



Legislative Committee

Happy Birthday, Oregon!!

Amended – Agenda – Amended

Monday, February 14, 2011

12:05 p.m.

Lunch will be available at 11:30 a.m.

Local Government Center, Room 113

1201 Court Street NE

Salem, Oregon

12:05 p.m.

1. Call to Order

AOC President Janet Carlson

- 1.1 Agenda approval (**Action**)
- 1.2 Minutes of December 13, 2010 meeting *page 3*
- 1.3 Minutes of January 10, 2011 meeting *page 7*

12:10 p.m.

2. Federal Forest Payments

President Carlson

- 2.1 Impact of Federal Forest Payments video
- 2.2 Update on Partnership for Rural America Campaign *page 12*

Lane County
Marc Kelley

12:35 p.m.

3. Action Items

President Carlson

- 3.1 HB 2569 *page 16*
- 3.2 SB 289 & HB 2201 *page 18*
- 3.3 AOC State Budget Principles *page 19*
- 3.4 Governance Committee (**possible action**)*
- 3.5 Public Safety Committee (**possible action**)*
- 3.6 Oregon State Hospital Task Force recommendation

Gil Riddell & Mike Eliason
Gil Riddell
Mike McArthur
Jim Bernard & Jay Dixon
Earl Fisher & Andy Duyck
Janet Carlson, Task Force chair

**see committee agendas at <http://www.aocweb.org>*

1:00 p.m.

4. Updates

- 4.1 NACo 2011 Annual Conference
- 4.2 PERS Alliance Update *page 20*

Diane McKeel
Mike Eliason

1:10 p.m.

5. Steering Committee Reports *(limited to 4 minutes, each)*

- | | | |
|-----|-----------------------|-------------------------------------|
| 5.1 | Communications Policy | Jeanne Burch, chair |
| 5.2 | Community Development | Diane McKeel, chair |
| 5.3 | Environment & Energy | Gary Thompson, chair |
| 5.4 | Governance | Earl Fisher & Andy Duyck, co-chairs |
| 5.5 | Human Services | Ann Lininger, chair |
| 5.6 | Public Lands | Dan Shoun & Faye Stewart, co-chairs |
| 5.7 | Public Safety | Jim Bernard & Jay Dixon, chair |
| 5.8 | Transportation | Al Switzer, chair |
| 5.9 | Water Policy | Al Unger, chair |

1:45 p.m.

6. Affiliate Organizations Reports

- | | | |
|-----|---------------------------------|-----------------|
| 6.1 | OSACA (Assessors) | Scot Langton |
| 6.2 | OCCA (Clerks) | Dana Jenkins |
| 6.3 | NACA (County Administrators) | Ralph Wyatt |
| 6.4 | ODAA (District Attorneys) | Eric Nisley |
| 6.5 | OACES (Engineers and Surveyors) | Robb Paul |
| 6.6 | OJPA (Justices of the Peace) | Charles Fadeley |
| 6.7 | OSSA (Sheriffs) | Jack Crabtree |
| 6.8 | OACTC (Tax Collectors) | Bob Vroman |
| 6.9 | OACTFO (Treasurers) | Laurie Steele |

1:55 p.m.

7. Other Business

President Carlson

8. Adjourn

President Carlson

Next AOC Legislative Committee meeting March 14 – 12:00 p.m.

Scheduled Legislative Committee meetings for 2011:

March 14	June 6	October 10
April 11	June 20	December 12
May 2	July 11**	
May 16	September 12	**if necessary

August 7-9 – 2011 AOC Summer Summit – Oregon Garden, Silverton, Marion County
Quality of Life for Oregonians: An intersection of county services

November 15-17 – 2011 AOC Annual Conference

5. Steering Committee Reports *(limited to 4 minutes, each)*

- | | | |
|-----|-----------------------|-------------------------------------|
| 5.1 | Communications Policy | Jeanne Burch, chair |
| 5.2 | Community Development | Diane McKeel, chair |
| 5.3 | Environment & Energy | Gary Thompson, chair |
| 5.4 | Governance | Earl Fisher & Andy Duyck, co-chairs |
| 5.5 | Human Services | Ann Lininger, chair |
| 5.6 | Public Lands | Dan Shoun & Faye Stewart, co-chairs |
| 5.7 | Public Safety | Jim Bernard & Jay Dixon, chair |
| 5.8 | Transportation | Al Switzer, chair |
| 5.9 | Water Policy | Al Unger, chair |

1:45 p.m.

6. Affiliate Organizations Reports

- | | | |
|-----|---------------------------------|-----------------|
| 6.1 | OSACA (Assessors) | Scot Langton |
| 6.2 | OCCA (Clerks) | Dana Jenkins |
| 6.3 | NACA (County Administrators) | Ralph Wyatt |
| 6.4 | ODAA (District Attorneys) | Eric Nisley |
| 6.5 | OACES (Engineers and Surveyors) | Robb Paul |
| 6.6 | OJPA (Justices of the Peace) | Charles Fadeley |
| 6.7 | OSSA (Sheriffs) | Jack Crabtree |
| 6.8 | OACTC (Tax Collectors) | Bob Vroman |
| 6.9 | OACTFO (Treasurers) | Laurie Steele |

1:55 p.m.

