

ORDINANCE No. 188859 As Amended

Amend the Arts Education and Access Income Tax to end administrative cost limitation, place cost limitation under City Council oversight and direct the Revenue Division to work with the Arts Education and Access Fund Citizen Oversight Committee to increase the poverty level exemption. (Ordinance; amend Code Section 5.73.090)

The City of Portland ordains:

Section 1. The Council finds:

1. The Council adopted Resolution No. 37214 on June 16, 2016, directing the Revenue Division to provide the City Council with options for a permanent solution to the issue of exceeding the five-percent (5%) Arts Education and Access Income Tax (Arts Tax) cost limitation.
2. The five-percent cost limitation was approved by voters as part of Ballot Measure 26-146 passed on November 6, 2012.
3. The five-percent cost limitation was intended to ensure that not less than 95 cents of every dollar collected would flow to art and music teachers and arts organizations.
4. The five-percent cost limitation prevents the Revenue Division from maximizing revenue from the Arts Tax.
5. The cost limitation creates a situation where non-compliant taxpayers are not held accountable because the Revenue Division cannot continue collection activities once the cap is reached.
6. The Revenue Division and the Arts Education and Access Fund Citizen Oversight Committee (AOC), the independent citizen oversight committee charged with reviewing the expenditures, progress, and outcomes of the Arts Tax, recommend ending the cost limitation because it prevents the Division from maximizing revenues.
7. The Council will retain direct oversight of Arts Tax spending through the City of Portland's annual budget process. The AOC will continue to report annually to the City Council about the outcomes and effectiveness of the Arts Tax, including the cost to collect the tax.

NOW, THEREFORE, the Council directs:

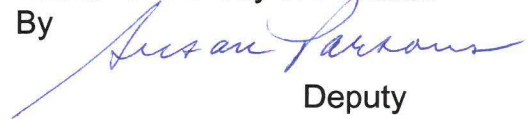
- a. City Code Chapter 5.73 is amended as shown in EXHIBIT A.
- b. The Council directs the Revenue Division to work with the AOC to recommend an increase of at least but not limited to twice the current poverty level exemption to make the tax more equitable and bring recommendations for implementation back to City Council by September 1, 2018.

Passed by the Council: MAR 14 2018

Mayor Ted Wheeler
Prepared by: Thomas Lannom
Date Prepared: February 9, 2018

Mary Hull Caballero
Auditor of the City of Portland

By



Deputy

Agenda No.
ORDINANCE NO. 188859 As Amended
 Title

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<p>INTRODUCED BY Commissioner/Auditor: <u>Eudaly</u> Mayor Wheeler/ <u>Fish</u></p>	CLERK USE: DATE FILED <u>FEB 27 2018</u>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler <u>VC</u></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <u>SJS/INF</u></p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly <u>COE</u></p>	<p align="center">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u>[Signature]</u> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: OMF/BRFS, Revenue CAO: Tom Rinehart <u>TR</u> CFO, Bureau Head: Jennifer Cooperman Division Head: Thomas W. Lannom <u>[Signature]</u></p>	<p>ACTION TAKEN:</p> <p align="right">As Amended</p> <p align="center">MAR 08 2018 PASSED TO SECOND READING MAR 15 2018 2 P.M.</p>
<p>Prepared by: Thomas Lannom Date Prepared: February 9, 2018</p>	
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document</p> <p>If "Yes" requires City Policy paragraph stated in document.</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances <u>Toni</u></p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <u>KAnn</u></p>	
<p>Council Meeting Date <u>March 7</u> February 28, 2018</p>	

AGENDA

TIME CERTAIN

Start time: _____

Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR

Total amount of time needed: 20 minutes
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	_____	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	