



## Staff Report

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**File #:** 19-530

**Version:** 2

**Date:** 12/2/2019

**Item #:** 3.2 a.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Dan Atchison, City Attorney

### **SUBJECT:**

Referral of Ordinance Bill No. 11-19, creating an employee-paid payroll tax, to Salem Voters.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): All.

### **ISSUE:**

Shall City Council adopt Resolution No. 2019-84 to refer Ordinance Bill No. 11-19 (creating an employee-based payroll tax) to Salem voters at the May 19, 2020 election, adopt the explanatory statement, and direct the City Attorney to draft the ballot title?

### **RECOMMENDATION:**

Adopt Resolution No. 2019-84 to refer Ordinance Bill No. 11-19 (creating an employee-based payroll tax) to Salem voters at the May 19, 2020 election, adopt the explanatory statement, and direct the City Attorney to draft the ballot title.

### **SUMMARY:**

Adoption of the resolution will refer Ordinance Bill No. 11-19 to Salem voters, adopt the explanatory statement for the ballot measure, and direct the City Attorney to draft the ballot title for the May 19, 2020 election. On November 12, 2019, Council reviewed the explanatory statement and directed that the statement be revised to provide more specificity regarding the dedication of funds to public safety.

### **FACTS AND FINDINGS:**

On November 12, 2019, Council conducted second reading of Ordinance Bill No. 11-19, creating an

employee-paid payroll tax. As directed by Council, the ordinance bill provides that it be referred to Salem voters. In order to refer a municipal measure to Salem voters, SRC 11.240 requires Council to declare the referral by resolution. State law requires that when a city measure will be published in the applicable county's *Voters Pamphlet*, as is the case here, the governing body must also adopt the explanatory statement.

SRC 11.266(c) specifies that once Council refers a measure, the City Attorney shall create a ballot title for the measure within five days of receiving the measure, and provide a copy of the ballot title to Council and the City Recorder. The ballot title and explanatory statement will be published consistent with state law and City Code, and any registered voter of the city not satisfied with the ballot title or explanatory statement may, within five days after it is prepared, file a written appeal with the Salem Municipal Court Judge. Within eight days after the ballot title is prepared and deposited with the City Recorder, the Municipal Court Judge is required to provide a hearing, and either approve the ballot title and explanatory statement, or prescribe another ballot title and explanatory statement.

Closer to the May 2020 election date, the approved ballot title and explanatory statement will be filed with the Marion County elections officer to be included on the May 19, 2020 ballot.

Resolution No. 2019-84 (Attachment 1) provides the background information for the ordinance bill and the legal requirements for referral of the measure to Salem voters. The measure is set forth as Exhibit A to the resolution, and the explanatory statement is set forth as Exhibit B to the Resolution. The explanatory statement is limited to 500 words and must be an impartial, simple and understandable statement explaining the measure. An explanatory statement should not include advocacy or speculation. The explanatory statement has been modified since the November 12, 2019 council meeting to specify that "Revenue collected under the tax will be dedicated and used by the City of Salem for public safety services, **including, but not limited to, Police, Fire, Code Enforcement, and Traffic Safety Measures**, support for those services, and administration of the tax." The new text is shown in **bold and underline** in Exhibit B to clearly indicate the proposed changes, but will be in normal font when submitted to the county elections officer.

## BACKGROUND:

On August 12, 2019, Council conducted a public hearing on the proposed employee-paid payroll tax. On August 12, 2019, Council directed staff to include language to refer the proposal to Salem voters. On October 28, 2019, Council conducted first reading of Ordinance Bill No. 11-19, creating the employee-paid payroll tax. On November 12, 2019, Council conducted second reading of the

ordinance bill.

Dan Atchison,  
City Attorney

**Attachments:**

1. Resolution No. 2019-84.
2. Measure (Exhibit A to the Resolution)
3. Explanatory Statement (Exhibit B to the Resolution)