

Grocers drop liquor privatization to fight gross receipts tax

By **PARIS ACHEN**
Capital Bureau

A grocers coalition says it plans to withdraw an initiative to privatize liquor sales in Oregon so the group can focus resources on defeating a corporate sales tax proposed for the November ballot.

Oregonians for Competition, led by the Northwest Grocery Association and Distilled Spirits Council, suspended Wednesday its collection of signatures in support of Initiative Petition 71. The measure would end state sale and distribution of distilled spirits and allow grocery stores to sell the products alongside beer and wine.

"We know Oregonians want to buy liquor in grocery stores alongside beer and wine, like consumers in most other states," said coalition spokesman Pat McCormick in an April 27 statement. "Right now, we are shifting our focus to defeating IP 28, the unprecedented \$5 billion tax on Oregon sales that would increase costs for working families and consumers."

Initiative Petition 28 would tax certain corporations 2.5 percent on their annual Oregon sales above \$25 million.

The Distilled Spirits Council does not plan to participate in the campaign against the corporate sales tax measure but will look for a way to move forward its effort to allow the sale of distilled spirits in grocery stores, said Eric Reller of the Distilled Spirits Council.

McCormick said the grocers coalition also would continue to advocate for

allowing the sale of distilled spirits in grocery stores in the next 12 months.

The grocers coalition hopes lawmakers will pass legislation in 2016 to privatize the sale of distilled spirits or that there will be more movement incrementally by the Oregon Liquor Control Commission toward allowing sale of distilled spirits in grocery stores.

'Doing our part to defeat it'

Oregonians Against the Takeover, which campaigned against liquor privatization, celebrated the news.

"We are pleased the national grocers have decided to withdraw their unpopular ballot initiative to take over Oregon's thriving liquor marketplace," said Ryan Frank, the group's spokesman. "Keeping liquor local will protect revenues that support critical government services, will ensure consumers are not subjected to unreasonable price increases and will allow Oregon beer, wine and spirits businesses to continue to succeed and grow."

McCormick declined to discuss what kind of resources the grocers coalition will dedicate to defeating the corporate sales tax measure.

"Suffice it say the members of our coalition are very concerned about the \$5 billion tax on sales and its implications for consumers and increasing costs, with no exemptions for food, medicine and other kinds of essentials," McCormick said. "It is certainly is going to have an effect on prices and costs so we want to make sure we are doing our part to make sure it is defeated."

Laura Illig, a chief sponsor of the corporate sales tax initiative, said she doesn't anticipate any major changes in the campaign in the wake of the grocers' decision.

"Our plan is to continue to focus on what we always have focused on, which is explaining the need for and importance of what IP 28 is going to do and why it is the right way for the state."

Pushing for alternatives

The grocers' decision to end their liquor privatization campaign came after members concluded there was insufficient movement toward a special session on coming up with an alternative to the corporate sales tax, McCormick said.

State Sen. Mark Hass, D-Beaverton, who has been pushing for the governor and lawmakers to negotiate an alternative, lower corporate sales tax bill, has said the ballot measure could result in a bitter fight between unions and businesses with tens of millions of dollars spent on political campaigns.

Hass and some other lawmakers have been trying to get the Legislature to hold a special session before the November election, in order to pass an alternative measure to increase corporate taxes. The moment of truth for that effort will likely come in late May, when lawmakers hold interim committee hearings in Salem. Legislative economists are working on an analysis of the economic impact of Our Oregon's tax measure, and lawmakers expect the economists to release the findings during the May hearings.

Bill would help state find debtors' bank accounts

By **HILLARY BORRUD**
Capital Bureau

SALEM — Two months after Oregon lawmakers wrapped up the 2016 legislative session, some are already working to revive a proposal next year that would make it easier to track down debtors who together owe the state more than \$3 billion.

A bill that would have forced banks to help the state locate the accounts of people who are delinquent on taxes and other debt died in early March. Now, state Rep. Kathleen Taylor, D-Milwaukie, is working with banks to bring the bill back in 2017.

"This was something that was supported by the Governor's Office and Department of Justice and credit unions, and we had bipartisan support," Taylor, a chief sponsor of the 2016 bill, said. "But we're going to do it next session. The positive note is the (Oregon) Bankers Association has agreed to work on this in the interim."

