions of the ordinance are consistent with current practice in implementing the Excise Tax Ordinance. The Committee Chair noted that the Finance Committee had made a favorable recommendation on this ordinance and the Committee raised no additional issues or questions about the ordinance.

DEC:sg  
A:\Z000719.RPT



**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Date: July 31, 1990

To: Rena Cusma, Executive Officer  
*effwb*

From: Gwen Ware-Barrett, Clerk of the Council

Regarding: TRANSMITTAL OF ORDINANCE NO. 90-355

Attached for your consideration is a true copy of Ordinance No. 90-355 adopted by the Council on July 26, 1990..

If you wish to veto <sup>this</sup> ~~these~~ ordinances, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday August 2, 1990. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time and date stated above, this ordinance will be considered finally adopted.

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I, *Earle S. Duda*, received this memo and a true copy of Ordinance No. 90-355 from the Council Clerk on July 31, 1990.

Date: *July 31, 1990*

GWPB:lc  
\Mem.Ord.