

County survives with outmoded tax system

by Douglas Gantenbein
staff writer

Caught between what some people call the rock of fast growth and the hard place of inadequate financial base, Clackamas County is rapidly taking on the characteristics of a sleek sports car powered with a model T engine.

Although one of the state's fastest growing counties, and with inflation running at 10 to 12 percent annually, the county nonetheless must rely on cash resources that are either inadequate or unpredictable.

One source of revenue, property tax, is being rapidly outstripped by inflation due to Oregon's six percent annual increase limitation on property tax according to county spokesmen.

The other major source of money, timber sales, fluctuates widely depending on factors the county has no

control over.

In the case of property tax, Clackamas County keeps only a very small portion of what it collects.

What the public doesn't understand, says county staff assistant Don Williams, is that the county share of the property tax it collects is less than four percent. Most of it is redistributed back to various local taxing districts for such things as school and city programs.

In fact, just assessing the property taxes to be paid eats up more than half of the county's share, Williams said. The county this year will keep \$3,524,010 of the total tax levied, but more than \$1.3 million of that will go towards the assessor's office budget alone.

"In effect, it's a service the county provides to all the other taxing entities," said Williams of the property tax collection system.

Little sympathy seen for new tax base

People see their property tax being paid to the county and assume the county keeps all that money, Williams noted.

As a result, there is little sympathy for county attempts to improve their financial situation through increasing property taxes, Williams said. The last attempt to levy a tax outside the 6 percent limitation all state levies are bound by, in 1976, was defeated by a two to one margin.

Williams recalls one visit he made to an obscure grange house to pitch for that levy proposal.

"The first question was from a little old lady who said 'the community college is teaching belly dancing but you come out and tell us you need more money,'" he said. "I explained to her that the county has no control over the community college."

The next question was from a fellow who demanded to know why the Estacada police had bought new radios when the old ones were still serviceable.

"Again, I had to explain that the county has no control over local police departments," Williams said resignedly. The final margin of the levy vote indicated that these two voters, like many others, remained unconvinced of the county's need.

Growth doesn't spell money
Williams said that along with the misconception the county keeps most of the property tax is the notion that as the county grows the tax revenues increase.

"This is not true due to the 6 percent limitation," he said.

Because of the limitation, the county has a property tax ceiling above which it cannot go.

"Individual taxes go down but total tax dollars do not go up," Williams said.

The biggest single chunk of money in the county's own budget comes not from property taxes but from timber sales, usually referred to as Oregon and California timber revenues. Timber sale revenues, all of which go into the county's general fund, amount to over \$3.5 million annually.

But while a substantial sum of money, Williams points out that O and C revenues are by no means the pot at the end of the rainbow.



THE CLACKAMAS County Courthouse in Oregon City. Old and crowded, it needs replacing, but where is the money to come from? Strapped with a

shaky tax base, the county is unable to afford a new building and is hard pressed to keep up with many existing programs.

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In fact, Williams described them as a "roller coaster" source of revenue. Although the current year's timber income was higher than expected, the amount taken fluctuates from year to year depending on the harvest.

There is currently a fear that the recent drought will affect O and C revenues four or five years down the line. Another variable is the housing industry, which plays a strong role in setting the demand for timber.

One department's problems
The county's road fund, while not financed by O and C money, does rely heavily on timber sales from the Mt.

Hood National Forest, and Williams noted that its problem is typical of some of the pressures now facing the various county agencies.

Already operating under a budget structure that Public Works Director John McIntyre said "has never been adequate," the fund was dealt a blow recently by the closure of the Bull Run reserve to additional timber sales, reducing by one third the county's \$2.6 million share of Mt. Hood National Forest's timber revenues.

But those aren't the only financial woes facing the road department, according to county officials. Gas tax

funds, which make up another \$2.5 million of the road budget, have stopped rising due to the switch to economy cars that burn less gas.

At the same time asphalt, which is the county's main road material, has increased in cost from \$30 to \$80 per ton in just five years.

