



## Staff Report

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**File #:** 20-128

**Version:** 1

**Date:** 3/23/2020

**Item #:** 4 a.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Dan Atchison, City Attorney

**SUBJECT:**

Withdrawal of the employee payroll tax ballot measure from the May 19, 2020 election.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): All.

**ISSUE:**

Shall City Council adopt Resolution No. 2020-19 withdrawing the referral of Ordinance Bill No. 11-19 (creating an employee-based payroll tax) to Salem voters at the May 19, 2020 election?

**RECOMMENDATION:**

Adopt Resolution No. 2020-19 withdrawing the referral of Ordinance Bill No. 11-19 (creating an employee-based payroll tax) to Salem voters at the May 19, 2020 election.

**SUMMARY:**

Resolution No. 2020-19 withdraws the referral the employee-based payroll tax from the May 19, 2020 election.

**FACTS AND FINDINGS:**

On November 12, 2019, Council conducted second reading of Ordinance Bill No. 11-19, creating an employee-paid payroll tax, and adopted Resolution No. 2019-84 referring the proposal to Salem voters at the May 19, 2020 primary election.

Resolution 2020-19 rescinds resolution no. 2019-84 and withdraws referral of the measure from the May 19, 2020 election. At a future date, Council may consider a new resolution to refer the measure for a subsequent election.

Ordinance Bill No. 11-19 remains in place, **but will not go into effect unless approved by voters.**

Withdrawal of the measure is recommended at this time due to the effects the COVID-19 Pandemic has had and is predicted to have on the local economy, individual businesses, employees, and residents. The City's need for additional revenue to support public safety remains and is likely to increase as the City responds to community-wide needs related to the effects of the Pandemic. However, it is not appropriate at this time to seek voter approval for new revenue while the community faces substantial uncertainty.

**BACKGROUND:**

On November 12, 2019 Council referred the employee paid payroll tax to Salem voters for the May 19, 2020 election. Resolution 2020-19 withdraws that referral, and Council at a later date may refer the measure to a subsequent election.

Dan Atchison,  
City Attorney

**Attachments:**

1. Resolution No. 2020-19.