

Date: June 15, 2017  
To: House Committee on Revenue  
From: The Association of Oregon Counties  
Subject: Senate Bill 123B

Please add to the records of the House Committee on Revenue these comments related to Senate Bill 123B, which is on the committee's agenda for June 15, 2017.

### **AOC opposes Senate Bill 123B**

SB 123B would authorize formation under ORS 198.010 of a new type of special district called a "children's special district". The district would provide services outside of school hours to children not more than 18 years old that support children's health and well-being. An elected five-member district board would govern with various powers, including levying property taxes.

The children's special district has extraordinarily broad authority, with an unspecified open range of potential programs. It is difficult to imagine that programs for children's health and well-being are not or cannot be provided by existing school districts, cities, counties, or other currently authorized special districts, such as park and recreation, library, heritage, or health districts.

Not only is redundancy of services an issue, but the new children's district, under Measure 5 (1990), could well cause compression to levies of overlapping local taxing districts, both school districts and local governments. Children's district levies and services must be properly categorized under the education or local government cap of Measure 5.

SB 123B directs an expensive remedy to resolve questions of categorization under Measure 5: litigation. The litigants would be spending public resources in court that are better used for essential public services.

In any event, a newly formed children's special district will likely cause more existing local districts to go into compression and increase compression where it already exists.

In FY 2015-16:

- 97% of counties had properties in compression.
- 88% of school districts had properties in compression.
- 59% of cities had properties in compression.
- 51% of special districts had properties in compression.

**Please reject this laudable, but unnecessary, redundant, and potentially expensive concept of children's special districts.**