

## IN BRIEF

## Relief funds available to Oregon fishing businesses

Financial assistance is available to Oregon fishermen and fishing-related businesses impacted by the coronavirus.

An application period for nearly \$16 million in federal CARES Act funds has opened and extends through Sept. 8. The money is available to a wide range of fishing-related businesses, from small fishing vessels run by a handful of one or two people to large processing operations.

State leaders anticipate the federal funds will not be enough to address all the coronavirus impacts to the fisheries industry. They have provided an additional \$2.5 million in state CARES Act relief funds.

Oregon's fisheries are vital to the economic and cultural health of the state, Ed Bowles, fish division administrator for the Oregon Department of Fish and Wildlife, said in a statement.

"We know businesses on the front lines of these fisheries are hurting, and we hope these federal and state funds will help provide emergency relief for some of the pandemic's impacts this past spring," he said.

A number of North Coast fishermen homeport in Oregon, but fish in Alaska. These fishermen will be able to claim any losses they might have realized from their Alaska fishing, according to Oregon fishery managers.

For more information and for application materials, visit [www.psmfc.org](http://www.psmfc.org)

## County holds session on Resiliency Project

Clatsop County will hold an informational outreach session Thursday about the county's plan to move essential county facilities outside of the tsunami inundation zone.

The plan, also known as the "Resiliency Project," calls for relocating the county's Public Works Department facility and establishing alternate and evacuation routes.

The virtual meeting will begin at 5:30 p.m. Visit the county's website to register for the meeting.

— *The Astorian*

## Insee halts plans for Chehalis River dam

OLYMPIA, Wash. — Washington Gov. Jay Insee has paused planning for a dam on the Chehalis River, ordering a look at other ways to prevent a repeat of a 2007 flood that swamped farms, killed scores of livestock and closed Interstate 5 halfway between Portland and Seattle and State Route 6 between Raymond and Chehalis.

Insee's directive calls on the Chehalis Basin Board, a seven-member board advised by state agencies, to come up with a "non-dam alternative to reducing flood damage."

A dam would block fish, eliminate spawning grounds and fill-in wetlands, according to an environmental report by the state Department of Ecology.

— *Capital Press*

## DEATHS

Aug. 9, 2020

PASTOR, David Frank, 74, of Cannon Beach, died in Cannon Beach. Ocean View Funeral & Cremation Service of Astoria is in charge of the arrangements.

## ON THE RECORD

## Criminal trespass

• Matthew Topartz, 43, was arrested Friday at Rite Aid in Warrenton for criminal trespass in the second degree.

## DUII

• David Klimovich, 18, of Vancouver, Washington, was arrested Sunday on S.W. 18th Street

and Whiskey Road in Warrenton for driving under the influence of intoxicants and reckless endangerment.

• Emily Ann Vargas, 33, of Astoria, was arrested Saturday on 36th Street and Lief Erikson Drive in Astoria for DUII.

## PUBLIC MEETINGS

## TUESDAY

**Clatsop County Planning Commission**, 10 a.m., (electronic meeting).

**Warrenton City Commission**, 6 p.m., City Hall, 225 S. Main Ave.

**Lewis & Clark Fire Department Board**, 6 p.m., main fire station, 34571 U.S. Highway 101 Business.

**Seaside School District**, 6 p.m., (electronic meeting).

## WEDNESDAY

**Clatsop Community College Board of Directors**, 5:30 p.m., special session, (electronic meeting).

**Clatsop County Board of Commissioners**, 6 p.m., (electronic meeting).

**Wickiup Water District Board**, 6:30 p.m., 92648 Svensen Market Road, Svensen.

## THURSDAY

**Seaside Civic and Convention Center Commission**, 5 p.m., Seaside Civic and Convention Center, 415 First Ave.

**Gearhart Planning Commission**, 6 p.m., City Hall, 698 Pacific Way.

**Warrenton-Hammond School Board**, 7 p.m., (electronic meeting).

## the Astorian

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R.J. Marx/The Astorian

Several hundred people with opposing political views stood toe-to-toe at the Turnaround in Seaside on Saturday evening. Black Lives Matter demonstrators wore masks and hugged the south curb by the Prom, while supporters of President Donald Trump, generally unmasked with some carrying firearms, stood in front of the Lewis and Clark monument. Chants of 'four more years' and 'all lives matter' juxtaposed against shouts of 'Black lives matter.'

## State lawmakers debate tax breaks for businesses

Ideas to help close a budget gap

By PETER WONG  
*Oregon Capital Bureau*

SALEM — As Oregon lawmakers opened their second special session of the summer, political battle lines are being drawn over legislation that would disconnect the state tax code from three federal business-related tax breaks passed earlier this year.

The Legislature's tax experts explained the proposed measure last week at a virtual meeting of the House Revenue Committee.

Advocates of state services and schools say the measure would recoup \$225 million for the state budget. But business groups argue that they need the cash generated by the federal provisions to revive their operations.

Oregon's state budget is on a two-year cycle — the current period ends June 30, 2021 — but taxes are collected annually.

Oregon's tax code automatically adopts federal tax-law changes, unless the Legislature specifies otherwise.

Although changes are uncommon, lawmakers did disconnect the state tax code for six years, starting in 1981, from accelerated write-offs for business that Congress passed as part of President Ronald Reagan's tax cuts. The Legislature reconnected in 1987, the year after Congress overhauled the federal tax code — and even with the change, Oregon taxpayers got the largest tax cut up to that point in state history.

