

**BEFORE THE VOTERS OF MULTNOMAH COUNTY, OREGON  
NOVEMBER 3, 2020**

**Ordinance No. 1288**

Personal Income Tax on Higher Earners to Fund Tuition-Free Preschool for All Program.

**The Multnomah County Board of Commissioners Finds:**

1. Oregon Constitution Article VI, section 10 grants county voters authority to adopt a county charter.
2. Multnomah County Charter Section 2.10 grants the county legislative authority “over matters of county concern to the fullest extent permitted by the constitutions and laws of the United States and the State of Oregon.” Multnomah County has authority to enact laws taxing incomes to pay for county services required for the health, safety, and welfare of the people of the county.
3. An income tax on Oregon taxable income on Multnomah County residents and on nonresidents that derive income from sources within the county at certain thresholds, is required to fund the operation and administration of a Tuition-Free Preschool Program.

**Multnomah County Voters Ordain as follows:**

Personal Income Tax on Higher Earners to Fund Tuition-Free Preschool for All Program.

**SECTION 1. TITLE**

This chapter is known and cited as the Multnomah County Preschool for All Program Tax.

**SECTION 2. DEFINITIONS**

For the purpose of this ordinance, the following definitions apply unless the context requires a different meaning.

**BOARD.** The Multnomah County Board of County Commissioners.

**COMMITTEE.** The Multnomah County Preschool for All Program Advisory Committee.

**DEPARTMENT.** The Multnomah County Department of County Human Services.

**FINANCIAL ADMINISTRATOR.** The Multnomah County Finance Chief Financial Officer or designee

**NONRESIDENT.** An individual who is not a resident within the Multnomah County jurisdictional boundary.

**PRESCHOOL FOR ALL PROGRAM or PROGRAM.** The Multnomah County Preschool for All Program providing tuition-free preschool for children that meet the criteria in this Ordinance.

**RESIDENT.** A taxpayer domiciled within Multnomah County for any portion of the taxable year. ORS 316.027 and OAR 150-316-0025 are hereby adopted and shall control when residency questions arise.

**TAXABLE INCOME.** Taxable income under Oregon law.

### **SECTION 3. INCOME TAX**

- A. A tax of 1.5% is imposed on Oregon taxable income over \$200,000 for joint filers and \$125,000 for single filers on every resident of Multnomah County subject to tax under ORS chapter 316, and upon the taxable income derived from sources within Multnomah County over \$200,000 if filing jointly and \$125,000 if filing singly of every nonresident that is subject to tax under ORS chapter 316. On January 1, 2026, the tax imposed will be increased by 0.8%.
- B. An additional tax of 1.5% is imposed on Oregon taxable income over \$400,000 if filing jointly and \$250,000 if filing singly on every resident of the district subject to tax under ORS chapter 316, and upon the taxable income derived from sources within Multnomah County over \$400,000 if filing jointly and \$250,000 if filing singly of every nonresident that is subject to tax under ORS chapter 316.
- C. As allowed by the Multnomah County Home Rule Charter, the Board may adjust the income tax rate to fully fund the Program. A technical team will be convened by the Chair's Office and will report to the Board before January 1, 2026, and recommend whether the increase in subsection (A) of this section is required to ensure the program is fully funded.
- D. The net revenues ("Tax Receipts") will be paid to the County and tracked in a separate fund, for distribution by the Board for Program services, such as:
  - a. Administration by the Department of County Human Services. The Department will oversee Program operations, ensure quality, provide operational support and oversight, and adopt administrative rules to implement the Program.

- b. Programming for all children aged three or four years old by September 1st of the enrolling year with a parent or legal guardian residing in Multnomah County are eligible to enroll in the Program. Equitable access will be provided to people of color and other historically marginalized communities.
  - c. Providing up to six hours per day of high-quality, tuition-free, developmentally appropriate, early learning experiences reflecting best practices in a mixed-delivery model.
  - d. Offering Program options will include:
    - i. Half-day, full-day, year-round, and school-year schedules.
    - ii. Culturally relevant, multi-generational learning programs as part of the mixed delivery system.
    - iii. Up to four additional hours of before or aftercare per day for families with incomes under the Self-Sufficiency Standard for Multnomah County.
  - e. Requiring that Program teachers be paid on par with kindergarten teachers, and assistants will be paid a minimum of \$19.91 in 2022, with cost of living adjustments (COLA) based on the County's Local 88 union-negotiated COLA rate or to bring wage to 135% of Portland's minimum wage, whichever is greater.
  - f. Establishing a compensation matrix that adjusts wages based on Program teacher or assistant credentialing, education, certification, licensure, ORO Steps, special skills (such as language), and experience, and by 2035 reflects a Program assistant teacher minimum wage not less than 75% of Program teacher minimum wage.
  - g. Establishing credentialing requirements for providers, including licensure and certification that builds over time, allowing for workforce development strategies and supports to be in place before credentialing requirements rise.
  - h. Multnomah County shall remain neutral with respect to representation and collective bargaining on matters concerning labor relations for any family childcare provider participating or applying to participate in the Program, as authorized by ORS 329A.430.
- E. This tax will be effective beginning January 1, 2021.

#### **SECTION 4. PERFORMANCE AUDITS.**

Independent performance audits will be conducted on the use of funds generated by this tax.

#### **SECTION 5. PRESCHOOL FOR ALL PROGRAM ADVISORY COMMITTEE.**

A. **COMMITTEE ESTABLISHED.** A Preschool for All Program Advisory Committee is created to review Program expenditures, provide Program oversight, review data, advise evaluation efforts, and make policy recommendations to the Department.

B. **MEMBERSHIP.** The Chair, with approval of the Board, will appoint a minimum of 12, and a maximum of 15 Committee members that represent the County's diverse communities and geographies.

C. **TERM.** Each Committee member is appointed for a two-year term. An appointment may be rescinded by Board vote. No member can serve more than two consecutive terms within any five year period.

#### **SECTION 6. PAYMENT OF TAX**

Payment of this tax is due on the due date of the Oregon Personal Income Tax Return, generally April 15th or the closest following business day.

#### **SECTION 7. FINANCIAL ADMINISTRATOR DUTIES**

A. **Receipt.** The Financial Administrator will receive the tax imposed by this ordinance from the taxpayers, keep accurate records, and report all monies received.

B. **Collection.** The Financial Administrator will collect and pursue payment of all taxes owing to the county.

C. **Rulemaking.** The Financial Administrator will adopt administrative rules to implement this tax. Rules adopted will generally be consistent with the rules of the Oregon Department of Revenue regarding personal income tax.

D. **Contracting.** The Financial Administrator may contract with public or private agencies, as necessary, to implement this ordinance.

#### **SECTION 8. OTHER PROVISIONS**

A. **Savings Clause.** If any part of this ordinance, or any tax against any individual or group is found unconstitutional, illegal, or invalid, such unconstitutionality,

illegality or invalidity will affect only that part of this ordinance or tax and will not affect or impair any other provisions of this tax or ordinance.

- B. This ordinance takes effect January 1, 2021, upon enactment by Multnomah County voters at the election called for November 3, 2020.