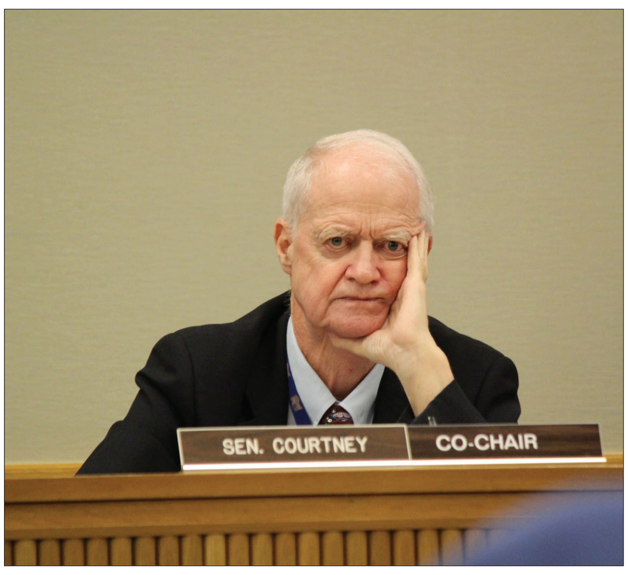
Our View



Oregon Capital Bureau, File

Oregon Senate President Peter Courtney's proposal, Senate Bill 846, could reduce the kicker tax refund.

Legislators should clearly state what bills would do

State Senate President Peter Courtney held a news conference before the 2021 legislative session to announce steps to keep the legislative process accessible to Oregonians.

"We have never seen a session like this before. We need to keep members and staff safe," he said. "Legislative staff worked hard to come up with a plan that is safe and transparent. Every session, Oregonians make their voices heard on issues they care about. We need these voices."

But if you don't know what the Legislature is talking about it's hard to voice your opinion. Consider Courtney's Senate Bill 846. It's a model of translucency, not transparency. The bill shifts money around. It also potentially reduces the kicker tax refund.

Does the language of the bill clearly state it potentially reduces the kicker? No.

Does it even mention the kicker? No.

