

Portland, Oregon

**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Terri Williams		2. Telephone No. 5-2469	3. Bureau/Office/Dept. Revenue
4a. To be filed (hearing date): 11/28/2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 11/15/2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Amend the Business License Law to increase the Owners Compensation Deduction maximum for the 2013 tax year. (Ordinance; amend Code Section 7.02.600)

2) Purpose of the Proposed Legislation:

On January 18, 2007, City Council passed Resolution #36473 expressing a desire to increase the Owners Compensation Deduction as revenue neutral means are identified. An increase in the Owners Compensation Deduction can now be paid for with the increase in ongoing City revenues as a result of the one-time amnesty program offered by the City of Portland through the Revenue Bureau during May, June and July, 2012. Ongoing amnesty revenues will allow the City to increase the Owner's Compensation Deduction by \$2,000 for the 2013 tax year to a maximum deduction of \$90,500 per owner.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- City-wide/Regional Northeast Northwest North
- Central Northeast Southeast Southwest East
- Central City

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This code changes reduces business license tax revenues beginning in the 2013 tax year by the same amount that the ongoing amnesty revenues increases revenues. Therefore, between these two actions, there is no net increase or decrease to revenues.

5) **Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

There are no additional expenses that will be incurred as a result of this code change.

6) **Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) **Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

Public Involvement on this issue took place in 2006 and 2007 and was formalized in Resolution #36473, passed by City Council on January 18, 2007.

9) If “YES,” please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary for this item as this takes a small step toward meeting business community expectations and Council’s intentions established in 2007.

Thomas W. Lannom

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer

185781

Revenue Bureau
Thomas W. Lannom, Director
111 SW Columbia St., Suite 600
Portland, OR 97201
(503) 823-6881

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: November 19, 2012
TO: Mayor Sam Adams
FROM: Thomas Lannom, Revenue Bureau Director

RE: ORDINANCE TITLE Amend the Business License Law to increase the Owners Compensation Deduction maximum for the 2013 tax year. (Ordinance; amend Code Section 7.02.600)

1. **INTENDED THURSDAY FILING DATE:** 11-19-2012
2. **REQUESTED COUNCIL AGENDA DATE** 11-28-2012
3. **CONTACT NAME & NUMBER:** Terri Williams x52469
4. **PLACE ON:** ___ CONSENT X REGULAR
5. **BUDGET IMPACT STATEMENT ATTACHED:** x Y ___ N ___ N/A
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ___ Yes ___ No X N/A

7. BACKGROUND/ANALYSIS

On January 18, 2007, City Council passed Resolution #36473 expressing a desire to increase the Owners Compensation Deduction as revenue neutral means are identified. An increase in the Owners Compensation Deduction can now be paid for with the increase in ongoing City revenues as a result of the one-time amnesty program offered by the City of Portland through the Revenue Bureau during May, June and July, 2012. On-going amnesty revenues will allow the City to increase the Owner's Compensation Deduction by \$2,000 for the 2013 tax year to a maximum deduction of \$90,500 per owner.

8. FINANCIAL IMPACT

The increase the owner's compensation deduction will directly offset the increased ongoing amnesty revenues, resulting in no revenue impact to the general fund.

9. RECOMMENDATION/ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed to allow for the increased owner's compensation deduction for the 2013 tax year. Doing so allows City Council to support the business community by following through, in part, with the resolution passed in 2007.