



COUNCIL RESOLUTION NO. 5024

**A RESOLUTION AMENDING RESOLUTION NO. 5023
CALLING A CITY ELECTION ON MAY 17, 2011, ON A
TEMPORARY CITY INCOME TAX TO RAISE FUNDS
FOR LOCAL SCHOOLS.**

PASSED: 6:2

REJECTED:

**OPPOSED:
George Poling, Mike Clark**

ABSENT:

CONSIDERED: February 22, 2011

RESOLUTION NO. 5024

A RESOLUTION AMENDING RESOLUTION NO. 5023 CALLING A CITY ELECTION ON MAY 17, 2011, ON A TEMPORARY CITY INCOME TAX TO RAISE FUNDS FOR LOCAL SCHOOLS.

The City Council of the City of Eugene finds as follows:

A. Due to the extent of the budget shortfall facing the Eugene and Bethel School Districts, the schools districts are preparing to close schools, increase class size, and implement more teacher furlough days. Concerned citizens have been discussing the need to find new revenue sources in order to alleviate the damaging impacts that the school budget deficit will create.

B. Many community members have recommended that a temporary personal income tax be imposed to help fund Eugene schools so that instructional furlough days can be reduced or eliminated, and class size can be reduced.

C. The City Council recognizes the importance of a strong education system and finds that the electors of the City of Eugene should be given the opportunity to decide whether to implement a school funding tax measure.

D. Based on the information that the Council has available as of the date of this resolution, it is estimated that the graduated tax described in Section 2 of this Resolution will raise approximately \$16.8 million annually for schools.

E. On February 14, 2011, the Council passed Resolution No. 5023 to refer to Eugene voters a proposed local income tax to raise funds for schools. Section 2 of that Resolution identified who had to pay the tax and what the tax rates would be. The Council has decided that the tax brackets and tax rates contained in section 2 should be modified. This resolution therefore amends and replaces Resolution No. 5023.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. A City election is called for the purpose of referring to the legal electors of the City of Eugene a measure authorizing the implementation of a personal income tax on the residents of the City of Eugene, in order to raise school funding for use by Eugene and Bethel School Districts to reduce or eliminate instructional furlough days and to reduce class size, and

to pay the debt service and other costs of any borrowing to implement the tax or achieve the desired outcomes.

Section 2. The tax shall consist of a graduated tax of: (a) 0.35% if joint Oregon Taxable Income is between \$22,001 and \$35,000; (b) 0.47% if joint Oregon Taxable Income is between \$35,001 and \$50,000; (c) 0.75% if joint Oregon Taxable Income is between \$50,001 and \$75,000; and (d) 1.20% if joint Oregon Taxable Income is more than \$75,000. If joint Oregon Taxable Income is \$22,000 or less, then the taxpayer is exempt from this tax. The tax shall be collected annually on income earned between January 1, 2011 and December 31, 2014.

Section 3. If necessary in order to have the Oregon Department of Revenue or another governmental entity collect the tax for the City, then the specifics contained in Section 2 of this Resolution may be adjusted by Council resolution. In addition, the Council shall, by resolution, reduce or suspend the tax if the State either (a) increases state funding of the districts to the point that additional local revenues are no longer needed to restore instructional furlough days or prevent average class size from increasing, or (b) requires that the local income tax revenues decrease the amount of state funding for the districts.

Section 4. Funds generated by the tax shall be split between the two school districts based on the number of Eugene residents enrolled in each district. Before any funds are split between school districts, funds shall first be distributed to cover the costs of implementation of the tax measure.

Section 5. The school districts must provide a report to the City Council describing how the income tax revenues were spent. In addition, the school districts must establish a review panel, similar in nature to the Citizen Street Repair Review Panel, comprised of four members appointed by the Bethel School District, four members appointed by the Eugene School District, and four members appointed by the Mayor, two of whom should be business representatives and two of whom opposed the measure. The first report from the school districts and the review panel will be due by December 31, 2012 for the 2011 tax year. The reports must be completed annually and are a condition of continuing to receive the funds.

Section 6. Except for the actions described in Section 3 of this resolution which will be accomplished by adoption of one or more additional Council resolutions, the details of the income tax shall be adopted by Council ordinance.

Section 7. The City Council orders this City election be held in the City of Eugene, Oregon, concurrently with the primary election on the 17th day of May, 2011, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 8 The City Recorder is directed to give not less than ten days' notice of the City election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 9. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the 22nd day of February, 2011.



Deputy City Recorder