7. Other Business

President Carlson

8. Adjourn

President Carlson

Next AOC Legislative Committee meeting March 14 – 12:00 p.m.

Scheduled Legislative Committee meetings for 2011:

March 14	June 6	October 10
April 11	June 20	December 12
May 2	July 11**	
May 16	September 12	**if necessary

August 7-9 – 2011 AOC Summer Summit – Oregon Garden, Silverton, Marion County
Quality of Life for Oregonians: An intersection of county services

November 15-17 – 2011 AOC Annual Conference

**Association of Oregon Counties
Legislative Committee**

**Monday, December 13, 2010
2:00 p.m.**

**Oregon Convention Center
Portland, Oregon**

Present: Commissioner Janet Carlson, Judge Pat Shaw, Judge Steve Grasty, Commissioner Linda Modrell, Commissioner Tim Josi, Commissioner Dan Shoun, Commissioner Sam Brentano, Commissioner Bill Hansell, Commissioner Tony Hyde, Commissioner Leslie Lewis, Commissioner Jim Bernard, Commissioner Patricia Roberts, Commissioner Mark Labhart, Commissioner Earl Fisher, Commissioner Andy Duyck, Commissioner Kathy George, Commissioner Wayne Fording, Judge Jeanne Burch, Commissioner Annabelle Jaramillo, Tax Collector Bob Vroman, Assessor Scot Langton

Via telephone: Commissioner Don Lindly, Commissioner John Lindsey, Administrator Ralph Wyatt

Guest via telephone: Commissioner Mark Davidson

Guests: Commissioner Dave Toler, Ray Naff, Lisa Naito, Keith Falkenberg, Morgan Cowling, Danielle Cowan

Staff and consultants: Mike McArthur, Paul Snider, Mike Eliason, Gil Riddell, Ann Hanus, Emily Ackland, Mark Nystrom, Eric Schmidt, Art Schlack, Cara Fischer, Joann Hendrix

President Janet Carlson called the meeting to order at 2:00 p.m.

Agenda

Judge Steve Grasty moved to approve the agenda of December 13, 2010, with the exception of moving item 6.2 Steering committee meetings schedule, to front of agenda, seconded by Commissioner Tammy Baney. Motion carried.

Minutes

Judge Grasty moved to approve the minutes of October 11, 2010, seconded by Commissioner Baney. Motion carried.

Proposal for Legislative Committee and Steering Committee Meeting Times

President Carlson reviewed her proposal for a new meeting schedule on Legislative Committee and Board of Director meeting dates. She believes it would be beneficial for the steering committees to meet in the morning prior to the Legislative Committee and Board meetings. This would reduce the number of times committee members must travel to Salem. Discussion ensued and it was agreed to try the proposed schedule for three months and assess its effectiveness at the March 2011 meeting of the Legislative Committee.

Affiliate Organizations Reports

Assessors

Assessor Scot Langton stated that assessors are serving as a resource to policy makers on assessment and taxation issues for the 2011 legislative session. He added that several programs sunset after the 2011 legislative session that impact taxing districts.

Clerks

Mike Eliason reported the clerks are dealing with partial election recounts and one recall after the November election. They are also working on legislative concepts and proposals.

County Administrators

Administrator Ralph Wyatt reported that the administrators are working on 2011 legislative issues including working with the Governance Committee on the Public Employee Collective Bargaining Act (PECBA) labor law section.

District Attorneys – no report

Engineers and Surveyors – no report

Justices of the Peace – no report

Sheriffs – no report

Tax Collectors

Tax Collector Bob Vroman said he and other tax collectors are working on legislative concept dealing with quarterly CAFFA deadline reporting to the Department of Revenue.

Treasurers – no report

Steering Committee Reports

Communications Committee – no report

Community Development Committee – no report

Environment and Energy Committee – no report

Governance – no report

Human Services – no report

Public Lands & Natural Resources – no report

Public Safety

Commissioner Jim Bernard said the committee discussed implementation of Measure 37 and how counties will be reimbursed for incarceration. They also talked about dedication of court fines to local programs; how counties can be involved in obtaining portions of the justice court revenues and Oregon Youth Authority parole and probation functions.

Transportation Committee – no report

Water Policy Committee – no report

Consider Resolutions

Items were submitted to the Resolutions Committee at the AOC annual conference that, according to AOC policy, should be considered by the Legislative Committee. The Resolutions Committee forwarded these items to the Legislative Committee:

- Requiring a two-thirds majority vote of community team before approval of marine reserve.

The Legislative Committee was advised that consideration was unnecessary as the issue has been resolved.

- Supporting state legislation to reauthorize the Enterprise Zone Program.

Commissioner Hansell moved to support state legislation to reauthorize the Enterprise Zone Program, seconded by Commissioner Annabelle Jaramillo. Motion carried.

- Postponement of ODFW Commission Approval of Oregon Sage-Grouse Strategy.

Judge Grasty moved to support the resolution for postponement of the ODFW's 2010 draft version of the "Greater Sage Grouse Conservation Assessment and Strategy for Oregon," seconded by Commissioner Joe Laurance. Motion carried.