The bill would have brought the state an estimated \$18 million from 2017 through 2021 by increasing the state's debt collection rate, according to the Legislative Revenue Office. It's a small amount relative to the \$19.5 billion in total revenues expected under the current two-year budget, but lawmakers might be looking for any additional money they can get in 2017.

Sen. Richard Devlin, R-Tualatin, said in a recent interview that in the 2017-2019 budget, lawmakers

could face "potentially up to a \$1.3 billion deficit even to fund what we would consider continuing services."

Devlin is one of the co-chairs of the budget writing Joint Committee on Ways and Means. Looming costs range from the anticipated bill for the state's Medicaid expansion, to minimum wage increases and the unfunded public employee pension liability.

The 2016 debt collection bill was based on the recommendations in a 2015 audit report produced by the Secretary of State's Office, which found debt owed to the state — everything from delinquent taxes and pension over-payments, child support and court fines — had nearly doubled since 2008 as state agencies failed to implement collection strategies that worked in other states.

"When it comes to bank garnishments and levies, all but one of Oregon's largest debtor agencies have to guess where a debtor might be banking," auditors wrote in the report. The Department of Justice's child support program can match debtors to bank accounts, a requirement under federal law. Meanwhile, banks have worked with the government to match accounts for other types of debtors in states such as California and Wisconsin, according to Oregon auditors.

Under the Oregon bill, each quarter the Department of Revenue would have sent banks a list of debtors' names and social security numbers, and banks would notify the state if they had accounts that matched the data.

Banks could have charged the state reasonable fees to cover the costs matching accounts and debtors, and the state could have passed that fee along to the debtors. The bill would also have allowed the Department of Revenue to track down debtors using a Department of Justice child support database of newly hired employees and issue writs of garnishments to banks operating in Oregon for out-of-state accounts.

That last provision was among the problems cited by banks during hearings earlier this year.

"That is not consumer friendly," Ken Sherman, a lawyer for the Oregon Bankers Association, said during a hearing in February. "That is a terrible precedent for this state, which has been very much in the forefront in leading on consumer protection, to make."

Taylor, the bill's sponsor, said banks have repeatedly asked for more time to prepare to expand the data match program beyond child support. "They have always said, 'Oh yeah, we're willing participants,'" Taylor said.

Corrections

The East Oregonian works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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AccuWeather.com Forecast

TODAY

Nice with clouds and sun

FRIDAY

Periods of sun; breezy, cooler

SATURDAY

Sunshine and patchy clouds

SUNDAY

Nice with sunshine

MONDAY

Partly sunny and pleasant

PENDLETON TEMPERATURE FORECAST

69°	47°	61°	42°	68°	41°	74°	45°	79°	50°
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HERMISTON TEMPERATURE FORECAST

73°	49°	66°	45°	73°	42°	80°	44°	83°	50°
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ALMANAC

PENDLETON
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	59°	45°
Normals	66°	41°
Records	95° (1926)	29° (1935)

PRECIPITATION
24 hours ending 3 p.m. 0.03"
Month to date 0.40"
Normal month to date 1.04"
Year to date 4.39"
Last year to date 3.02"
Normal year to date 5.04"

HERMISTON
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	64°	49°
Normals	68°	42°
Records	88° (1947)	28° (1970)

PRECIPITATION
24 hours ending 3 p.m. 0.00"
Month to date 0.28"
Normal month to date 0.78"
Year to date 2.98"
Last year to date 1.78"
Normal year to date 3.92"

SUN AND MOON

Sunrise today	5:47 a.m.
Sunset tonight	7:59 p.m.
Moonrise today	12:56 a.m.
Moonset today	10:44 a.m.

Last

Apr 29

New

May 6

First

May 13

Full

May 21

Shown is today's weather. Temperatures are today's highs and tonight's lows.

