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MEMORANDUM

City Recorder's Office

To: Mayor and City Council

Date: July 8, 2026

From: Tre' Kennedy, City Attorney

Subject: Resolution No. 16 for 2026 – Referral of 5-Year Local Option
Property Tax Levy for Municipal Jail Operations to the November 3, 2026
General Election

I. INTRODUCTION

The purpose of this memorandum is to present Resolution No.16 for 2026 for City Council consideration. The Resolution refers to the voters a proposed five-year local option property tax levy for municipal jail operations, adopts the ballot title and explanatory statement required for the measure, and directs the City Attorney and City Elections Officer to complete the necessary actions to place the measure before voters at the November 3, 2026 General Election.

The proposed measure would authorize the City of Lebanon to impose a five-year local option property tax levy at a rate of \$1.06 per \$1,000 of assessed value beginning in Fiscal Year 2027-2028. If approved by voters, levy revenues would be used to support municipal jail operations, including staffing, inmate supervision, facility operations, maintenance, and required medical and mental health services.

The Resolution before Council does not impose the levy or authorize collection of funds. Rather, the Resolution provides the formal referral of the measure to the voters and adopts the ballot title and explanatory statement required under Oregon election law.

II. CURRENT REPORT

The City Council has engaged in ongoing discussion regarding the future operation of the Lebanon Municipal Jail and potential funding options for reopening and sustaining jail operations. The Lebanon Municipal Jail was constructed in 2009 and operated until 2023, when operations were suspended. The facility remains under City ownership. On July 9, 2025, staff provided a broad overview of the Lebanon Municipal Jail, including its history, operational challenges, status, and options for reopening.

Council continued discussions regarding municipal jail operations and potential funding options during meetings held on January 28, 2026, and February 11, 2026. During those discussions, Council considered operational needs, fiscal impacts, and levy considerations. Council also discussed polling methodology, voter engagement, turnout thresholds, considerations for targeting likely voters, broader community safety considerations, and the importance of Council leadership in any levy effort.

On February 25, 2026, and March 25, 2026, consultants provided guidance regarding the municipal jail levy process, including election requirements, ballot measure timelines, public communication considerations, and steps necessary to refer a levy measure to voters.

On April 8, 2026, Council received the Municipal Jail Operations Levy – Polling Results and Council Direction report. The report provided information regarding community polling results related to municipal jail operations and a potential local option levy. Following discussion, a motion was made and seconded to direct staff to proceed with preparing a measure for the November 2026 general election.

During the May 13, 2026 work session, Council reviewed additional information regarding the proposed Municipal Jail Operations Levy, including the proposed levy structure, estimated revenue, and potential uses of levy funds.

On June 10, 2026, Council approved the Municipal Jail Operations Levy informational flier. The informational flier was submitted to the Oregon Secretary of State for review under applicable restrictions governing public entity communications related to ballot measures. The Secretary of State granted Safe Harbor Status for the informational flier, with the only authorized modification being the addition of the measure number. The Safe Harbor determination applies to the informational flier only and does not constitute approval or review of the ballot title or explanatory statement.

Resolution No. 16 for 2026 adopts the ballot title and explanatory statement for the proposed measure, including the caption, question, and summary required for ballot submission. The proposed ballot title states:

CAPTION: 5-Year Local Option Levy for Jail Operations

QUESTION: Shall Lebanon levy \$1.06 per \$1,000 assessed valuation for 5 years beginning 2027 for jail operations? This measure may cause property taxes to increase more than three percent.

The measure would authorize an estimated levy amount of \$1,658,410 annually, for an estimated total of \$8,292,051 over five years. The estimated cost is \$1.06 per \$1,000 of assessed value, or approximately \$296.91 annually for an average property in Lebanon. Actual tax impacts may vary based on assessed value, compression, discounts, and collection rates. Following Council adoption of the Resolution, the City Attorney will file the ballot title with the City Elections Officer. The City Recorder will then publish a Notice of Receipt of Ballot Title, initiating the statutory challenge period.

The notice will inform electors that any elector who believes the draft ballot title contains more than one subject or believes the ballot title is insufficient, not concise, or unfair may file a petition for judicial review with the Linn County Circuit Court within the applicable timeframe. The notice will also provide the required deadline and notification requirements for any filed challenge.

Following completion of the ballot title challenge period, and assuming no required changes result from judicial review, the City will submit the required election documents to the Linn County Elections Office. The City anticipates submitting the materials during the last week of July 2026 to meet election preparation timelines for the November 3, 2026 General Election. Linn County does not publish a county voters' pamphlet. However, the City's explanatory statement may be made available through the City's website as permitted by applicable election requirements.

III. RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 16 for 2026, referring a five-year local option property tax levy for municipal jail operations to the qualified voters of Lebanon at the November 3, 2026 General Election; adopting the ballot title and explanatory statement; and directing the City Attorney and City Elections Officer to complete all necessary actions to effectuate the Resolution.

Adoption of the Resolution will allow the proposed municipal jail operations levy to proceed through the required election process and provide voters the opportunity to consider the proposed funding measure at the November 3, 2026 General Election.