Visit from Governor-elect John Kitzhaber

Governor-elect John Kitzhaber was at the Oregon Convention Center during the Legislative Committee's meeting and he dropped in to greet AOC members. He commented briefly on his plans for a new economic development strategy involving regional community solutions teams, regional centers and city and county partners.

AOC Legislative Issues List

President Carlson explained that AOC staff prepared items to present to the 2011 legislative session. The most pressing items are stated on the State Short List and other issues were placed on State Other List. AOC steering committees voted on items of importance:

Community Development

Judge Grasty moved to forward items to the 2011 legislative session, seconded by Commissioner Wayne Fording. Motion carried.

Environment and Energy

Commissioner Earl Fisher moved to forward items to the 2011 legislative session, seconded by Commissioner Baney. Motion carried.

Human Services

Commissioner Baney moved to forward items to the 2011 legislative session with the exception of the Oregon State Hospital item, seconded by Commissioner Pat Shaw. Motion carried.

Public Lands and Natural Resources

All items on federal list

Public Safety

Commissioner Bernard moved to forward items to the 2011 legislative session, seconded by Commissioner Fisher. Motion carried.

Transportation

Commissioner Leslie Lewis moved to forward items to the 2011 legislative session, seconded by Commissioner Andy Duyck. Motion carried.

Water Policy

Commissioner Jaramillo moved to forward items to the 2011 legislative session, seconded by Commissioner Al Unger. Motion carried.

Other Business

President Carlson reviewed the 2011 AOC calendar.

Commissioner Diane McKeel state the NACo 2011 conference will be held July 15-19 in Portland. County sponsorship donations may be sent to Multnomah County.

Meeting was adjourned at 3:30 p.m.

**Association of Oregon Counties
Legislative Committee**

**Monday, January 10, 2011
12:00 p.m.**

**Local Government Center
Salem, Oregon**

Present: Commissioner Janet Carlson, Commissioner Tammy Baney, Commissioner Mary Stern, Commissioner Tony Hyde, Commissioner Tim Josi, Commissioner Dan Shoun, Commissioner Sam Brentano, Commissioner Leslie Lewis, Commissioner Jim Bernard, Commissioner Mark Labhart, Commissioner Earl Fisher, Commissioner Wayne Fording, Judge Jeanne Burch, Commissioner Annabelle Jaramillo, Commissioner Kathy George, Commissioner Simon Hare, Judge Gary Thompson, Commissioner Diane McKeel, Commissioner Jay Dixon, Commissioner Chris Perry, Commissioner Craig Pope, Commissioner John Lindsey, Commissioner Dwight Ellis, Treasurer Laurie Steele, Sheriff Jack Crabtree

Via telephone: Judge Pat Shaw, Commissioner Patricia Roberts, Commissioner Joe Laurance, Judge Steve Grasty, Administrator Ralph Wyatt, Public Works Director Robb Paul

Guests: Commissioner Paul Savas, Treasurer Michelle Hawkins, Ray Naff, Lisa Naito, Gillian Wesenberg, Andrew Olsen, Alex Cuyler, Andy Smith, Barb Young, Troy Rayburn, Sarah Granger

Guests via videoconference: Commissioner CW Smith, Commissioner John Rachor

Staff and consultants: Mike McArthur, Paul Snider, Mike Eliason, Gil Riddell, Ann Hanus, Emily Ackland, Mark Nystrom, Eric Schmidt, Laura Cleland, Art Schlack, Doris Penwell, Cara Fischer, Joann Hendrix

President Janet Carlson called the meeting to order at 12:00 p.m.

Agenda

Commissioner Tony Hyde moved to approve the agenda of January 10, 2011, seconded by Commissioner Tim Josi. Motion carried.

Action Items

AOC Federal Priorities

Commissioner Tammy Baney moved to endorse the short list of Federal Priorities to Oregon congressional delegation, seconded by Commissioner Mary Stern.

President Carlson explained the AOC steering committees prepared a short list of Federal Priorities to forward to the Oregon congressional delegation.

Discussion ensued regarding public safety. Alex Cuyler explained HR 1959; if an individual owes a state court fine and the IRS owes the individual a tax return the court fine could be deducted from the individual's tax return and sent to the state court for payment. HR 1959 did not pass in the 111th Congress but will be reintroduced in the 112th Congress. HR 1959 is already part of NACo platform but Lane County requests AOC support it as a priority.

Commissioner Baney moved to amend the prior motion to include the endorsement of HR 1959 under Public Safety and to endorse the short list of Federal Priorities to the Oregon congressional delegation, seconded by Commissioner Stern. Motion carried. Opposed by Commissioner John Lindsey.

Commissioner Lindsey moved to remove from under Human Services the Mental Health Tier. No second to the motion. Without a second the motion was not considered.

Governance Committee

Mike Eliason explained the Governance Committee's recommendation for support for a technical fix to the IRS Code allowing for reimbursements to non-dependent beneficiaries when no surviving spouse or qualified dependents remain after participant's death.

Commissioner Earl Fisher moved to support the Governance Steering Committee position of technical change to IRS Code for health reimbursement arrangements (HRAs), seconded by Commissioner Hyde. Motion carried.

Public Safety Committee

Addendum 1: Criminal Fine Collection and Distribution

Commissioner Stern moved to oppose legislation to revise criminal fine collection and distribution (LC 364-1), seconded by Commissioner Josi. Motion carried.