REGIONAL CITIES

	Today			Fri.		
	Hi	Lo	W	Hi	Lo	W
Astoria	59	46	s	58	45	c
Baker City	63	33	pc	58	33	pc
Bend	60	31	pc	56	27	pc
Brookings	62	47	s	60	26	pc
Burns	64	32	c	56	31	pc
Enterprise	57	37	sh	55	37	pc
Eugene	63	43	s	59	39	pc
Heppner	66	41	pc	58	38	pc
Hermiston	73	49	c	66	45	pc
John Day	62	41	c	58	39	pc
Klamath Falls	61	31	pc	60	30	s
La Grande	63	40	pc	59	40	pc
Meacham	59	39	pc	55	38	pc
Medford	68	43	s	67	41	s
Newport	56	45	s	56	43	r
North Bend	59	47	c	59	45	s
Ontario	72	44	c	68	43	pc
Pasco	75	46	pc	69	43	pc
Pendleton	69	47	pc	61	42	pc
Portland	65	47	c	59	45	sh
Redmond	64	32	pc	59	27	pc
Salem	65	45	s	59	43	pc
Spokane	65	45	pc	60	42	pc
Ukiah	60	36	pc	54	35	r
Vancouver	64	45	s	57	43	sh
Walla Walla	68	49	pc	61	45	pc
Yakima	74	44	pc	67	42	pc

WORLD CITIES

	Today			Fri.		
	Hi	Lo	W	Hi	Lo	W
Beijing	79	52	pc	84	57	c
Hong Kong	82	73	pc	81	74	pc
Jerusalem	69	51	s	73	56	s
London	52	41	pc	53	38	t
Mexico City	85	51	pc	85	51	pc
Moscow	61	43	pc	55	39	pc
Paris	54	39	sh	55	41	r
Rome	66	50	t	68	50	pc
Seoul	70	49	pc	69	50	pc
Sydney	77	61	pc	78	65	pc
Tokyo	65	59	r	67	54	r

WINDS

(in mph)	Today	Friday
Boardman	WSW 4-8	WSW 10-20
Pendleton	W 6-12	WSW 10-20

UV INDEX TODAY

1

8 a.m. - 10 a.m.

4

Noon - 2 p.m.

6

4 p.m. - 6 p.m.

6

0-2, Low

4

3-5, Moderate

1

6-7, High; 8-10, Very High; 11+, Extreme

The higher the AccuWeather.com UV Index™ number, the greater the need for eye and skin protection.

Forecasts and graphics provided by **AccuWeather, Inc.** © 2016

NATIONAL WEATHER TODAY

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.

National Summary: Damp weather will stretch from the northern Plains to the mid-Atlantic with spotty heavy storms from the Ohio Valley to the Southeast today. Showers and spotty storms will affect a large part of the West.

Yesterday's National Extremes: (for the 48 contiguous states)
High 100° in McAllen, Texas **Low 10°** in Laramie, Wyo.

NATIONAL CITIES

	Today			Fri.		
	Hi	Lo	W	Hi	Lo	W
Albuquerque	70	41	pc	62	43	s
Atlanta	81	63	t	87	65	s
Atlantic City	56	47	r	53	45	sh
Baltimore	58	46	r	57	43	sh
Billings	44	33	c	53	37	c
Birmingham	84	60	pc	87	66	s
Boise	69	44	pc	67	43	pc
Boston	53	42	s	49	40	pc
Charleston, SC	87	66	t	90	63	s
Charleston, WV	49	39	t	74	50	pc
Chicago	49	36	r	54	41	pc
Cleveland	56	42	c	51	40	c
Dallas	85	68	pc	79	67	t
Denver	49	34	sh	40	31	sn
Detroit	49	40	r	59	40	pc
El Paso	83	56	s	75	53	s
Fairbanks	61	34	s	62	36	pc
Fargo	56	34	c	61	39	c
Honolulu	84	73	sh	84	73	pc
Houston	85	72	pc	83	70	t
Indianapolis	72	47	t	65	48	pc
Jacksonville	89	66	t	89	64	s
Kansas City	65	46	s	62	54	c
Las Vegas	69	57	sh	80	60	pc
Little Rock	84	60	pc	73	65	r
Los Angeles	70	55	pc	72	56	s
Louisville	80	57	t	76	58	pc
Memphis	85	62	pc	79	67	c
Miami	87	74	pc	89	73	c
Millwaukee	44	37	r	50	40	pc
Minneapolis						