

TAX: Pacific Power says they would have to raise rates

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they do here but pay taxes that are so low — the lowest in the country — that our schools and critical services are badly underfunded,” their website states.

Hart said far more than 1,051 businesses will be affected, however, by the “pyramid” effect of the tax. A restaurant may not have more than \$25 million in sales, she said, but still be hit by higher prices on utilities, ingredients and equipment they purchase from companies that do fall under IP28.

The Legislative Revenue Office’s report estimates the law will result in 38,200 jobs lost in the private sector but 17,700 added in the public sector, for a net decrease of 20,500 jobs statewide.

A list of businesses that will be taxed is not public record, but Pacific Power has already stated publicly that it would see its tax bill raised

by \$40 million per year and would have to raise rates 3-4 percent to cover the cost.

The gross receipts tax proposed in IP28 is not a “sales tax” in the traditional sense of the word. Consumers will not see, for example, a five cent tax added directly to their \$2 gallon of milk. But if the farm where the milk was produced, the plant where the milk was packaged and the store where the milk was sold are class C corporations with at least \$25 million gross sales, they will each have to hand over 2.5 percent of their sales to the government — in effect taxing the same milk multiple times.

Hart pointed out that the tax is on sales, not profit, which means that a business must pay the same amount whether it is making huge profits or losing money.

She said that IP28 is being marketed as an increase in money for schools, seniors and health care, but once the

money is in the general fund it can be used for anything.

“There’s no plan, no accountability for how that money will be spent,” she said. “In the bigger picture, I couldn’t agree more that schools need more money, but tax policy does not belong on a ballot measure.”

The coalitions being formed on both sides of IP28 show the ballot measure is shaping up to be a fight between public employee unions and businesses. But Hermiston assistant city manager Mark Morgan was at Wednesday’s meeting and said some public employers also have reservations about the initiative. He said the tax hike could be passed on through higher prices from contractors completing multimillion dollar projects like the new wastewater treatment plant and airport taxiway realignment.

“We’d be paying for this tax, ultimately,” he said.

A report from Oregon’s Office of Economic Analysis, obtained in draft form and published online by *The Oregonian*, estimates that the average Oregon-based corporation affected currently pays \$200,000 in taxes but will see their tax raised to \$2.2 million by IP28, while the average qualifying business based outside of Oregon pays \$300,000 under current law and would pay \$3 million under IP28.

A Class C Corporation is taxed on its net income and then shareholders are taxed separately on distributions. An alternative is to become an S corporation, which sees its profits taxed just once, at the shareholder level. C corporations can convert to an S corporation, but only if they have fewer than 100 shareholders.

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SCHOOLS: District already moving into the new schools

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about the place. Ponder said Demianew wasn’t the only one to stand and relive memories.

“There’s been a lot of nostalgia from the community,” Ponder said.

He said the interior of the school is packed with good-bye messages from students, teachers and staff. Ponder led the way into the other end of the school and the wing’s yet-to-be-demolished classrooms. The messages covered every wall, some scrawled, some neatly

“Elementary schools are special places,” Demianew said. “It’s where people find out who they are.”

— Chris Demianew, Sherwood Heights graduate

penned, but all expressing sadness and appreciation for the old school and the memories created there.

In one first-grade classroom, a student had drawn a big heart and written inside, “I will miss this school really much — I love this school. But then we’ll go to the new school.”

Demianew said the loss of Sherwood is bittersweet. He turned his eyes to the pristine new building and smiled.

“It’s hard to feel too sad when you look over there at that beautiful, much-needed new facility,” he said.

But still, it is worth taking a moment or two to reflect on the past.

“Elementary schools are special places,” Demianew said. “It’s where people find out who they are.”

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WAGE: Delivery workers will be paid the rate of where they report

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The Legislature in February boosted minimum wage rates and set a schedule for increases with three different regional rates, based in part on the area’s cost of living and income levels. Proposed rules that defined location of itinerant employees required employers to pay different rates if an employee worked in a different region for four hours or more.

Business groups opposed the rules because they said it required onerous record-keeping.

Under the final rules, no additional recordkeeping is required for most employers, said Charlie Burr, labor bureau spokesman. When an employee works in multiple regions the majority of the time, the employer may choose whether to pay the

employee the highest rate or to track the employee’s hours by location and pay them different rates according to where they worked.

Delivery workers who report to and from the same location will be paid the rate of the region where they report.

Betsy Earls, vice president and counsel of Associated Oregon Industries, said the final rules are an improvement from what was originally proposed, but the guidelines still have shortcomings.

