7-7-1950

Multnomah County Five Year Special Levy

City Club of Portland (Portland, Or.)
MULTNOMAH COUNTY FIVE YEAR SPECIAL LEVY

Shall the Board of County Commissioners of Multnomah County Oregon, be author-
ized to levy a tax not to exceed 4½ mills on each dollar of assessed valuation on all
taxable property in the county over the constitutional 6% tax limitation each year, for
a five year period beginning with the fiscal year 1950-51 for the necessary operation of
county government?

Authorization will save the expense of annual special elections for levies made neces-
sary by the 6% limitation since 1947.

Approval of this levy is necessary to continue essential governmental services, such
as the County Hospital, T. B. Hospital, Health Department, Juvenile Home, Public
Library, County Farm Agent, 4-H Program, etc.

Authorization for this levy is necessary under Article XI, Section 11 of the Consti-
tution of Oregon.

300  Yes. I vote for the levy.
301  No. I vote against the levy.

To the Board of Governors, The City Club of Portland

Your committee, having previously reported on the Multnomah County Special Tax
Levy submitted to the electorate on May 19, 1950, has been asked to study and report on
the proposed County Five-Year Special Tax Levy which will be before the voters at a
special election on July 14, 1950.

Comparison of Proposals

The current proposal differs from the previous one in certain important respects. The
original proposal was for a one-year levy, not to exceed $2,443,000. The present proposal
is a continuing levy for five years, at a rate not to exceed 4.5 mills annually. According
to figures from the Oregon Voter of June 3, 1950, this rate, applied to present assessed
valuation of about $600 million, would produce some $2,700,000. If the County's assessed
valuation continues to increase at the rate shown for the past ten years, this same rate
could produce a much larger amount by the end of the five-year period.

Originally, the County asked a special levy of the exact amount necessary to balance
its proposed budget as submitted at that time; at the present the County is asking
authority to levy a 4.5 mills tax, but according to the revised budget submitted to the Tax
Supervising and Conservation Commission on June 28, 1950, now plans to raise only
$2,043,000 under the requested authorization, or actually about 3.4 mills. If the authority
is voted, however, there will be no legal bar to a subsequent increase, and it is the opinion
of your committee that the County, if faced with a real necessity for further economies,
could continue to render full services with the use of an even smaller portion of the
requested additional millage.

Why a Special Levy Is Needed

Reasons advanced by supporters of the Special Levy at this time are substantially the
same as those cited in your Committee's previous report and which have existed since
1947. They may be summarized as follows:

1. Statutory demands for public welfare and Indigent Soldiers' funds.
   These requirements, in which the County has no discretion, have tripled since 1945.
2. Increase in staff and equipment of county hospital, principally to put the new
   wing into operation.
3. Increase in coroner's budget, principally for vitally needed improvements at the
   morgue.
4. Increase in Public Library fund to cover increased services, in particular for out-
   lying portions of the County, and to provide a badly needed retirement program.
5. Increase in County salaries to bring them up to comparable levels in other
   employment.
6. Limited increases in some 25 other regular departments and services, caused by
   expanding population and high prices of supplies and equipment.

Since the defeat of the original Special Levy proposal, efforts of the County Com-
missioners to trim their budget within the bounds of the 6% limitation have been public-
ized in a highly dramatic vein, including proposals which would virtually wipe out the
county health department, the TB pavillion, County Farm Agent, Mosquito Control and
other important programs, and would prevent use of the new wing of the county hospital,
close the branch libraries, cripple the main library, and so on. While your committee is
fully convinced that many county services are bound to be seriously impaired by such a
drastic reduction in the budget, we have too high an opinion of the ability and intelligence of the County Commissioners to believe that they would allow the full force of the blow to fall on these extremely important outside activities of the County, while comparatively mild reductions were enforced on the various Court House offices and departments headed by the County's numerous elected officials.

