
Josephine (JO) County (CO) Justice System (JS) & Public Safety Services (PSS)

JO CO JS&PSS Issue The 2012 expiration of federal funding for services resulted in two JO CO proposed levies as a solution. They both failed.

Financial Condition Review In May 2012 the OR Secretary of State published an analysis entitled, “*Oregon’s Counties: 2012 Financial Condition Review*.”³ Part of that report was about **how each of Oregon’s 36 counties had addressed their financial conditions as described by 10 fiscal indicators**. The reader is referred to other educational brochures for summaries of the other 8 indicators.

Indicator No. 1 Local Support Locally generated revenues need to be sufficient to meet a county’s current and future service needs. The ability to generate local revenues is dependent on several factors including property values, taxable property, and population.

Property taxes are one of the most important sources of locally generated revenues for a county.

Property taxes are composed of three primary parts: 1) permanent rate and gap bond levies, 2) local option levies, and 3) bond levies. Most taxing districts can utilize any of these three types of taxes.

1. Hugo Neighborhood Association & Historical Society (HNA&HS). July 9, 2013. *Justice System Exploratory Committee*. Hugo, OR.

2. Hugo Neighborhood Association. July 9, 2013. *All Voters & Votes Are Legitimate*. Hugo, OR.

3. Oregon Secretary of State. May 2012. *Oregon’s Counties: 2012 Financial Condition Review*. Secretary of State Audit Report Kate Brown, Secretary of State Gary Blackmer, Director, Audits Division.

Fiscal Indicators: “Local Support” & Timber Payment Dependence”

The passage of statewide constitutional tax limitations in the 1990s (Measures 5, 47, and 50), established permanent rates for each taxing district. A county’s permanent tax rate is the maximum rate it can impose without approval by voters. Taxes from the permanent rates are discretionary and fund the general operating budgets of the taxing districts. They account for the single largest component of property taxes. The tax rate analysis does not include special taxing districts created to fund specific CO services such as enhanced law enforcement or libraries [nor for actual costs for private fire protection when public services are not available].

Between 2008 and 2011, most counties generated an average of at least \$300 per capita in local revenues. Gilliam and Sherman Counties, on average, generated the largest local revenues per capita, which were four times greater than the next highest county. Revenues generated from wind farms and/or landfill and recycling centers contributed to the high averages in these counties.

The average permanent tax rate among Oregon counties is \$2.81 per \$1,000 of assessed property value. Josephine and Curry Counties have the lowest permanent tax rates and are the only counties with rates below \$1.00. Low permanent rates combined with limited taxable property can constrain a county’s ability to raise revenues. To illustrate, Josephine County, with the lowest permanent tax rate of \$0.59 and 62% of its area in non-taxable federal lands, generated the least amount of local revenues at \$191 per capita in 2011.

OR Secretary Of State’s 2012 Financial Condition Review For OR Counties

Indicator No. 2 Timber Payment Dependence Revenues determine the capacity of a government to provide services to citizens and are affected by economic and policy changes. Oregon counties generate revenues from a number of sources, including other governments. The federal government provided timber payments to eligible counties for 1) loss of property tax revenue, which results from an inability to impose taxes on federally owned forest lands, and 2) reduction in the amount of logging allowed on federal forest lands.

Federal timber payments are often restricted for specific purposes such as funding schools or road maintenance. The portion of the timber payments that are not restricted can be used by the county for general operating expenditures. For purposes of our analysis, we focused this indicator solely on the portion of the federal timber payments provided through the Department of Interior’s Bureau of Land Management (BLM) to 18 Oregon counties. These timber payments, known as Oregon and California (O&C) and Coos Bay Wagon Road (CBWR) payments, are generally not restricted and the availability of these moneys greatly impacts a county’s general fund. For counties that depend heavily on timber payments, the loss of this revenue source may result in cash flow problems and fewer services provided to its citizens.

Over the four-year period between 2008 and 2011, the average federal timber payments in five counties totaled more than 10% of their respective governmental fund revenues.

Exploratory Committee's Mission

Mission An independent Justice System and Public Safety Services Exploratory Committee (*Exploratory Committee*) to investigate the JO CO Justice System & Public Safety Services (JS&PSS) issue was formed under the leadership of the Hugo Neighborhood Association and Historical Society (HNA&HS).

Big picture ideas for the exploratory effort include the following.

1. Identifying the JS&PSS issue.
2. Identifying the JS&PSS sub-issues for research and analysis.
3. Identifying a range in level of services
4. Identifying a range of cost for services.
5. Identifying revenues for services.

The ultimate goal is an adequate justice system and public safety services. Is it possible to have a higher level of service for a lower cost? The purpose of the *Exploratory Committee* is to gather information adequate enough to understand the JS&PSS issues. This includes educational outreach efforts.

The *Exploratory Committee's* purpose is limited to investigating and researching the JS&PSS issues. It will not make evaluations of right or wrong, nor make recommendations on how to vote.

The contents of this brochure are expressions of the opinions and beliefs of those that contribute based on their thoughts and experiences. Hopefully, their efforts will assist the public toward informed decision-making.

- Donations Are Not Tax Deductible -

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Justice System Exploratory Committee

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OR COUNTIES: 2012 REVIEW OF FISCAL INDICATORS 1 & 2

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Justice System & Public Safety Services Series

Indicator 1. Local Support Indicator 2. Timber Payment Dependence

The 10 Fiscal Indicators Provide a General Assessment of the Financial Condition of Oregon's Counties

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| Indicator 1. | Local Support |
| Indicator 2. | Timber Payment Dependence |
| Indicator 3. | Debt Burden |
| Indicator 4. | Liquidity |
| Indicator 5. | Fund Balance |
| Indicator 6. | Retirement Benefit Obligation |
| Indicator 7. | Public Safety |
| Indicator 8. | Personal Income |
| Indicator 9. | Population Trends |
| Indicator 10. | Unemployment |

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*Hugo Justice System Exploratory
Committee*