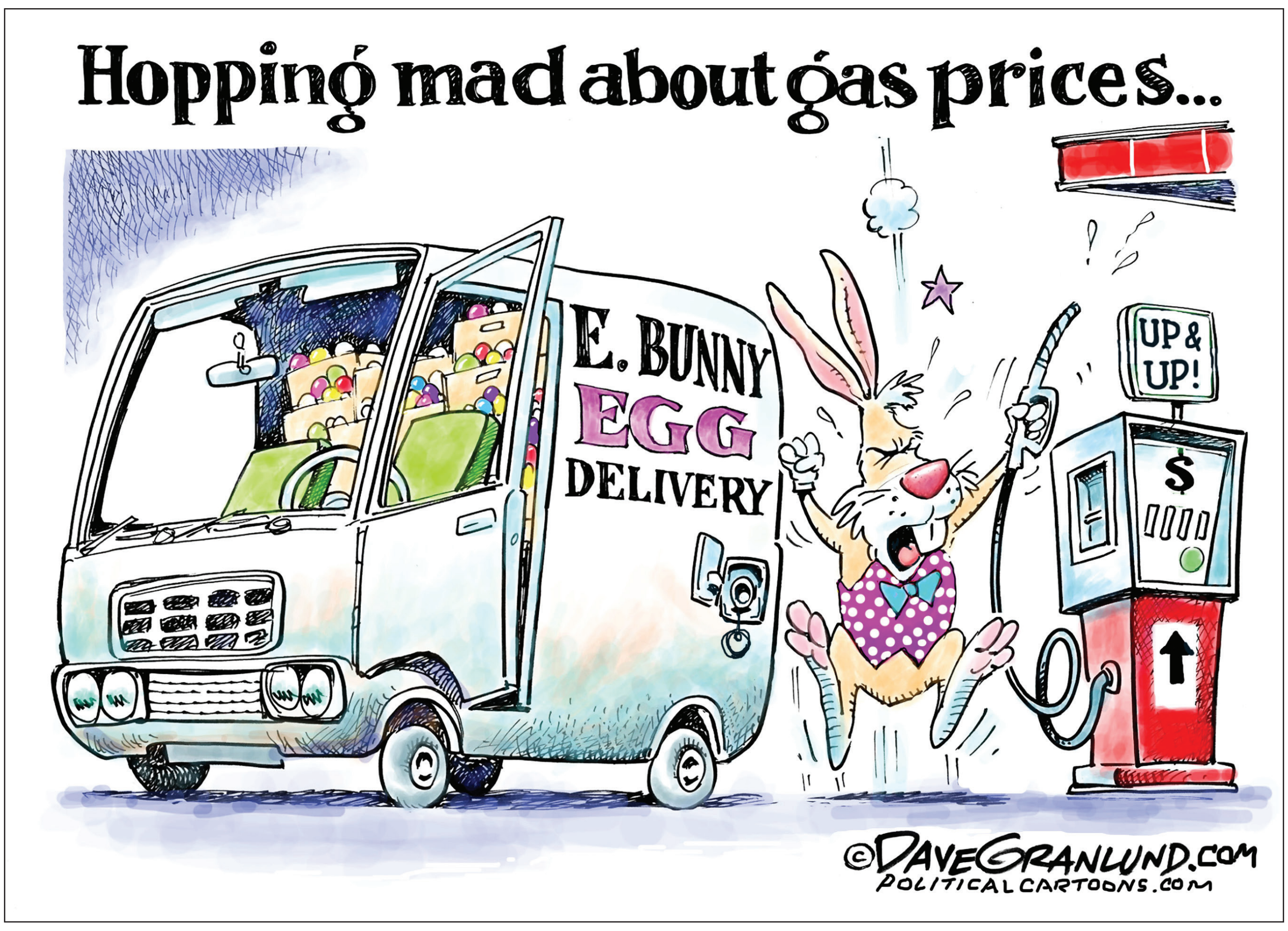
Shouldn't a bill that potentially reduces the kicker clearly state that? Yes, we think so.

Now if you are fluent in the budget-speak of the Legislature you could figure it out from the language of the bill — maybe. What the bill does, in part, is repeal transfers to the general fund of $15 million from the state's insurance fund and from an operating account of the Department of Justice. The money stays where it is, at least temporarily. It just doesn't get shifted over to the general fund.

That matters because it effectively reduces the general fund by that $15 million. That affects the kicker. The kicker is Oregon's unique law that voters passed. It occurs if state revenues exceed forecasted revenues by 2% or more over a two-year budget cycle. If that happens, the excess, including the trigger amount, gets returned to taxpayers.

No final determination has been made; there will be a kicker for the 2019-2021 biennium. But the kicker is on target to kick, according to the latest revenue forecast. And because SB 846 is moving forward the amount returned to taxpayers would be less.

Look, legislators need to be able to move money around, such as in this bill. They need to be able to balance the budget and line money up how they want to spend it. They also should be transparent about what they are doing and clearly state in a bill if it would reduce the kicker.



Other Views

A free market should be free to all, all the time

LISA NELSON
AMERICAN LEGISLATIVE EXCHANGE COUNCIL

A year after the first COVID-19 shutdown, President Biden signed the American Rescue Plan Act — the $1.9 trillion coronavirus legislation that truly has little to do with coronavirus at all.

The third of its kind since 2020, the bill was proposed with the intention to provide COVID relief and bail out states with federal funds. But in this case, the third time isn't the charm as once again, federal decision makers have turned to quick fixes that create long-term issues rather than long-term solutions.

Our recent history teaches us a federal bailout of the states threatens to further harm taxpayers, federalism and ultimately the states themselves. This third state bailout, with less than 10% going to COVID relief and only 1% going to vaccine distribution, proves that this will be the case again.

