

MINUTES OF DIRECTORS MEETING
LANE COUNTY MASS TRANSIT DISTRICT

ADJOURNED MEETING

January 10, 1978

Pursuant to notice duly given to the Register Guard on December 20, 1978, an adjourned meeting of the Board of Directors of Lane County Mass Transit District was held January 10, 1978, at 7:30 a.m. in the Valley River Inn, Eugene, Oregon.

Present:

Richard A. Booth, Secretary
Jack J. Craig
Daniel M. Herbert, President, presiding
Kenneth H. Kohnen, Vice President
Ted J. Langton, Treasurer
Glenn E. Randall
Carolyn Roemer
Fred C. Dyer, General Manager
Phyllis Loobey, Director of Administrative Services
Richard Bryson, Counsel
Mavis Skipworth, Recording Secretary

News media:

Marvin Tims, Register Guard
Rick Bella, Springfield News

Mr. Herbert opened the meeting, stating that the purpose was to review additional information compiled on the proposed income tax by the staff.

TIMELINE: Ms. Loobey presented a proposed timeline for including an income tax ballot measure in the May 24 election. In ensuing discussion, it was the consensus to include a first reading of an ordinance at the February 21 regular board meeting, a second reading and opportunity for adoption at the March 21 regular board meeting, to deliver notice of election to the Lane County Elections Officer on April 18 for voter action on May 24. She advised that the board would need to determine the rate of tax and designate a date of implementation at the January 17 board meeting, and that the completed ordinance would be submitted to the Department of Revenue for review.

FACT SHEET: Ms. Loobey then presented a draft Fact Sheet for discussion and suggested additions. In board discussion of information to be included in the fact sheet, Ms. Loobey brought out that employers would be interested in learning the amount of paperwork involved, the effect of income tax vis-a-vis a payroll tax, and a determination of residency and district boundaries. Mr. Craig observed that although he believed the payroll tax to be fair and workable, many in the business community do not, and the income tax would provide an alternative tax; that he did not necessarily believe the income tax to be a good

tax but he would vote to put it on the ballot for a public decision. It was suggested that information pertinent for both employee and employer should be included on one fact sheet and it was agreed to discuss this further at the January 17 board meeting.

PROJECTIONS OF ALTERNATE TAX REVENUES: The staff distributed a table of alternative tax revenue projections. The chairman advised that in discussion with the district's counsel, they were in agreement that a payroll tax on corporations should be considered in lieu of an income tax and the rate applied should be determinant on an equivalent amount that a corporation would be subject to if paying an income tax; that it would be legally questionable to set the payroll tax rate on corporations to make up a short fall to the district's revenue needs. Mr. Bryson advised that the complexity and administration costs of an income tax on corporations makes a payroll tax more usable; that the district would be in a stronger position to defend against any claim of discrimination if it treats the payroll tax as a substitute for the income tax on corporations and tries to get about the same amount of revenue from corporations under the payroll tax as it would receive from corporations under the income tax. The staff was asked to obtain a revenue estimate from the Department of Revenue on the amount of income tax that would be generated from corporations. Mr. Kohnen said he believed it would be very difficult to determine the amount of income for corporations within the district. Mr. Booth observed that the collection expense for the income tax as indicated on the revenue projection seemed astronomical, and it was agreed that the audit work would be substantial.

In further discussion of determining an adequate tax rate, Mr. Booth said it was his understanding that the board previously decided to try to obtain the same total revenue under the income and payroll taxes combined as it would have received under the payroll tax alone and should not try to fix a rate now that will meet the needs for several years ahead; and that there would be a built-in increase, although the rate could be adjusted yearly to accommodate revenue needs. Mr. Craig said uncertainty of the rate would cause people to vote against the income tax.

The staff was directed to prepare revenue projections based upon equivalence with the payroll tax at present rates and for reference purposes, total revenues adequate to implement Transit Development Program requirements over the next several years. Mr. Booth said he believed such new variables as the Transit Development Program and the T-2000 projections would add complexity and lessen chance of voter approval. Mr. Herbert said that element reflecting Transit Development Program requirement is for reference purposes only.

The meeting was adjourned.


Secretary