The tax breaks were inserted into the CARES Act, the \$2 trillion pandemic aid plan that Congress passed and President Donald Trump signed in March. But the provisions drew attention only after the bill passed.

'THE CURRENT PLAN FOR THE SPECIAL SESSION INCLUDES CUTS TO IMPORTANT SERVICES ALL OREGONIANS DEPEND ON.'

Patty Wentz | Fight for Our Future coalition

## Budget gap

For supporters, the proposed state measure would retain an estimated \$225 million for state coffers even as collections of personal and corporate income taxes drop during the downturn caused by the coronavirus pandemic and shutdowns in business activity. Lawmakers during the special session were considering \$400 million in spending cuts, \$400 million in fund shifts and other ways to close a budget gap of more than \$1 billion.

"We cannot wait until 2021 to plug this (\$225 million) hole. The Oregon Legislature must act during a special session," Patty Wentz said on behalf of the Fight for Our Future coalition.

"The current plan for the special session includes cuts to important services all Oregonians depend on. While we appreciate the Legislature's desire to protect some services by utilizing reserves and not making across-the-board cuts, we encourage you to go one step further and take action to protect everyday Oregonians, not the wealthy."

Daniel Hauser of the Oregon Center for Public Policy, a think tank based in Portland, said richer — and white — Oregonians will benefit most from the tax breaks.

"They do not need more tax breaks, especially when those resources could be used to relieve the suffering of Oregonians hit hardest by the pandemic," Hauser, a tax and housing analyst, said in a paper filed with the House committee.

For opponents, the state measure would scale back deductions and increase tax liability for businesses hoping to retain cash as a result of the federal breaks.

"The congressional leaders designed CARES Act provisions ... specifically to assist businesses experiencing losses due to COVID, allowing them to hang on to scarce cash during this extraordinarily challenging economic time," Sandra McDonough, the president of Oregon Business & Industry, said in written testimony.

"Adopting (proposed state measure) will demonstrate that the Oregon Legislature prioritizes its own budget challenges over the needs of Oregon's private-sector employers and the urgent imperative to restore lost jobs."

A letter from the Portland Business Alliance, which McDonough once led, makes a similar point:

"Instead of admitting this is a new tax burden on struggling businesses, they will say this is simply a technical change, impacting only a few wealthy Oregonians," the letter provided to the Portland Tribune said. "That's simply not true. Many Oregon businesses will lose much-needed cash if this tax increase moves forward."

## Specific changes

The federal provisions, and how the proposed state legislation differs:

• **Deductions for interest costs on business loans:** The federal change increases

the allowable deduction from 30% to 50% of adjusted taxable income for tax years 2019 and 2020, and lets a business choose 2019 as its base year instead of 2020. (Assuming the 2019 figure is greater than 2020, it would allow a greater deduction for a business.) The state proposal would leave the maximum at 30% and that a business must use its adjusted taxable income for 2020. Net gain for state coffers: \$44.4 million for the 2019-21 cycle.

• **Net operating losses:** Businesses usually can spread these in tax returns over several years. The federal change allows net operating losses originating in tax years 2018 and 2019 to be carried back up to five years.

Those same operating losses in 2018 and 2019, if carried forward, can be used by businesses to offset 100% (instead of 80%) of their adjusted taxable income in tax years 2019 and 2020. The state proposal would reinstate an 80% limit on businesses for net operating losses originating in 2018 and 2019 and used in tax years 2019 and 2020. Net gain for state coffers: \$91.4 million in 2019-21.

• **Limitations on net business losses:** The federal change eliminates limits of \$250,000 in losses — \$500,000 on a joint return — for a S-corporation to offset income for tax years 2018, 2019 and 2020. Greater amounts can be converted into net operating losses that can be carried forward. (The change does not affect C-corporations, which are larger businesses.) The state proposal would disallow this change for state tax returns. Net gain for state coffers: \$89.2 million in 2019-21.

*The Oregon Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.*

## Seaside code officer addresses backlog

A closer look at vacation rentals

By R.J. MARX  
*The Astorian*

SEASIDE — Some vacation rentals haven't been inspected in years. Owners advertise more occupancy than permitted. Cars spill over from driveways onto yards and into the street.

These are some of the complaints Seaside code compliance officer Jeff Flory detailed to the Seaside Planning Commission this month.

Flory, who started his job in the spring, said the first thing he does is pull a property's notice of decision allowing a vacation rental permit, whether the permit was issued by the commission or by the planning director.

"I found one today that advertised for 16-plus occupants, with multiple parking spots as well as plenty of off-street parking," Flory said. "That's being addressed."

Some owners may not be aware of their occupancy and parking limits, Flory said. "If you don't have your notice of decision, we'll get it out to you and we'll go

over it."

Outreach includes contact with management companies as well as property owners.

Response has been good from all sides, Flory said.

"Property management companies have been really good to work with. They are putting in processes to try to stop complaints from happening," he said. "Owners have been real responsive. I've had very few issues of getting hold of people."

Neighbors should address complaints directly to the property owner or management company, Flory said.

Contact information will be made available on the city website. If action isn't taken, Flory steps in.

His goal, he said, is to "get people back to the table" and work through problems.

For now, property owners can expect a "little bit of grace" from the enforcement officer.

"I'm saying to the owners, show me that you're working toward a solution," Flory said. "We don't necessarily want to disrupt their rental season unless it's a major safety issue, but we should still be working to some kind of solution."