Opinions may differ as to the minimum amount of additional revenue necessary to finance an adequate program of services, economically administered. Again your committee must emphasize its dilemma, in that the budget proposals are submitted so late as to preclude any real analysis or any possibility of revision before final tax proposals are placed on the ballot. We are actually asked to recommend a vote for the proposal as it appears on the ballot, or a vote against it. But we have no opportunity to make effective criticism of the measures placed before the voters while there is still time to change them or improve them. Your committee feels very strongly that the City Club should interest itself in the study and constructive criticism of County and other local governmental budgets while they are being prepared and are still subject to change, and before tax levies are made on the basis of completed budgets.

Welfare Demands Crux of Problem

Your committee desires again to call attention to the high percentage of mandatory items in the County Budget, amounting to some 38% of the total budget. Public welfare and the indigent soldiers' fund comprise the bulk of these mandatory levies, and make up about 33% of the total County Budget. Our previous report stated "It is the hope of the County Commissioners that the Welfare and Indigent Soldiers' Funds will be taken out of the 6% limitation by constitutional amendment." It is significant that the amount of the proposed levy, 4.5 mills, is identical with the statutory requirement for Public Welfare. Thus passage of the special levy will, in effect, remove Public Welfare financing in Multnomah County from within the 6% limitation for the next 5 years, and enable the County to make use of its full taxing powers within the 6% limitation to finance its regular services.

Argument Against Proposed Special Levy

No organized groups have come out in opposition to the special levy, either in May or at the present time. But the vote in the May 19 election is ample evidence of widespread opposition to the imposition of any increased taxes, except for schools.

Certain specific disadvantages of the present proposal have been brought to the attention of your committee in the course of its investigations. First, the present proposal asks for more than the present budget requires, and continues this apparently excessive authorization for 5 years; the voters will have no further voice in the matter during this period, but must rely on the wisdom and good faith of the County Commissioners to keep actual levies under this authorization to the lowest possible figures. Second, passage of this special levy will in effect "solve" the problem of Public Welfare financing in Multnomah County, and will relieve the Legislature of any immediate pressure for action to reach a permanent solution to the problem.

Arguments for the Proposed Special Levy

Most compelling argument now, as in the May election, is the real need of the County for additional revenues, over and above those available within the 6% limitation. There is no question in the minds of your committee that the need is genuine and urgent, as outlined under the heading Why Special Levy Is Needed.

Other arguments in favor of the proposal are that it will tend to stabilize County finances over a five-year period, save the cost of additional elections, stabilize the tenure of County employes and thereby improve their morale and efficiency.

Conclusions

Although your committee finds many aspects of the proposed special levy open to criticism as outlined in this report, we find that the damage which would result from the drastic curtailment of needed county services following the defeat of the measure would be much more serious than any of the apparent weaknesses in the proposed levy. We therefore conclude that the welfare of the County will best be served by the passage of the special levy.
Recommendation on Levy

1. Your committee recommends that the City Club go on record as favoring an affirmative vote on the special levy.

Further Recommendations

1. Your committee further recommends that the County and other principal local governmental units make their budgets available for study well before any tax levies are determined and that the Board of Governors of the City Club annually appoint committees to review these budgets.

2. Your committee further recommends to the Board of Governors, as mentioned in our previous report, that a committee be authorized to make a complete study of the financing of Public Welfare in this community, including the possible removal of welfare financing from the 6% limitation, and the possible transfer of the duty of raising welfare funds to the body which has complete control over their expenditures—namely, the State Public Welfare Commission.

Respectfully submitted,

HAROLD CAKE
MAURICE SUSSMAN
GEORGE WHITTIER
ROBERT T. PLATT, Chairman

Approved June 30, 1950 by George Friede, Section Chairman, Legislation and Elections, for transmittal to the Board of Governors. Received by the Board of Governors June 30, 1950 and ordered printed and submitted to the membership for discussion and action.