

State OKs County Rescue Bill

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House Bill 3453 sailed through the House and Senate Monday morning, the last day of the legislative session.

Once signed into law – and only if state and county officials agree to act – the bill could have huge ramifications for Curry County’s governmental operations and its residents. (See related story, page 7A.)

The House, which had been tinkering with the bill since March, approved the bill 49-10; the Senate concurred, 22-7. Both State Rep. Wayne Krieger, R-Gold Beach, and Sen. Jeff Kruse, R-Roseburg, voted in favor of the bill.

Gov. John Kitzhaber is likely to sign it into law within a few weeks, said governor’s spokesman Greg Wolf.

The finished product

Curry County’s public safety service levels are deemed to be far less than “adequate,” Sheriff John Bishop has said in his pleas to commissioners to find money to fund his department.

And county commissioners have watched the bill’s progress with interest, as the lack of logging revenue and a failed property tax levy reduced its discretionary general fund monies to \$2.1 million for fiscal year 2013-2014.

The legislation – only half-jokingly called “the Curry County bill” in Salem — will allow the governor to declare a public safety fiscal emergency in counties where conditions fail to provide a “minimally adequate level” of public safety services. The counties hardest-hit – and most likely to be addressed first — include Curry, Josephine, Coos and Jackson. Other O&C counties, however, could follow.

The bill could go into effect Oct. 7, 91 days after the Legislature adjourned.

The Legislature last week approved a separate bill, House Bill 2206, that will allow the state to take over some duties of distressed counties’ treasurer and elections offices.

Commissioner Susan Brown, however, doesn't feel Curry County meets the criteria [MALPSS].

"I'm not that concerned about it," she said. "It would take quite a bit for it to be applicable to our county. The state can't come in until we can't provide mandated services."

She noted those mandates require counties to provide a sheriff, civil service and access to a jail.

"We'll always be able to meet that," Brown said. "It'd be unfortunate if that's all we had left, but the state couldn't do anything as long as we're keeping the mandates in place."

But if Curry County suddenly transformed into the Wild West, the bill would allow county commissioners – and the sheriff as a non-voting participant – to craft agreements with the county's three cities to share the burden of law enforcement throughout the area.

HB 3453 will allow the governor, working alongside county commissioners, to reinstate many county positions to meet "minimum standards of service," notably in the Sheriff's Office, where Bishop has four patrol deputies to cover more than 1,600 square miles and a skeleton crew to staff the jail.

To pay for all this, the governor will be allowed to implement an income tax surcharge of at least 11 percent based on the \$4.5 million the county needs, said Legislative Revenue Officer Paul Warner. That figure was double – 23 percent – before Smith suggested an amendment to the bill to have the state pay half the costs its implementation.

That 11 percent increase is on top of the 9.9 percent most workers already pay to the state. Oregon has the highest state income tax rate in the nation. But Josephine and Curry counties, it is oft noted, have the lowest permanent property tax rates in the state, at 58 and 59 cents per \$1,000 assessed valuation, respectively.

Other methods in the bill spread the tax burden through increases in telecommunications taxes that pay for 911 services, using other county revenue and developing new revenue sources, said Commissioner David Brock Smith.

And the county is free to blend combinations of revenue – income, telecommunications, existing county monies and whatever they craft for the November ballot – to make the county fiscally solvent again.

Local help

Gov. Kitzhaber asked Commissioner David Brock Smith to review the legislation this spring, and Smith was instrumental in suggesting various amendments.

Among those critical changes were stipulations that the state pick up half the bill for the cost of reinstating public safety, thus lowering the burden to county residents but angering representatives from other counties; getting the sheriff involved in discussions; and requiring that local legislators be consulted before action is taken.

“They (other legislators) were saying, ‘Why should my citizens have to pay for your public safety when they’re not willing to help themselves?’” Smith said. “My argument was, ‘I understand. My citizens have to take responsibility for paying for their own services. But it is your responsibility as senators and representatives to make sure there’s a level of civility within our counties. And this bill ensures that.’ I hope we never have to use it.”

A section addressing a telecommunications tax was also added, not only to spread the tax burden, but also to address a rule in Josephine County’s charter that prohibits local income taxes. Additionally, it will share the cost with people who don’t pay income taxes but use telecommunication devices.

“A lot of people in Curry County don’t pay income taxes, but everyone has some sort of telecommunication device that accesses 911,” Smith said. “If that tax is already there to fund one public safety department, why can’t we increase it to fund another?”

Another section important to Curry County is that the governor may not act on behalf of the county in authorizing a tax, which was an option in one of the draft bills.

“It’s very important to keep somewhat manageable local control,” Smith said. “That way the governor couldn’t just come in and have a heavy hand and do whatever he wants.”

Other stipulations indicate the state’s involvement is limited to 18 months, with one option for an 18-month extension. It will be repealed in its entirety in 2018.

Smith was also involved in the removal of language that would have “suspended the requirement that ... tax measures receive approval of county voters.”

But, he noted in a letter to legislators, “If something is not done, Curry County will be faced with closing its jail and the district attorney will be prosecuting felony cases only. Juvenile will only handle serious felony person cases with no local funds available for juvenile crime prevention. Sheriff patrols and crime investigation will be virtually nonexistent.

“Unprecedented action is needed to tackle unprecedented circumstances.”

The future

Smith hopes none of this will come to fruition.

The commissioners are working on another property tax proposal they hope will be more palatable to voters in November.

It will likely bear some resemblance to the property tax voters rejected May 21, but with lower tax rates. Additionally, commissioners are trying to consolidate the two 911 systems in Curry County – Gold Beach and Brookings – and free up money in the general fund for other critical county functions.

“I told (legislators) we’re working on a funding solution,” Smith said. “I believe our citizens understand. The last one was too much for their pocketbooks in these economic times.”

“I hope we never have to implement House Bill 3453,” Smith said. “But it is necessary to have this tool in our governing tool box to provide, at the very least, the basic law enforcement public safety service for our citizens.”

Brown still sees the bill as a scare tactic – that if the county didn’t have enough patrol deputies the state would come in and take over.

“That’s simply not the case,” she said. “There will always be enough discretionary income to (provide mandated services). But it is a tool for the state in case these things happen. They are protecting their end of the deal. We have to do the same here.”

Itzen said the bill’s passage shows that the state recognizes its obligation to ensure a minimum level of civility – even in a county that cannot, or will not, shoulder the financial burden to do so. Additionally, it will give the state a mechanism by which to address future problems in any county.

“My hope is we will not need to go there – that we’ll be able to craft a measure for a November ballot that’s acceptable to the vast majority of voters,” Smith said. “We’re not that many votes away.”