“Those are huge strides, so much better,” Earls said.

Earls argued that lawmakers intended employer location to mean the location where the employee reports to work, rather than different pay based on where employees go during the day.

She said exempting

delivery workers and not other workers that work in multiple locations from the rules doesn’t make sense.

“There is nothing discernible about delivery workers except that they drop things off,” Earls said. “Those companies have to track hour by hour. That is pretty tough, and I don’t think the distinction is defensible. What if they’re picking things up instead of dropping things off?”

The labor bureau will hold a series of seminars to help employers comply with the new rules.

The first-of-its-kind law takes effect July 1, bumping up the state’s minimum wage from \$9.25 to \$9.75 statewide.

In 2017, wage increases will diverge according to region.

The minimum gradually climbs to \$14.75 in 2022 in

the Portland urban growth boundary, which includes parts of Multnomah, Washington and Clackamas counties. It will rise to \$13.50 in Benton, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Polk, Tillamook, Wasco and Yamhill counties, and parts of Multnomah, Clackamas and Washington counties outside Portland’s urban growth boundary.

In rural areas, the wage increases to \$12.50. Those areas include Malheur, Lake, Harney, Wheeler, Sherman, Gilliam, Wallowa, Grant, Jefferson, Baker, Union, Crook, Klamath, Douglas, Coos, Curry, Umatilla and Morrow counties.

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DAM: Project would power an estimated 500 homes annually

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Boris Belchoff, Umatilla Field Office manager for the Bureau of Reclamation, said hydro power at McKay Dam is a tricky proposition. Generally speaking, the agency can’t vary the amount of water it is contracted to release through the year. Once irrigation season ends, Belchoff said they release just 10 cubic feet per second of water to ensure the reservoir fills again by next year.

“That 10 cfs is not a whole lot of water,” Belchoff said. “It wouldn’t be a sufficient volume for most hydro plants.”

But Hampton said the dam would only operate from April through October, when the releases are high enough to churn out electricity. He estimates the annual generation for the project would be about 5.6 gigawatt-hours, or enough power for about 500 homes.

“It’s not a huge project, but it’s a nice little development that could make the world a better place,” he said.

Built between 1923 and 1927, McKay Dam has never been used for electricity. The dam has a total storage capacity of 65,534 acre-feet of water and serves roughly 70 users downstream, including the Stanfield and Westland irrigation districts. Some water rights are left in stream to benefit native fish, including salmon and steelhead.

Robert Ross, who works as an engineer at the Bureau

of Reclamation’s regional office in Boise, said the project cannot interfere with those irrigation rights.

“Whatever they do, the public is not going to see a difference in the outflow of the dam,” Ross said.

Hampton said his design calls for a run-of-the-river project, which would have no effect on water released from the dam. His applications calls for modifying the dam’s existing outlet works to divert water through a hydroelectric generator, which would be placed inside a concrete powerhouse.

Hampton said the noise generated on site would be quite low, comparable to that of an air conditioner. The company would work with Pacific Power to upgrade an existing transmission line at the site in order to connect onto the local grid.

Belchoff said it’s still to be determined if the project is viable. An initial stakeholder meeting was held Dec. 1, 2015, which included the Bureau of Reclamation, Oregon Department of Fish & Wildlife, Oregon Water Resources Department, Oregon Department of Environmental Quality and Confederated Tribes of the Umatilla Indian Reservation.

Hampton said the permitting process could take several years, at minimum, to complete. Field studies are slated for later this summer.

The project will need to consider potential impacts to fish and wildlife at McKay

“Whatever they do, the public is not going to see a difference in the outflow of the dam.”

— Robert Ross, engineer at the Bureau of Reclamation’s regional office in Boise

Reservoir, which is home to species such as perch, crappie, bullhead catfish and bass. While the project’s design would not necessarily increase the number of fish pulled through the dam, it could increase mortality since they would be pulled into the powerhouse turbine.

McKay Creek from the dam down to the Umatilla River is also considered critical habitat for Mid-Columbia steelhead, though there is a barrier that was built in 1995 to keep adult fish from moving into this stretch of the creek where they become trapped. McKay Dam is a complete barrier to fish passage.

Bill Duke, district fish biologist for ODFW, said they will consider what kinds of mitigation will be included as part of the project, though it is

still early in the process.

“I think this project and the application has triggered a lot more thought about reopening McKay Creek for anadromous fish,” Duke said.