Item 1: Justice Court Collections

Commissioner Stern moved to support legislation authorizing justice of the peace courts to utilize full Department of Revenue (DOR) collection capability (LC 1305), seconded by Commissioner Jim Bernard. Motion carried. Opposed by Commissioner Lindsey.

Item 2: Federal Forest Revenues for Patrol

Commissioner Stern moved to support legislation that would amend Section 4, chapter 894, Oregon Laws 2007, a temporary law that will sunset on January 2, 2014, to expand the named counties to which it applies from just Lane and Douglas to add the county or counties that are seeking legislation (currently Curry; possibly Klamath), seconded by Commissioner Wayne Fording.

Under ORS 294.060, federal forest reserves received by a county are divided 75 percent to the road fund and 25 percent to the school fund. But the temporary law cited above creates an exception for Lane and Douglas counties by allowing those two counties only to use some of their money that otherwise go to roads to be used instead for sheriffs' patrol. That authority would end on January 2, 2014. Curry County has asked AOC to support its effort to amend that temporary law to also allow Curry County to use its federal forest reserves for patrol.

Discussion ensued regarding the legislation proposed. Several counties voiced their concerns about setting a precedent with using federal forest reserves for sheriffs' patrols.

Commissioner Josi moved to substitute the original motion with AOC not take a position on Federal Forest Revenues for patrol, seconded by Commissioner Annabelle Jaramillo. Motion carried. Opposed by Commissioner Chris Perry.

Item 3: Workers' Compensation Responsibility for Search and Rescue Volunteers
Commissioner Stern moved to approve request from City County Insurance Services (CIS) for AOC support of legislative concept to clarify that when a county that has qualified search and rescue volunteers responds to a request for help from another county in a search and rescue mission, the statutory responsibility to provide workers' compensation coverage for the volunteers from the responding county rests with the responding county, not the requesting county, seconded by Commissioner Jay Dixon. Motion carried.

Discussion Items

2011 Legislative Concepts

Gil Riddell reviewed the 2011 pre-session-filed legislative concepts (LC) under AOC watch. The AOC policy staff reviewed available pre-session-filed legislative bills and ranked the LCs of most importance to AOC.

Economic Revitalization Team

Mike McArthur explained that the Economic Revitalization Team (ERT) will be modified. Governor Kitzhaber will have Regional Community Solutions Teams. His plan is to establish Regional Community Solutions Centers at five locations initially. The Governor plans on creating a steering committee of county and city representatives to work with the coordinators.

Steering Committee Reports

Communications Policy

Judge Jeanne Burch said the committee recommends that AOC proceed on the Public Utility Commission (PUC) grant for E-government projects. Members also discussed a draft communications plan, the Oregon Wireless Interoperability Network (OWIN) and endorsed Commissioner Kathy George to the Broadband Advisory Council.

Community Development

Commissioner Diane McKeel reported the committee discussed a Transient Occupancy Tax proposal. It also drafted a committee work plan for 2011, reviewed legislative concepts and discussed ideas for federal resolutions for NACo. Members met recently with State Treasurer Ted Wheeler regarding the transition team on Economic Development. Doris Penwell gave a presentation on the campaign to support clean energy development, conservation and manufacturing.

Environment & Energy

Judge Gary Thompson stated the committee discussed NACo draft resolutions and 2011 legislative concepts. The committee recommended biomass legislation and migratory bird issue for the AOC priority list.

Governance

Commissioner Earl Fisher announced the committee discussed PERS for 2011 session and beyond. Members also discussed health insurance benefits issues and a federal technical fix for voluntary employees' beneficiary association (VEBA) accounts and reviewed legislative concepts to date for 2011.

Human Services

Commissioner Tammy Baney stated the committee discussed Oregon's Action Plan for Health, the Human Services Committee principles, legislative tiers and important legislative concepts.

Public Lands & Natural Resources

Commissioner Dan Shoun stated the committee discussed its state and federal legislative focus for 2011, the O&C Counties Association, Blue Mountains plan revisions and the Wildland Fire Leadership Council. It also adopted a work plan for 2011 and heard a report on progress of the Secure Rural Schools national campaign,

Public Safety

Commissioner Mary Stern said the committee discussed legislative concepts, committee principles, the "tiering" process for legislative issues and reviewed action items forwarded to legislative committee.

Transportation

Commissioner Dwight Ellis announced that the committee discussed legislative concepts introduced by House Transportation Committee and reviewed legislation introduced by Senate Transportation and Economic Development Committee. Travis Brouwer, ODOT federal affairs advisor, gave the committee an update on Federal Transportation Reauthorization.

Water Policy

Commissioner Al Unger said the committee discussed legislative focus and concepts for 2011.

Affiliate Organizations Reports

Assessors – no report.

Clerks – no report.

County Administrators – no report.

District Attorneys – no report.

Engineers and Surveyors – no report.

Justices of the Peace – no report.

Sheriffs

Sheriff Jack Crabtree stated that the sheriffs are focusing on about seven legislative concepts.

Tax Collectors

The tax collectors are working on a legislative concept dealing with quarterly CAFFA deadline reporting to the Department of Revenue and other 2011 legislative issues.