Since the first discussion on federal bailout of the states began in 2020, hundreds of state lawmakers addressed the policy problems with a federal bailout. State leaders were concerned with the federal "solution" prescribed to help them, because a state bailout wrongly rewards those who have made poor financial decisions at the expense of prosperity states.

In 2020, state and local governments already received hundreds of billions in CARES Act funding. In many states, much of the funds remain unspent. My home state of California has a $25 billion surplus, and will now receive $42.63 billion more. Giving more only incentivizes more fiscally irresponsible decision making and will unjustifiably punish the financially responsible states.

We've seen the consequences of federal bailout before. In 2009, state legislators voiced concerns over the strings attached to federal dollars during debate on the American Recovery and Reinvestment Act, acknowledging the costly consequence of accepting a bailout. Federal aid will unfortunately always come with strings attached and will more than likely only lead to increase in spending and higher state taxes.

Today, though, our national debt lingers at almost three times what it was in 2009. The stakes are too high to continue a cycle that promises quick fixes from the federal government. Quick fixes turn into long-term issues, and if we continue to dig the hole so deep we may never escape. We should instead rely on fact and experience, and learn from our history.

The only real way to make productive, responsible decisions for our states is for our states to practice fiscal discipline. It is one of the more difficult roads to take, but to bring true relief to our communities, we should look to policy solutions in the prosperity states that lead the way in fiscal responsibility. Prosperity doesn't come from luck, but from the difficult and necessary work to balance state budgets and keep spending in check.

Organizations like the American Legislative Exchange Council release annual publications, like Rich States, Poor States, ranking the states' performances in policy variables that have proven to build financially resilient prosperity states. Many of the states at the top of this ranking, such as Utah and Wyoming, find themselves in the best position coming out the other side of the pandemic. Practicing fiscal responsibility in state policy solutions is proven to build state competitiveness in both times of prosperity and turmoil.

Nearly a year ago, over 200 state lawmakers and nearly 1,500 state leaders and activists signed a letter to raise policy concerns with a bailout — and Congress noticed.

The fight is not over, and voices are still needed to commit to fiscal responsibility in the states.

Encourage your state lawmakers to choose solutions that build true prosperity in your state.

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Lisa Nelson is the chief executive office of the American Legislative Exchange Council, an organization bringing state legislators and stakeholders together to develop public policy beneficial to the free market and individual liberty.

Letters

Voting law changes reminiscent of Jim Crow

In the aftermath of an election that was declared fraudulent without evidence, legislatures in many states are introducing 200+ changes to voting laws that make it more complicated and/or inconvenient to vote.

It's reminiscent of the South's Jim Crow laws instituted after the 13th Amendment abolished slavery and the 15th Amendment guaranteed the right to vote to all male citizens, including former slaves. In spite of having lost the Civil War, Southern states instituted Jim Crow laws, which perpetuated racial segregation and discrimination for decades, the aftermath of which the U.S. is still wrestling with.

Below I quote from a speech by the most famous man to escape slavery, Frederick Douglass, 1818-95. On July 5, 1852, in Rochester, New York, Douglass, a decade before the Civil War, addressing his speech to proponents of slavery, gave his impression in "The Meaning of July Fourth for the Negro":

"What, to the American slave, is your 4th of July? I answer: a day that reveals to him, more than all other days in the year, the gross injustice and cruelty to which he is the constant victim. To him, your celebration is a sham; your boasted liberty, an unholy license; your national greatness, swelling vanity; your sounds of rejoicing are empty and heartless; your denunciations of tyrants, brass fronted impudence; your shouts of liberty and equality, hollow mockery; your prayers and hymns, your sermons and thanksgivings, with all your religious parade, and solemnity, are, to him, mere bombast, fraud, deception, impiety, and hypocrisy — a thin veil to cover up crimes which would disgrace a nation of savages."

Gary Dielman
Baker City

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