In 1975 the county could afford to resurface only 26 miles of its roads. At that rate it would take 56 years to resurface the county's 1,600 miles of roads, noted the county staff.

A local effect
Even money that is due the road fund is often funneled

off through bureaucratic fumbling, McIntyre said. Recently it was discovered that the state was crediting Multnomah County for drivers that actually lived in Clackamas County. Because of this state road funds that are awarded in proportion to a county's drivers were going to Multnomah County.

The result of this financial pressure can be felt locally. The Bull Run Bridge, a structure built from part of Portland's old Burnside Bridge, was recently closed to logging trucks. McIntyre estimated it would cost from \$600,000 to \$800,000 to replace.

"We just don't have the money," McIntyre added.

The state legislature also regularly contributes to the county's budget squeeze by mandating programs that the county ends up financing.

Most recently the legislature mandated the addition of a new circuit court judge for Clackamas County, and although the state will finance part of the \$120,000 structure there was no provision made to cover the increased maintenance and manpower costs to the county.

Also costing the county money was a state measure that eased restrictions on voter registration by mail or within 30 days of an election. The state made the rule, but county officials note that the state didn't offer to pay the increased manpower costs caused by the last minute registration rush.

The county's difficulty in financing state-mandated programs was one of the main reasons behind Clackamas County's lobbying effort to defeat last year's proposal to add two positions to the board of county commissioners. Don Williams said the additional commissioners would probably have cost the county over \$200,000 annually in salaries and office space.

Space crunch
Office space is becoming an increasingly critical factor as the county attempts to keep the lid on the needs of a mushrooming county of 200,000 souls with a courthouse built in 1936 for a quiet rural county of about 60,000. "We don't have the money for any kind of a building fund," Williams laments. "We're bursting at the seams but there's no way (to build) with the tax base we have."

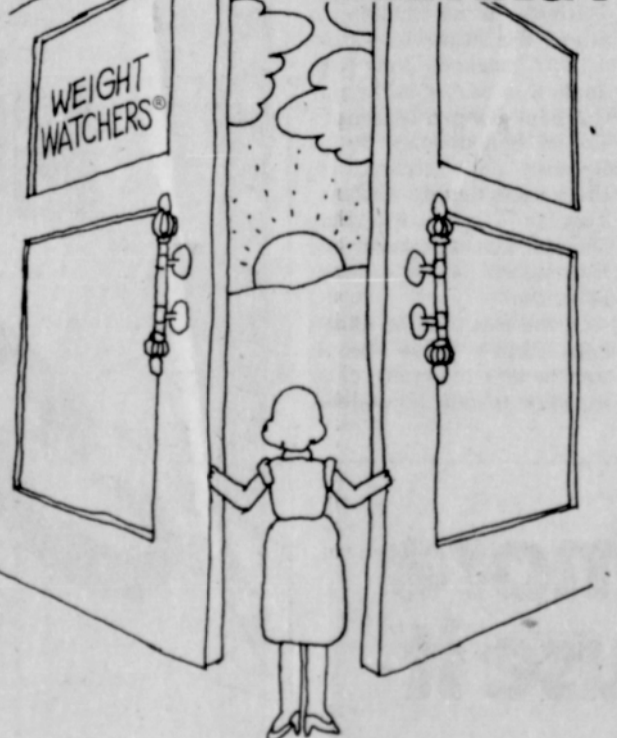
Faced with a demand for additional courtrooms and office space, Williams said that the county may try to pass a special bond measure to finance some construction but no definite plans have been made.

With the prospect of not getting anything more in the near future, Williams said that the county is trying to make do with what it has.

"We're making an honest attempt to look at our methods," he said. "One thing we're looking at is automated systems in the clerks' office to reduce the need for additional personnel and increase efficiency."

Other space, time and money saving ideas include work processing to "reduce the inherent verbiage of a bureaucracy, the use of part-time help for short term jobs or the use of outside contractors for some office work, thus saving on office

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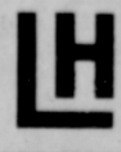
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