

The Oregonian

Portland's arts tax: Many taxpayers didn't comply in year one, but city not using collection agencies -- yet

By Andrew Theen

In the rush to file federal tax returns before the April 15 deadline, Portland's revenue officials have a gentle reminder: send \$35 their way as soon as possible.

Yes, the Arts Education and Access Income Tax, better known as the Arts Tax, is still around, and Portland's Revenue Bureau Director Thomas Lannom said it's time to pay up.

Voters approved the \$35 annual income tax in November 2012. The measure funds and supports Portland area elementary school arts and music programs as well as nonprofit organizations.

City officials are deploying a full-court-press this year with the goal of increasing compliance in year two of the beleaguered tax program, which was beset by problems in its first year: technical issues, failed lawsuit attempts and slight tweaks to the income requirements approved by City Council.

Chances are a reminder sent through snail mail reached your mailbox sometime in the past week. Email updates are next. Once, or if, Portlanders pay up, a social media button urges taxpayers to "spread the word and encourage others to file."

"Obviously we're interested in using whatever means necessary to get people to pay," Lannom said, in reference to the social media component.

"The good news," Lannom said, is coming next year. Third-party tax software vendors, such as TurboTax, will allow users to pay the tax through their software as they would for both state and federal income taxes, saving folks the extra step of seeking out the city's system. That, he said, makes paying the tax "much easier" for residents.

Revenue officials heard good news earlier this month when the City Council signed off on a \$295,000 request through Mayor Charlie Hales' \$1 million innovation funding program. That plan calls for a establishing a taxpayer exchange between the Internal Revenue Service and the city, to help crack down on delinquent taxpayers.

Terri Williams, deputy director of the Revenue Bureau, said the innovation project could ultimately improve compliance with the arts tax, while also making the process easier for taxpayers.

So how did Portland do in the tax's first year?

Before voters approved the new tax, city leaders set \$12 million as the expected annual revenue goal.

In year one, the tax generated \$7.8 million, and nearly \$1 million of that went to administer the new program.

As of this week, 145,594 Portlanders -- or more than one-third of required taxpayers -- still haven't paid the mandatory tax.

Lannom and other city officials are quick to note that no taxing agency generates a 100 percent compliance rate. Portland expected lower turnout in year one than in subsequent years.

Of the almost \$1 million that didn't go to schools or other arts programs, \$589,085, went to one-time start up costs. City officials estimate they'll spend \$377,157 in ongoing administrative costs each year. That should keep the program in line with what voters who approved the tax were promised: that overhead would be limited to 5 percent or less of gross revenue over a five-year period.

The agencies on the receiving end of the tax revenue, largely schools, are already putting the money to use:

"We are very appreciative," said Christine Miles, Portland Public Schools spokeswoman.

PPS is the largest recipient under the city's system, which allocates cash to schools based on a ratio of one teacher for every 500 K-5 students. PPS received \$4.5 million in the first year, Miles said. That helped pay for 45.5 arts, music or dance positions at elementary schools.

"It's just nice to walk into a school and see art," Miles said.

David Douglas School District received \$965,117, paying for nearly 10 elementary music positions. Of that total, \$17,861 went to Arthur Academy charter school in the David Douglas district.

Centennial School District collected \$540,730.52, enough to partially fund music positions at seven elementary schools.

The Regional Arts & Culture Council received \$200,000 and dispersed its money to a host of organizations that included the Portland Opera, Oregon Ballet Theater, and Oregon Symphony Association. RACC officials said they expect to receive \$3 million per year once more people start paying. RACC receives both private and public funding and distributes grants to local nonprofits, schools and organizations that support the arts.

The Parkrose School District took in \$294,253.56, Reynolds School District received \$357,942.03, and Riverdale School District hauled in \$40,428.91 respectively.

Lannom said he wanted to correct some recent media reports, which noted that the city would refer tax delinquents to collections agencies.

"That's just not the case," he said.

Portland is likely years away from such action, Lannom said. Even then, Portland wouldn't refer tax delinquents to collections unless they had several years of unpaid taxes and hundreds of dollars in fines, he said.

Residents who don't pay the tax face an escalator of penalties: after April 15, the penalty is \$15, but that rises to \$35 after October 15, according to the city's website.

The Portland Tribune

City of Portland reaches tentative agreement with trade unions

By Pamplin Media Group

After 400 days of negotiations, the City of Portland and the District Council of Trade Unions have reached a tentative agreement on a new, four-year contract. The agreement was reached at 11:45 p.m. Thursday.

"These were difficult, hard-fought negotiations, no doubt about it," Mayor Charlie Hales said. "But they show that people of good faith and intention can join together to reach an agreement that is fair and equitable for our city employees and all Portland residents."

DCTU Chief Spokesperson Rob Wheaton echoed the mayor's comments.

"This has been, without a doubt, the most difficult set of negotiations I have ever been through," said Wheaton. "The DCTU appreciates the leadership of the mayor and his role in making an agreement possible."

The council, or DCTU, is a coalition of seven unions that operate jointly in bargaining with the city. Affiliate unions are AFSCME Local 189, Laborers' Local 483, IBEW Local 48, Machinists Lodge 24, Operating Engineers 701, Plumbers and Pipefitters 290, and Painters and Allied Trades Council 5.

An earlier tentative agreement, reached by union leadership in January, was rejected in a membership vote. The contract negotiations began again and ended this week.

This new tentative agreement now faces a membership vote, as well as a vote of the Portland City Council.

The DCTU contract is the City of Portland's largest labor agreement, bringing together more than 1,600 workers. From delivering clean water and maintaining city sewers, to taking care of parks and responding to weather emergencies, DCTU members are involved in virtually every aspect of city government and work around the clock to keep Portland working.

Willamette Week

Strike By City Workers Averted with Tentative Contract Deal

By Aaron Mesh

The City of Portland has reached a tentative contract deal with 1,600 city workers—again. The deal for a four-year contract comes three days before the workers—ranging from parking enforcement officers to the street-maintenance crews who plow the roads after snowstorms—were authorized to go on strike.

The agreement (PDF here) between the city and the District Council of Trade Unions was reached near midnight Thursday. It was announced on the website of Laborers Local 88—one of seven unions represented by DCTU—and first reported this afternoon by The Oregonian.

"We expect ballots to go out to members next week, and they will make the final decision whether to ratify," Erica Askin, business manager for Laborers Local 88, tells WW.

They've said no before.

Members of the DCTU voted Feb. 10 to reject a new contract with the city, repudiating the bargain reached by city officials and union leadership after more than a year of negotiations. The hang-up:

Workers are adamantly opposed to the city contracting out part-time work.

On March 21, the majority of DCTU members voted to authorize a strike.

WW examined the roots of the workers' rebellion in a story last month.

UPDATE, 3:20 pm: Mayor Charlie Hales' office has issued a statement celebrating the tentative deal.

These were difficult, hard-fought negotiations, no doubt about it," Hales says in the statement. "But they show that people of good faith and intention can join together to reach an agreement that is fair and equitable for our city employees and all Portland residents."