

The Oregonian

Recreational marijuana tax could mean up to \$4 million annually for city: Portland City Hall Roundup

*By Andrew Theen
October 15, 2014*

The Portland City Council is expected to move forward with a proposed 10 percent tax on recreational marijuana, while ditching a second option that would also tax medical marijuana, according to a city hall official.

On Wednesday, the City Council will discuss the proposed 10 percent tax on recreational pot, which could generate between \$1.7 million and \$4 million annually in new revenue. That estimate is intentionally conservative and based on revenue and sales forecasts generated by state officials

City Council members will continue a discussion started last week during a two-hour work session on whether Portland should join 17 other Oregon cities in preemptively taxing marijuana.

According to city documents, legal recreational marijuana is an "if, not when" type situation in Portland. Oregon voters will decide in the next two weeks whether to follow Washington and Colorado in legalizing marijuana for recreational use.

The \$4 million estimate doesn't include the costs of administering the proposed tax. Portland projects one-time setup costs of \$150,000 to administer the tax, plus an additional \$280,000 in annual expenses.

Measure 91, the statewide ballot measure to legalize pot, already includes a tax on the drug, with revenue going primarily to schools and public safety.

Cities like Portland will likely receive a small slice of the marijuana pie despite having to regulate the industry. That dynamic is one of the driving forces behind the 17 cities that predated Portland in establishing taxes.

Measure supporters say cities are jumping the gun by enacting additional taxes, a tactic that hope would allow the taxes to be grandfathered in. Ballot language explicitly forbids new taxes after the measure is approved.

At the marijuana work session, Commissioner Amanda Fritz expressed concern in the second proposal that would tax medical marijuana recipients 5 percent for their medicine.

That concern was echoed in other City Hall offices, according to an official in Mayor Charlie Hales' office. If Portland were to tax recreational pot as well, the revenue estimate would range from \$2.5 million to \$5.8 million.

Portland wants to prevent "diversion" of recreational marijuana customers to the medical program if the price difference is too much.

The city will likely lobby state lawmakers to further tighten up regulations of the medical program to prevent customers from vying for a lower cost alternative.

Portland's proposed tax would go before the City Council for a vote next week. Election night is Nov. 4.

Portland settles union dispute, park rangers won't have to issue tickets in Washington Park

*By Andrew Theen
October 15, 2014*

Portland's parks rangers, the nearly two dozen full and part-time workers who serve as friendly faces and ambassadors for the city's park system, can soon drop one of their more unpopular job duties: issuing parking tickets.

Parking scofflaws aren't off the hook, however, as tickets will continue -- but rangers won't be the ones delivering the bad news.

Washington Park's parking meters came online in January, and park rangers were tasked with issuing parking tickets throughout the 400-acre park. It wasn't a popular policy decision among the recently unionized park ranger work force, which argued issuing tickets didn't fit with their job description.

It also didn't sit well with AFSCME Local 189, the union that represents the city's 51 existing parking code enforcement officers. Parking code officers are paid a base rate of \$24.94 per hour, while rangers' compensation starts at \$16.96 per hour for full time staffers.

In 2013, ahead of the parking meters coming online, AFSCME challenged the city's plans to have the park rangers issue tickets. In late September, the city settled the union dispute in advance of an arbitration scheduled for Oct. 15.

As part of the settlement, the city agreed to add 1.5 full time parking code enforcement positions to strictly patrol the Washington Park lots.

Rob Wheaton, AFSCME spokesman, said the union withdrew its grievance after the city offered to settle the issue, saying the bargaining body achieved its goal.

The new parking code enforcement officers will be the first such positions outside of the transportation bureau.

Mark Ross, parks bureau spokesman, said the city must create the positions by Nov. 1. Soon they [the rangers] will be able to focus their time solely on park patrols and ambassadorship once the new parking officers are screened, hired and fully trained," Ross said in an email.

Parking at Washington Park recently dropped to the off-season rate of \$4 per day. During the summer months, parking jumps to \$6.40 for a daily pass.

According to Ross, Portland collected \$1.735 million in revenue through September, which is on target for the estimated annual projection of \$2 million. The city uses the money to pay for infrastructure improvements in the park, as well as fund the nonprofit transportation management association that was created to plan for future access at the popular landmark.

Park rangers issued \$62,000 in parking citations in 2014 so far.

Portland street fee still has a few potholes to fill: Editorial Agenda 2014

*By The Oregonian Editorial Board
October 14, 2014*

At the end of an almost two-hour Portland City Council work session Monday, Commissioner Steve Novick gave a telling summation of the process the city has gone through to try to devise a new revenue stream to pay for road maintenance.

The city started by looking at what 28 other municipalities had done and presented a somewhat similar proposal. Homeowners would pay one of two monthly rates, the highest being \$11.56. Apartment complexes would pay per-unit rates and businesses would pay based on vehicle trips and square footage. Not surprisingly, many people found fault in that approach. It was too regressive, said some. It was unfair to businesses, said others. So, Novick said, the city "Portlandized" it. Novick credited Mayor Charlie Hales for coining the term and didn't offer a precise definition, but from comments at the work session and past city practices, it seems to be something like this:

Portlandize: To address a basic problem with a complex process, featuring multiple task forces, emphasizing equity and requiring several dozen PowerPoint slides to explain.

Perhaps some tasks, say international peace treaties, do require such a complicated process. But repairing potholes should be easier than achieving world peace. And the city will have a better chance of success if it can focus on the primary goal: getting deteriorating roads up to standard. There are signs that "Portlandizing" the process is leading City Council in the wrong direction.