Treasurers

Treasurer Laurie Steele stated the treasurers are tracking several legislative concepts that could bring repercussion to the counties.

Meeting was adjourned at 2:00 p.m.

Date: February 14, 2011

To: Legislative Committee
Association of Oregon Counties

From: Marc Kelley, director,
The Partnership for Rural America Campaign

Subject: Campaign Briefing

Background:

The Partnership for Rural America Campaign was formally approved by the National Forest Counties and Schools Coalition Board in December of 2009. At that time the stated objective was as follows:

The purpose of the Partnership for Rural America Campaign is to promote the economic and social health of rural America by actively building a broad-based partnership to support the renewal of the contract through the long-term reauthorization and appropriation of the Secure Rural Schools and Community Self-Determination Act.

In discussions with the Board in December of 2009, the purpose of the campaign was made even more specific by giving direction that “the campaign is to work with the Administration and Congress to secure legislation that will reauthorize the Act for a period of 10 years at 2008 funding levels.” With combined Forest Service and O & C payments this amounts to \$623 million annually.

In order to **ensure the execution of the campaign**, a timeline for 2010 activity was created and approved by the board. As we move to 2011, the timeline has been updated and is now inclusive of additional activities that will be required for this year. A copy of the 2010 and the 2011 timelines follow this memo. We continually refer back to our timeline to gauge whether the campaign is meeting its goals, and as required, adjust the activities based upon the needs of the Administration and/or Congress.

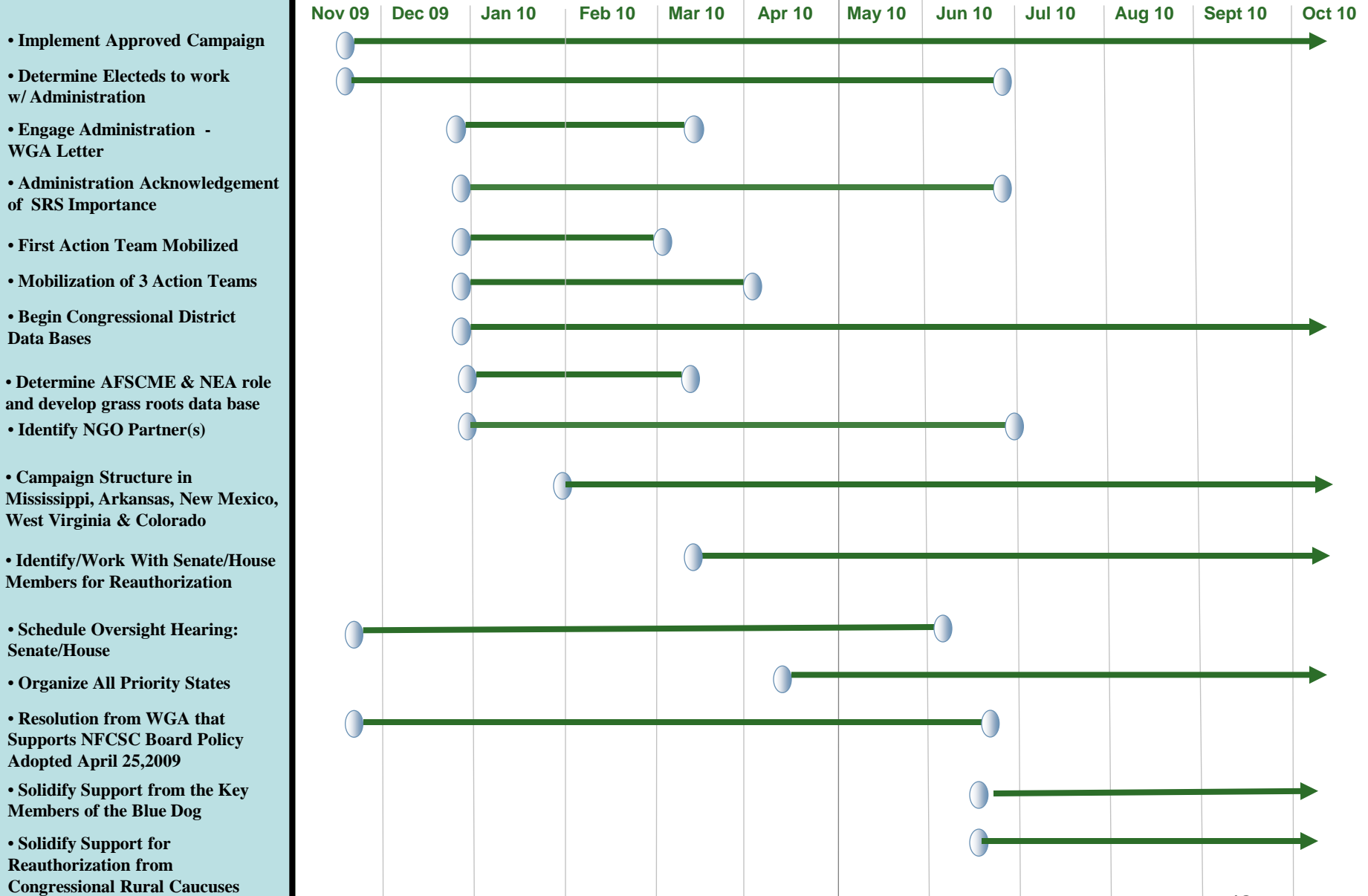
I look forward to discussing the campaign in detail the on Monday, February 14.

