



League of Oregon Cities 2023-24 Legislative Priorities

1. *Infrastructure Financing and Resilience and Funding for Critical Infrastructure for Needed Housing*

Legislative Recommendation:

This priority combines the top-ranked issue of Infrastructure Finance and Resilience with Infrastructure Funding for Needed Housing, which was ranked in the third position by member cities. The LOC will advocate for an increase in the state's investment in key infrastructure funding sources, including, but not limited to, the Special Public Works Fund (SPWF), the Brownfield Redevelopment Fund, the Regionally Significant Industrial Site program, and set asides through the SPWF for seismic resilience planning and related infrastructure improvements to make Oregon water and wastewater systems more resilient. In addition, the LOC will advocate for funding of critical infrastructure that provides incentives for needed housing so there are more affordable housing options available.

Background:

Infrastructure Finance and Resilience – A key issue that most cities are facing is how to fund infrastructure improvements (to maintain current and to build new). Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. An LOC survey of cities in 2016 identified a need of \$7.6 billion over the next 20 years to cover water and wastewater infrastructure projects for the 120 responding cities. This indicates that a significant reinvestment in the Special Public Works Fund (SPWF) is needed to help meet the needs of local governments.

2. *Local Funding to Address Homelessness*

Legislative Recommendation:

The LOC will seek funding to support coordinated, local responses to addressing homelessness.

Background:

The LOC recognizes that to end homelessness, a statewide and community-based coordination approach to delivering services, housing, and programs is needed. Addressing homelessness will look different and involve different service provider partners from one city to the next, but one thing is consistent: addressing the crisis requires significant financial resources. While cities across Oregon have developed programs, expanded service efforts, built regional partnerships, and significantly invested both their local general fund and federal CARES Act and American Rescue Plan

Act dollars into programs to address the homelessness crisis in their respective communities, the crisis continues. The homelessness crisis exceeds each city's individual capacity – necessitating the need for meaningful fiscal support from the state.

3. *Address Measure 110 Shortcomings*

Legislative Recommendation:

Restore criminal justice incentives for seeking treatment for addiction while ensuring a path for expungement when a treatment program is completed successfully.

Background:

Oregon voters passed Measure 110 in 2020, which eliminated criminal sanctions for simple possession of most narcotic drugs and replaced them with a waivable \$100 ticket. A citation cannot be issued if a person seeks treatment by calling a treatment referral service. The measure also re-dedicated local marijuana revenue to harm reductions services. Those funds are now pooled and distributed by an oversight and accountability committee. Oregon's overdose deaths continue to increase, and funds that should have been distributed in January of 2021 have still not been delivered. Additionally, problems related to drug abuse such as property crime have increased.

4. *Economic Development Incentives*

Legislative Recommendation:

The LOC will support legislation to preserve and strengthen discretionary local economic development incentives, including the Enterprise Zone (EZ) Program, the Long Term Rural Enterprise Zone (LTREZ) Program and the Strategic Investment Program (SIP).

Background:

The EZ and LTREZ programs provide local governments the option to offer a temporary full exemption from property taxes for qualified new property of a business (3 to 5 years for the standard EZ, and 7 to 15 years for the rural EZ). The SIP program allows local governments to offer a 15-year partial exemption on the value of new property that exceeds a certain investment threshold (\$25 million to \$100 million depending on location and total project value). Recent studies by Business Oregon confirmed what city economic development professionals know: these incentive programs are crucial for Oregon to remain competitive nationally and show massive benefits to Oregon in terms of jobs, enhanced economic activity, and tax revenues. The EZ and LTREZ programs sunset in 2025 without action by the Legislature, and "gain share" provisions of the SIP program transferring a portion of income taxes resulting from qualified projects to local governments will sunset in 2026. The LOC will advocate for sunset extensions and for changes that will improve the programs, and advocate against any changes that will reduce local control or devalue the incentives.

5. Community Resiliency and Wildfire Planning

Legislative Recommendation:

The LOC will support investments for climate and wildfire resiliency planning, as well as infrastructure upgrades, to fill existing gaps and assist cities in planning for extreme weather events and wildfire.

Background:

Oregon communities are increasingly looking for help in planning for climate change impacts, including infrastructure upgrades, to handle extreme weather events. Cities of all sizes, especially small to mid-sized cities, need technical assistance and additional capacity to better plan for and recover from climate events and wildfire. Investments in infrastructure upgrades, repairs, and resiliency will: help rebuild communities; better ensure equity and access to critical services; protect public health and the environment; improve community resiliency; and promote economic recovery.

6. Transportation Safety Enhancement

Legislative Recommendation:

The LOC supports legislation that improves the overall safety of the statewide transportation network in local communities. The LOC will achieve this outcome by: expanding authority for establishing fixed photo radar to all cities, increasing flexibility for local speed setting authority; increasing investment in the “safe routes to schools” program; and expanding the “great streets” programs.

Background:

The city of Portland has demonstrated improved safety outcomes in neighborhoods through the addition of fixed photo radar along high-crash corridors. The LOC’s efforts to expand the use of fixed photo radar to additional cities failed during the 2021 session. (HB 2019) - High Crash Corridor for City of Unity) and (HB 2530) -Extending Fixed Photo Radar) were supported by the LOC, but lacked sufficient support from legislators to advance.

During the 2019 session, the LOC supported SB 558, which would have authorized a city to designate speed for a highway under the city’s jurisdiction that is 5 mph lower than statutory speed when the highway is in a residential district and not an arterial highway. During the 2021 session, passage of HB 3055 (Sect 81 (5)(g)) extended speed setting authority to highways within the jurisdictional boundaries of cities and Multnomah & Clackamas counties.

7. Full Funding and Alignment for State Land Use Initiatives

Legislative Recommendation:

The LOC will support legislation to streamline and fully fund local implementation of any recently adopted or proposed state land use planning requirements, including administrative rulemaking.

Background:

Recent legislation and executive orders have made significant changes to the state's land use planning process, including increasing burdens for local government. While the LOC shares the state's policy goals, these updates have resulted in extensive, continuous, and sometimes conflicting rulemaking efforts that are not supported by adequate state funding. Cities simply do not have the staff capacity or resources needed to implement current requirements. Existing planning updates should be streamlined to enable simpler, less costly implementation and any new proposals should be aligned with existing requirements.

8. Lodging Tax Flexibility**Legislative Recommendation:**

The LOC will advocate for legislation to enhance flexibility in cities' use of transient lodging tax revenues. The goal is to help cities better serve visitors and improve local conditions that support the tourism industry.

Background:

The Legislature created the state lodging tax in 2003, and with it a new requirement that 70% of net revenues from new or increased local lodging taxes must be used for "tourism promotion" or "tourism related facilities." Cities acknowledge and appreciate the economic development benefits that tourism brings to their local economies, but often struggle to support the industry in areas like public safety, infrastructure, workforce housing, and homeless services. Enhanced flexibility and clarification of allowed use of funds will benefit both visitors and business owners alike.