

## IMPACT STATEMENT

**Legislation title:** Amend City Code related to the administration of the Portland Clean Energy Community Benefits Initiative (Ordinance; amend Code Chapter 7.02, and amend Code Chapter 7.07)

**Contact name:** Thomas Lannom, Revenue Division Director

**Contact phone:** 3-5154

**Presenter name:** Thomas Lannom

**Purpose of proposed legislation and background information:**

At the November 6, 2018 general election, Portland voters approved Ballot Measure 26-201 (“the Measure”), the Portland Clean Energy Community Benefits Initiative (hereafter “Clean Energy Surcharge” or “CES”), which imposes a 1% surcharge on the retail sales within Portland of certain Large Retailers. The CES amended City Code to require Portland retailers with total annual retail revenue over \$1 billion and Portland annual retail revenue over \$500,000 to pay a 1% surcharge on gross revenue from Retail Sales within Portland. The CES is effective for tax years beginning on or after January 1, 2019.

City Council voted on and approved Ordinance No. 189389 adopting the Measure on February 21, 2019. After the passing of the Ordinance, stakeholders and City officials met to discuss changes to the Measure. This legislation addresses the changes discussed between these parties with amendments to PCC 7.02. This legislation also includes another section to the non-tax portions of the Measure in PCC 7.07 that was passed by voters and not included in the creation of this Chapter, as well as another change to the timeframe of the 5% administration cost cap grace period.

**Financial and budgetary impacts:**

The Revenue Division originally estimated annual tax receipts of \$54 million to \$71 million. With the changes in the amendment to PCC 7.02, the estimates of annual tax receipts have reduced to \$44 million to \$61 million. There are no other material changes to the previous financial and budgetary impacts.

**Community impacts and community involvement:**

The proposed Code amendments were from a workgroup of Portland Clean Energy Fund stakeholders and City officials.

**100% Renewable Goal:**

The legislation has no direct impacts on this goal. However, the successful administration of this new program will be key in supporting the clean energy programs that it funds.

### Budgetary Impact Worksheet

**Does this action change appropriations?**

**YES:** Please complete the information below.

**NO:** Skip this section

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>