

ORDINANCE No. 185827

*Amend items related to the administration of the Arts Education and Access Income Tax.
(Ordinance; amend Code Chapter 5.73)

The City of Portland ordains:

Section 1. The Council finds:

1. The Arts Education and Access Income Tax was approved by Portland voters in the November 6, 2012 general election (Ballot Measure 26-146). Upon passage by voters, the Portland City Code changes in Resolution 36939, including section 5.73 (Arts Education and Access Income Tax), were put into effect.
2. The City of Portland Revenue Bureau is responsible for collecting this new tax. In the implementation process, the Revenue Bureau determined that some additional provisions to section 5.73 were necessary to ensure that the tax is administered effectively. Also, a minor error in the residency definition was found after the passage of the original resolution.
3. In the administration of this tax, it is very important for the public to have confidence that the personal and financial information submitted to the Revenue Bureau will be confidential and secure. Confidentiality requirements (and related penalties) as well as penalties for unauthorized access to taxpayer information are strong safeguards in preventing breaches of confidentiality.
4. The Revenue Bureau, with its experience in administering other tax programs, has determined that penalties for false and frivolous filings are important compliance tools. With these tools, taxpayers are more likely to pay what they owe and administrative costs can be reduced.

NOW, THEREFORE, the Council directs:

- a. Amend Portland City Code 5.73.010 F. 2. as follows:

An individual who is not domiciled in ~~this state~~ the City but maintains a permanent place of abode in ~~this state~~ the City and spends in the aggregate more than 200 days of the taxable year in the City unless the individual proves that the individual is in the City only for a temporary or transitory purpose. For purposes of this subsection, a fraction of a calendar day shall be counted as a whole day.

- b. Amend Portland City Code 5.73.050 as follows:

The City will appoint a citizen oversight committee that is representative of the City's diverse communities to ensure the Arts Education and Access Fund is being implemented as required, to review expenditures made and to report their findings

in a public record to the City Council on an annual basis. The committee shall be comprised of a minimum of ~~five~~ ten and a maximum of ~~ten~~ twenty members, including, if possible, a member of the Tax Supervising and Conservation Commission.

- c. Amend Portland City Code 5.73 by adding the following:

5.73.100 Confidentiality

It is unlawful for any City employee, agent or elected official, or for any person who has acquired financial information pursuant to Chapter 5.73 or the Bureau's administrative rules to divulge, release or make known in any manner any financial information submitted or disclosed to the City under the terms of the Arts Education and Access Income Tax, unless otherwise required by law. This Section does not prohibit:

A. Disclosure to the taxfiler or authorized representative of the taxfiler;

B. Disclosure of the names and addresses of any persons that paid the Tax;

C. Disclosure of general statistics in a form which would prevent the identification of financial information regarding an individual taxfiler;

D. Disclosure to the City Attorney's Office to obtain payment on unpaid accounts or to receive legal advice; or

E. Disclosure to an outside collection agency for collection of any unpaid account balance receivable. Assignment to an outside collection agency permits the Bureau to collect a reasonable collection fee, above and beyond any amount otherwise owed to the Bureau;

F. Disclosure as otherwise required by law.

5.73.110 Frivolous Filing, False Filing and Hacking

A. A \$250 penalty will be assessed if a taxfiler takes a "frivolous position" in respect to preparing the taxfiler's tax return. A tax return is considered frivolous if a taxfiler does not provide information on which the substantial correctness of the self-assessment may be judged or if the tax return contains information that on its face indicates that the self-assessment is substantially incorrect. Examples of "frivolous positions" as provided in Oregon Administrative Rule 150-316.992(5)(2) are hereby adopted by direct reference.

B. A \$250 penalty will be assessed if a taxfiler willfully makes or provides false statements related to their tax return filing.

C. The provisions of PCC 7.02.850 regarding Hacking apply.

Section 2. The Council declares that an emergency exists to permit the Revenue Bureau to continue its work on the implementation and administration of the Arts Education and Access Income Tax; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

DEC 19 2012

Passed by the Council:

Mayor Adams

Prepared by: Thomas W. Lannom

Date Prepared: December 7, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland

By



Deputy

188827

Agenda No. **185827**
ORDINANCE NO.
Title

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INTRODUCED BY Commissioner/Auditor: Mayor Adams	CLERK USE: DATE FILED <u>DEC 14 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL CAO: Jack D. Graham Bureau: Revenue Bureau Bureau Head: Thomas W. Lannom <u>[Signature]</u>	ACTION TAKEN:
Prepared by: Scott Karter Date Prepared: December 7, 2012	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date December 19, 2012	
✓ City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <u>[Signature]</u>	

✓ DBZ

AGENDA

TIME CERTAIN
Start time: _____

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

CONSENT

REGULAR
Total amount of time needed: 15 min
(for presentation, testimony and discussion) at 14

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