

Big grocers fight Measure 97

By Mike Rogoway
The Oregonian/OregonLive

PORTLAND (AP) — Big retail chains are spending millions of dollars to fight Measure 97, the ballot initiative that would establish a 2.5 percent tax on Oregon sales over \$25 million to help fund education and other state services.

Grocery stores are particularly active in the fight, and it’s easy to understand why: They do huge volumes of sales in an industry with famously thin profit margins.

Measure 97 is a one-of-a-kind tax, though, with unusual exemptions and applications. And the state’s largest grocery chain, Safeway and Albertsons, is exempt.

The grocers, who share a common owner, have given \$1.8 million to defeat the initiative — as much as any other contributor to the “No” campaign.

That raises an obvious question: Why are Safeway and Albertsons spending so much to fight a tax that affects their rivals but not them?

The answer says a lot about the tax, and about the fate of Safeway and Albertsons.

Measure 97 is highly unusual in that it taxes certain types of businesses and not others. The tax applies to companies registered as C-corporations, which are often large businesses, but does not affect a “benefit company” or S-corporation.

There are many distinctions among the various types of companies, and different tax implications for each

corporate status. But for our purposes think of it this way:

C-corps frequently have many investors, like a publicly traded corporation.

S-corps have few owners. Sometimes that’s a family-owned business, but it can also be a large business controlled by one person or company.

A “benefit company” is a special category of business under Oregon law, established to create public benefits in addition to profits for the owners.

Costco, another leading opponent of Measure 97, is a C-corp. So is Fred Meyer, owned by a publicly traded company called Kroger Co.

Portland grocery New Seasons is a kind of benefit corporation, called a B-Corp, but is not registered as a “benefit company” under Oregon law. It may still be exempt from the taxes, though, if it’s an S-Corp. (New Seasons’ status isn’t public, and the company declined to clarify its status.)

Safeway and Albertsons are, apparently, S-corps. The grocery chain did not respond to repeated requests for comment, but the main organization campaigning against Measure 97 confirmed that the stores would not pay the tax because of their corporate status.

It’s not completely clear why Measure 97’s authors (the measure’s supporters are public employee unions) chose to exempt some businesses from the tax, or how it chose which companies to exclude.

The measure’s supporters did not respond to messages seeking comment.

LETTERS

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To the Editor:
I need to tell you about a young man, who is honest and caring. He is my eldest son.

In 2013, my husband took ill, my son cancelled all his obligations to come to our aid and care for his father. He stayed with us until the dreaded day in January of 2014, when his father passed from this life to the next. I cannot tell you how devastating that was. You can only imagine that almost 60 years of being with someone as close as we were and losing him, can be so devastating.

Our son, came to my rescue by being here for me. He lives in Sisters, Oregon, and travels quite a bit for his work. He has been here for me very often. He took me to Europe twice and has brought me to Sisters to visit. We went on a cruise last year.

There was a water leak while I was away in Oregon for over two months. It damaged the whole downstairs. My son immediately took over and has been overseeing the repairs.

He has been here for me and has cared for me through the good and bad. If you are wondering who son is, he is Richard Esterman.

Tell me, Mr. Allen (Rick Allen, interim city manager), do you have parents and are you as caring to them?

Myra Esterman

♦ ♦ ♦

To the Editor:
I’m issuing a purposeful provocation in support of principled apathy on Election Day.

The 2016 presidential candidates offer us a shambolic, imbecilic vulgarian on one hand and a shrewd, manipulative charlatan on the other.

If enough voters opted out by staying home, there would be no mandate for a feeble head of state. Of course, this is unlikely to happen, but one must ask, “Who’s the real deadwood of democracy? Those who vote or those who don’t?”

Jonathan Leahey

♦ ♦ ♦

To the Editor:
There have been a number of issues in recent weeks surrounding the Sisters Eagle Airport. We want to let you know that your County Commissioners are aware of these issues and are monitoring the situation. It is important to understand that the airport proper is located within the City limits of Sisters, and that the Oregon Department of Aviation (ODA) has primary jurisdiction regarding the actual boundary of the airport. That said, Deschutes County will be involved to a certain extent in the coming weeks and months.

Deschutes County does have code enforcement jurisdiction with regard to the landing area associated with sky diving operations. Recently, Deschutes County has entered into a compliance agreement with the operator including a mandate that all sky diving operations cease by November 30, 2016.

The paved runout adjacent to the end of the runway appears to have been installed without required county permits. Community Development staff continues to work with the airport operator and adjacent homeowners to address this issue.

It is our understanding that the Sisters Airport is seeking to secure upgraded status from ODA. This public process, outlined under Oregon Administrative Rule (OAR) 738-090-0040(2), requires ODA to ascertain the present boundary of the airport. The final boundary of the airport is determined by Oregon’s State Aviation Board. Once that process is completed, should an application be submitted, the airport operator will be able to proceed with local (city and county) applications to expand the boundary consistent with Oregon Revised Statute (ORS) 836.610. The allowed land uses must be consistent with those identified under ORS 836.616.

We acknowledge the concerns we have received from Sisters area residents, and will continue to monitor the situation as it develops.

Deschutes County Board of Commissioners
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