



# SENATE MAJORITY OFFICE

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## NEWS RELEASE

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### **Senate extends lifeline to rural counties in fiscal distress**

*SB 581 renews tools to help Oregon communities experiencing financial emergencies from expiring payments*

SALEM—Today the Senate took action to support rural Oregon counties experiencing financial hardship as a result of expiring timber payments from the federal government. Senate Bill 581, which passed on a unanimous vote, extends the sunset date for the program that allows the state to step in and directly assist counties in fiscal distress.

“Counties in southwest Oregon are at the brink of financial disaster, and inaction in our nation’s capital demands that we act to give them a lifeline,” said Sen. Arnie Roblan (D-Coos Bay), chair of the Senate Rural Communities and Economic Development Committee. “By renewing the financial assistance program, we can put contingencies in place to ensure counties can continue to deliver critical services like keeping jails open and roads repaired.”

Senate Bill 581 was sponsored by the Task Force on County Payments, which was formed to investigate potential impacts to the state and counties if Congress does not reauthorize the law that provides critical funds to many rural Oregon counties. In 2012, the Oregon Legislature enacted HB 4176, which provided counties with a tool to facilitate a collaborative process to identify solutions and mitigate the impact of the expiring federal payments. SB 581 would allow time for local and state leaders to develop strategies to grow the local economy and end dependence on federal payments by extending the law to 2016.

“Oregonians in rural counties depend on basic services, and it’s our job to step in with relief in case of an emergency,” said Sen. Floyd Prozanski (D-Eugene), who led the floor discussion of the bill. “As a state, we have a responsibility to ensure the financial stability of each of our counties. SB 581 will make sure that state officials and local governments can coordinate in fiscal emergencies to protect the health and safety of these communities.”

Under the provisions of the county assistance law extended by SB 581, a county may seek a declaration of a fiscal emergency by requesting the Governor to review the level of state-required services provided by the county. If the Governor declares an emergency, the law provides for the establishment of a fiscal assistance board made up of a balance of state and county officials that can develop a plan to ensure funding of basic services.

“Passing SB 581 is an important step to strengthening rural Oregon communities and promoting economic growth across the state,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “Partnering with counties to protect funding for critical services will enable long-term economic growth in rural areas, which is a top priority for Senate Democrats.”

SB 581 now moves to the Oregon House of Representatives for further consideration.

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