Note from AOC:

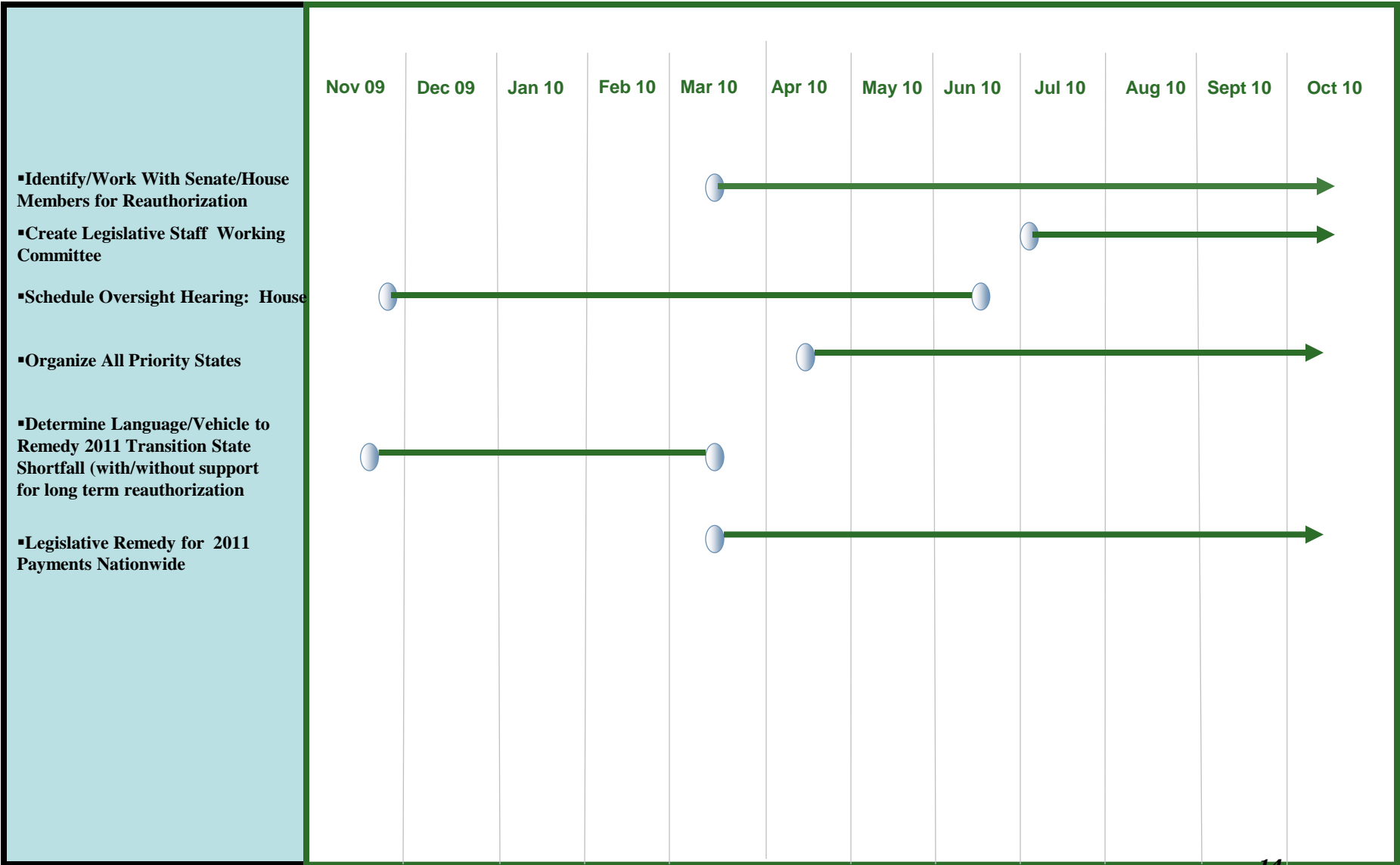
Commissioner Doug Robertson, Douglas County and Commissioner Tim Josi, Tillamook County, are both on the Partnership for Rural America Campaign Board.

The campaign Web site is <http://www.partnershipforruralamerica.org/default.shtml>