The city has received input from three groups – an overall advisory committee, a business workgroup and a nonprofit/low-income workgroup – but still has several questions left to answer. Among the questions: Who should pay how much? How does the city pay for the startup costs? Should the measure go before voters? At the least, should the tax have a sunset date? And, exactly how should the money be spent?

One important warning flare comes from the spending proposal. Too little money is designated for maintenance. A six-year spending schedule calls for allocating only 42 percent of a projected \$173.8 million in net revenue on paving. Fifty-three percent would go toward maintenance after adding repairs to bridges, signals, signs and street lights. The remaining 47 percent would be spent on sidewalks, crossings, bike lanes, neighborhood greenways and other safety-related improvements.

The spending proposals reflect another element of Portlandization: Use a basic need to solicit support for a tax or fee, then divert some of the money to "extras" that the city has been unable or unwilling to fund from its existing budget. Quite a few of the projects on the safety list have value. Some – more sidewalks on routes heavily used by school children – should be considered essential. But this discussion started because half of the city's existing streets fell into poor or very poor condition as the city put a low priority on maintenance, according to a city audit. So the new proposal is to devote 6 percent more money to maintenance than to other improvements? That hardly sounds like making maintenance a high priority.

Commissioner Amanda Fritz questioned some of the suggested business assessments, in particular wondering why medical and lodging were grouped together in the highest business-rate category. Her question makes sense if you look wholistically instead of just considering traffic. Health care is essential, so why tax providers at the highest rate? But this points to another flaw of Portlandization. No matter how complex you make a project and how many criteria you consider, it's all but impossible to treat everyone fairly.

One positive development from Monday's meeting was Hales' suggestion of a cap of about \$50 a month on individual payments. Setting the rates for individuals at different income levels likely will be as tricky as merging onto Interstate 405 during rush hour. Commissioners showed different preferences for income structures Monday, and the city is considering a cap as high as \$200 a month. Any assessment that high should not be disguised as a street fee. Call it what it is: a tax on wealth. And as long as the city's in the mood for honesty, it ought to acknowledge a fundamental problem that argues for a different mechanism entirely: Because the tax is linked to income, state and federal public pension income would be exempt entirely, as they are from the city's botched arts tax.

Hales said he would like to craft an ordinance for the council to consider within a couple weeks. That's ambitious, but it can be accomplished if the city will do something that's not very Portland-like. Instead of worrying about who benefits the most, council members need to remember the original goal: fixing the city's streets. And, by all means put a sunset date on the new tax. Better yet, let citizens vote before imposing it.

In a city that emphasizes equity and public process, can a project truly be Portlandized if only select groups get to participate in decision-making?

Willamette Week

Dr. Know: Why can't my Portland water bill be monthly instead of quarterly?

*By Marty Smith
October 15, 2014*

Can you explain why, unlike every other bill I pay, my city of Portland water bill can't manage to come in once a month? I'm going along, minding my own business, when, wham!, I'm blindsided by this quarterly, multihundred-dollar monstrosity. Is this fair? —Poorhouse Bound

It takes a very special sort of person, Bound, to be continually blindsided by an event that occurs, without fail, at precisely defined, regular intervals. I would have more withering commentary on this subject were I not such a person myself.

You know how it goes: The quarterly water/sewer bill shows up—ouch! But the next month, it doesn't come—hurray! I could get used to this. The third month, it doesn't come again, by which time it seems perfectly reasonable to conclude there is no such thing as a water bill. But then, the next month, it's back—who knew?

As Americans, you and I have a God-given right to be shielded from the consequences of our own stupidity—ideally, while loudly and incoherently insulting those doing the shielding.

Lucky for us, the Water Bureau has recently obliged with the monthly billing we demand. Instead of spending \$150 every three months on water and sewer, we can now spend \$50 each month—a huge savings!

Sure, Obama's common-core arithmetricksters might try to convince you it amounts to the same thing. But you and I know better—after all, one is \$50, the other is \$150. That's probably a difference of, like, 70 or 80 bucks!

For customers who use the bureau's e-billing option, monthly billing has actually been available since last October, though so far only about 10,000 households have taken advantage. The bureau says it should also have monthly billing for paper-bill customers by the end of the year. I'm buying a goat with the extra cash.

City Estimates Say Portland Could Net \$5.8 Million a Year Taxing Legal Weed

*By Aaron Mesh
October 15, 2014*

Portland officials estimate the city could raise \$1.7 to \$5.8 million a year by collecting a local sales tax on legal marijuana.

Those figures emerge as Portland City Council is expected to vote today on a plan to levy a 10 percent sales tax on legal recreational weed.

Mayor Charlie Hales' plan, first reported by WW in July, places Portland among dozens of Oregon cities hoping to pass a local tax before the November vote on Measure 91, which would legalize recreational pot. Measure 91 outlaws local taxes on dope, but cities are hoping to win a legal battle with the state and get their taxes grandfathered in.

Documents released by the city in advance of the vote show for the first time how much money the city's Revenue Bureau thinks is at stake.

Officials say a 10 percent tax on recreational pot could net between \$1.7 million and \$4 million a year. If the city also passes a 5 percent tax on medical marijuana, the annual revenue could rise to a range of \$2.5 to \$5.8 million a year.

The city's estimated cost of collecting the tax? Documents say it will cost \$150,000 to launch the collection, and \$280,000 a year to continue taxing pot.

City commissioners have been broadly supportive of taxing legal weed, but City Commissioner Amanda Fritz has said she'll oppose taxing medical marijuana.

Both versions will come before City Council at this morning's meeting.