

Cascade Commentary

October 2016 #16-43

Summary:

In 2002 the Metro Council enacted a garbage tax for the specific purpose of funding maintenance of Metro parks. This tax had produced almost \$47 million by 2015. But the Council "undedicated" this funding and now falsely claims resources for park maintenance are insufficient.

Word Count 574

"Given that Metro raised all this money for parks,...why is Metro asking for voter approval of another \$80 million parks levy in the upcoming November election?"

4850 SW Scholls Ferry Road

t: 503.242.0900 f: 503.242.3822 info@cascadepolicy.org www.cascadepolicy.org

Portland, Oregon 97225

Suite 103

Metro's \$32 Million Broken Promise

— Why You Should Vote Down Metro's Natural Area Levy

By John A. Charles, Jr. and Allison Coleman

In 2006, the Metro Council submitted to the voters a general obligation bond measure in the amount of \$227.4 million to fund natural area acquisition. The measure was approved.

In a little-noticed <u>appendix to Resolution No. 06-367A</u>, the Metro Council stated that greenway lands acquired with bond funds would be land-banked with limited maintenance beyond initial site stabilization and possible habitat restoration. The Council noted that it had the financial means to carry out this promise:

"Once the 2006 Natural Areas Bond Measure is approved by voters, Metro will commit existing excise taxes to this basic level of maintenance, with Metro having sufficient resources currently to manage the newly acquired properties in this manner for a period of approximately ten (10) years."

If the phrase "existing excise taxes" seems puzzling, there's a reason; almost no one remembers that in 2002, the Metro Council enacted a garbage tax of one dollar/ton for the specific purpose of funding operations and maintenance (O&M) of parks. That amount was raised to \$2.50/ton in 2004. Between 2002 and 2015, the garbage tax brought in \$46,789,044 for Metro parks.

Metro Solid Waste Excise Tax Dedicated to natural area maintenance

Year	Excise Tax	Tonnage	Total Revenue
2002	\$1.00	1,251,823	\$1,251,823
2003	\$1.00	1,362,204	\$1,362,204
2004	\$2.50	1,563,884	\$3,909,710
2005	\$2.50	1,626,255	\$4,065,637
2006	\$2.50	1,720,168	\$4,300,420
2007	\$2.50	1,613,848	\$4,034,620
2008	\$2.50	1,524,370	\$3,810,925
2009	\$2.50	1,381,326	\$3,453,315
2010	\$2.50	1,320,992	\$3,302,480
2011	\$2.50	1,248,191	\$3,120,477
2012	\$2.50	1,297,716	\$3,244,290
2013	\$2.50	1,373,612	\$3,434,030
2014	\$2.50	1,431,132	\$3,577,830
2015	\$2.50	1,568,513	\$3,921,282
Total Revenue			\$46,789,044

Given that Metro raised all this money for parks, and promised *no new taxes* before 2016, why did Metro place an operating levy on the ballot in 2013 for parks maintenance (which passed); and why is Metro asking for voter approval of another \$80 million parks levy in the upcoming November election? Where did the \$46.8 million in garbage tax money go?

The answer can be found in a <u>bait-and-switch ordinance adopted by Metro</u> just a few weeks after the bond measure was referred out to voters in March 2006. The Council amended Metro Code Section 7.01.023 to *retain* the \$2.50/ton excise tax, but "*undedicate*" its use so that revenues would be swept into the Metro General Fund.

Since 2006, regional taxpayers have paid more than \$32 million in garbage taxes that should have gone to parks O&M, but instead went to other purposes.

Instead of owning up to this chicanery and restoring the garbage tax as a dedicated revenue source, Metro officials continue to make the case for a new property tax. In a 2011 publication, Metro claimed, "...the existing financial model is not sustainable. Metro's portfolio of land continues to grow, while the general fund resources needed to support it are decreasing."

In a more recent document, Metro asserted, "In Metro's general fund, which pays for many primary programs and support services, costs continue to rise faster than revenues."

Both of these claims are false. In 2011 Metro was already taking in more than \$3 million annually in garbage tax revenue for parks. By the end of 2015 it was nearly \$4 million.

Meanwhile, Metro was swimming in a sea of new revenue. The Metro Auditor found that during the 10-year period of 2003-2013, total annual revenue went up 22% in real terms, while total expenses went up only 16%. Annual revenue per capita for the Metro region went up 7%; expenses per capita increased by only 4%.

Metro Councilors now state that if voters refuse to approve a new tax levy in November, the agency will "have to ramp back pretty much everywhere."

We've heard the scare stories before, but it's time to call Metro's bluff. Voters should *reject* the Metro tax levy (Measure 26-178 on your ballot) and demand that all money from the \$2.50/ton garbage tax be rededicated to parks maintenance, *as promised 14 years ago*.

John A. Charles, Jr. is President and CEO of Cascade Policy Institute, Oregon's free market public policy research organization. Allison Coleman is a research associate at Cascade.

Cascade Policy Institute is a tax-exempt educational organization as defined under IRS code 501 (c)(3). Nothing appearing in this Cascade Commentary is to be construed as necessarily representing the views of Cascade or its donors. The views expressed herein are the author's own.

"Voters should reject the Metro tax levy (Measure 26-178 on your ballot) and demand that all money from the \$2.50/ton garbage tax be rededicated to parks maintenance, as promised 14 years ago."

Attention editors and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute 4850 SW Scholls Ferry Rd. Suite 103 Portland, Oregon 97225

Phone: (503) 242-0900 Fax: (503) 242-3822

www.cascadepolicy.org info@cascadepolicy.org