Partnership for Rural America Campaign Timeline: 2010 and Beyond

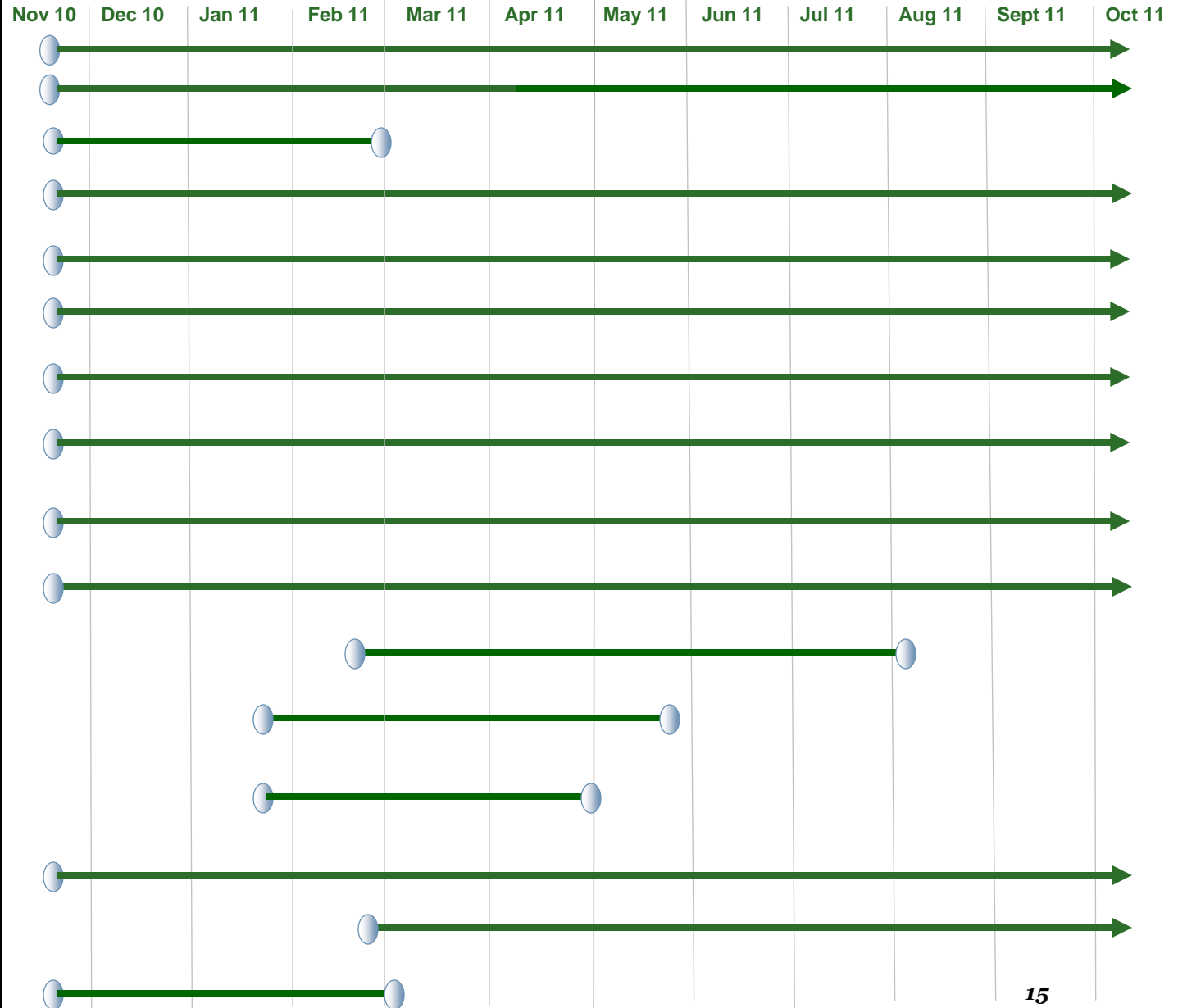


Partnership for Rural America Campaign Timeline (Page 2)



Partnership for Rural America Campaign Timeline: 2011 and Beyond

- Implement Approved Campaign
- Update Electeds/Administration
- Effort to secure 10 yr. mandatory spending in Admin. FY 1012 budget
- Administration Support for SRS Reauthorization
- CAT Teams Mobilized (17 States)
 - Update Social Media (Twitter/WebSite/Facebook)
- AFSCME, AFT & NEA grass roots role expansion
 - Expand NGO Partners TWS and TU and others
- Support Comprehensive Nationwide Campaign Structure
- Identify/Educate Senate/House Members for Reauthorization
- Hearings on Reauthorization in Committees of Jurisdiction
- Support State Resolutions for Reauthorization
- Re-Affirmation Resolution from WGA Supporting Reauthorization
- Work with Congressional Rural Caucus for Reauthorization
- Create and Work with Legislative Staff Working Committees
- Legislative Remedy 2011 Payments



Date: February 14, 2011

To: Legislative Committee
Association of Oregon Counties

From: Gil Riddell, policy coordinator
Mike Eliason, policy manager

Subject: HB 2569 – property tax credit – large value appeals

Requested Action:

Provide guidance on the issue of what office should be authorized to order a deferred billing credit under House Bill 2569.

Background:

HB 2569, conceived by the Oregon State Association of County Assessors, seeks to deal with the issue of extended large value appeals that result in large, unbudgeted refunds with interest to taxpayers. Assessments on these appeals are typically made centrally by the Department of Revenue. HB 2569 would permit the assessor to order a deferred billing credit to the taxpayer in the amount at issue in the appeal, thus stopping the interest on either the refund or the delinquency.

The current appeal by Comcast is replete with issues of law and valuation. There are millions of dollars at issue and several other communication companies are on deck to file appeals. By all accounts, this will take years to be resolved.

Current law permits the county governing body to establish a reserve account in anticipation of large property tax appeal refunds. This action, however, does not stop accumulation of interest on the reserved amount if there is a refund to the taxpayer.

AOC convened a work group on this subject in November, 2010, chaired by Judge Pat Shaw and consisting of direct stakeholders in property tax administration, including cities, special districts, school administrators and boards, community colleges and county commissioners, administrators, assessors and tax collectors. Department of Revenue generously provided technical assistance. After two meetings, the work group decided that the assessors' deferred billing credit concept was the 'best bad solution'

The House Revenue Committee held a hearing on HB 2569 on Tuesday, February 8. As expected, members wandered into details of drafting and raised questions. There was no opposing testimony. The committee appointed a work group to sort through issues, led by Representatives Matt Wand and Katie Eyre Brewer, and including AOC, LOC, DOR and assessors.

The issue for the Governance Committee going into the work group meetings is who should order the deferred billing credit, the assessor or the county governing body? The county governing body has an overall view of the budget, working intergovernmental relationships, and current authority to create a reserve account. On the other hand, the threshold of \$1 million of disputed value may be low enough for action by the assessor with reports to the governing body. This tool will also help the assessor manage appeals through negotiation.

Date: February 14, 2011

To: Legislative Committee
Association of Oregon Counties

From: Gil Riddell, policy coordinator

Subject: Recommended support for two bills that reinforce the overlapping rings of values in natural resources policy (economic, environmental, social) – SB 289 and HB 2201.

Requested Action:

AOC support for Senate Bill 289 and House Bill 2201.

Background:

At its best, natural resources policy seeks that “sweet spot” where economic, environmental, and social values overlap. This goal is part of AOC Principles on Federal Land Management and Enlibra. Two bills reinforce this goal.

Senate Bill 289 (Ferrioli) requires that the Fish & Wildlife Commission (FWC) consult with cities and counties on impacts to local economies from additions to the state or federal Threatened and Endangered Species list. It also requires the FWC to work with local governments to mitigate adverse economic impacts after listing.

House Bill 2201 (House Interim Committee on Sustainability and Economic Development) requires bills that relate to environmental matters to have an economic impact analysis.

At this stage in the session, it is not clear what action – if any – will be taken on these bills. At the least, they are likely to be amended along the way. Nevertheless, the policy they pursue is sound and in accord with AOC Principles. AOC should support them.

The Environment & Energy Steering Committee will also consider these bills.

BUDGET PRINCIPLES

AOC ON THE STATE BUDGET

Tough Times Require Tough Decisions

County government is unique in its ability to meet the needs of its citizens with convenient access and the ability to hold elected officials accountable for results.

Oregonians hold the state and counties responsible for the delivery of vital, critical public services and for support and growth of the state's economy. Oregon's counties are the hub for coordination and delivery of many shared state-county services.

The Association of Oregon Counties stands firm on these principles:

- No unfunded mandates
- Flexibility in revenue raising ability
- Flexibility in utilizing state and federal dollars – may require waivers – with accountability
- Discretionary dollars are highest priority
- Respect local decision making
- No responsibility without authority
- Commitment to state-county partnership
- Honor previous agreements made with the:
 - o Oregon Legislature
 - o Governor of Oregon
 - o State of Oregon agencies, and
 - o United States government
- Work effectively with other governments, including tribal governments

With these principles firmly set, The Association of Oregon Counties will work to ensure that the fiscal health of counties and the state is maintained while vital public services are not damaged beyond repair during the difficult and challenging budgetary discussions that lie ahead.

Date: February 14, 2011
To: Legislative Committee
Association of Oregon Counties
From: Mike Eliason, Policy Manager
Subject: Background and Update on the PERS Alliance

Background:

The PERS Alliance was created more than a decade ago to work through some of the structural legislative reforms and to pool resources to respond to the litigation that resulted changes to the system. The parties to the agreement forming the PERS Alliance included (and remain) the Association of Oregon Counties (AOC), League of Oregon Cities (LOC), Oregon School Boards Association (OSBA), Special Districts Association of Oregon (SDAO) and the Oregon Community Colleges Association (OCCA).

The partners have found that establishment of the alliance and a fund to support its activities are effective tools in confronting and solving issues of great importance to entities participating in PERS, as well as the entities required to provide retirement benefits equal to or better (ETOB) than those provided by the PERS plan. The alliance is governed by a board consisting of one member from each of the organizations listed above. Other entities may join the alliance as affiliate members and, if one or more members contribute more than \$10,000 in a fiscal year, may collectively designate one member to sit on the alliance board. The PERS Alliance currently has contracted with Brenda Wilson, lobbyist for City of Eugene and the former policy and legislative analyst for PERS, to provide policy analysis and lobbying assistance on PERS issues.

Update on Pending Litigation:

Currently, there are several cases making their way through the court system. On January 6, 2011 the Oregon Supreme Court heard oral arguments on two PERS-related cases of interest to counties, the *Arken* and *Robinson* cases. These cases relate to so-called “window retirees” – people who retired from PERS between April 2002 and April 2004. Those who retired within the window had 20 percent credited to their 1999 PERS earnings, an amount later reduced to 11.33 percent by the Marion County Circuit Court. That decision was appealed by the PERS Coalition, a group of public employee unions, which argues that the window retirees are entitled to keep the original allocation because the Legislature previously stated they were entitled. The Supreme Court will likely render a decision before the end of the year. Because the two cases are intertwined and deal with roughly the same issues, the decisions on the two cases are likely to be released very close together, if not simultaneously.