Ross said that providing fish passage at the dam would be difficult, but not impossible. Hampton, however, said the cost would far exceed the cost of the project itself. He said other possibilities for mitigation could include habitat and stream bank restoration.

“There’s a whole study process where we’ll sit down with the state and federal agencies,” he said. “That is something that will be negotiated.”

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Orlando gunman raged against ‘filthy ways of the west’

ORLANDO, Fla. (AP)

— Orlando gunman Omar Mateen apparently made a series of Facebook posts and searches before and during his attack on a gay nightclub, raging against the “filthy ways of the west” and blaming the U.S. for the deaths of “innocent women and children,” according to a Senate committee letter released Wednesday.

The killer whose rampage left 49 people dead also searched for “Pulse Orlando” and “Shooting” online on the morning of the carnage Sunday and said on Facebook: “America and Russia stop bombing the Islamic state,” according to the letter.

The Senate Homeland Security Committee sent the letter to Facebook CEO Mark Zuckerberg, asking the company to produce information on Mateen’s online activity and to provide a briefing to the panel.

The letter illuminating Mateen’s state of mind in the final hours of his life was released as the long, sad procession of memorials and funerals for the victims began in Orlando and as the FBI appealed for the public’s help in reconstructing the killer’s movements. The FBI is also trying to establish how much Mateen’s wife may have known about the attack at Pulse dance club.

“We need your help in developing the most complete picture of what he did and why he did it,” FBI agent Ron Hopper said at a news conference.

In its letter, the committee said staffers have learned that five Facebook accounts were associated with the 29-year-old American-born Muslim.

“The real muslims will never accept the filthy way of the west,” Mateen wrote, according to the letter from committee chairman Sen. Ron Johnson, a Wisconsin Republican. Johnson did not say how he learned of the posts other than to cite “information

obtained by my staff.”

As he did in his call to a 911 operator during the massacre, Mateen pledged his allegiance on Facebook to the leader of the Islamic State and, in his final post, warned: “in the next few days you will see attacks from the Islamic state in the USA.”

Despite his professed loyalty to the extremist group, the Obama administration has said it has seen no evidence that the shooting rampage was directed by the Islamic State.

A spokesman for the FBI did not immediately return a call for comment Wednesday evening, and Facebook had no immediate comment.

The three-hour rampage began at 2 a.m. Sunday and ended with Mateen being killed by a police SWAT team. The FBI said it is still gathering evidence at the Pulse and analyzing cell-phone location data to piece together Mateen’s activities leading up to the massacre, while also interviewing people who had any dealings with him.

On Saturday night, hours before the rampage, Mateen visited Disney Springs, an outdoor restaurant, retail and entertainment complex at Walt Disney World, an official who was briefed on the case but insisted on anonymity to discuss the continuing investigation told The Associated Press.

The official said it is not clear what Mateen was up to.

Meanwhile, drag queens and motorcyclists turned out to pay their respects at an evening visitation at a funeral parlor for Javier Jorge-Reyes, a 40-year-old salesman and makeup artist.

Members of the SWAT team underwent a stress-management debriefing Wednesday, as hundreds of others involved in the response to the shooting have done, Orlando Police Chief John Mina said. Further counseling is being made available.

MARIJUANA: Council must pass a resolution next month

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she said.

Kerns said state law prohibits cities from imposing a local tax or collecting its share of the state’s 17 percent tax on marijuana if they ban any aspect of medical or recreational marijuana sales.

She suggested writing two questions for the ballot, a question that covered sales for both medical and recreational marijuana and another that addressed the tax.

This news caused consternation among some of the councilors.

Councilor Tom Young said some council members had proposed three ballot questions because they thought medical marijuana would have a better chance of passing than recreational.

Councilor Paul Chalmers suggested forgoing the tax altogether, which would allow the city to pose separate questions on medical and recreational marijuana.

“I think that the tax piece is a minor piece when compared to giving our constituents a voice,” he said.

Agreeing with Chalmers,

Young said marijuana voters wouldn’t vote to tax themselves.

“Let’s just be practical,” Young said. “If you ask the two questions, ‘Do you want to smoke dope? Do you want to pay tax on it?’ Duh. I can answer that right now. ... So the tax is somewhat of a moot point. They’re going to vote no.”

Despite weighing in on the issue, Young reiterated that he would vote against putting any sort of question on the ballot because marijuana is still illegal under federal law.

Councilor Chuck Wood said the local tax was important because it would bolster the city’s “dinky” share of the state tax.

Several councilors agreed that they should speak with an official from the League of Oregon Cities before they proceed so they can go over their options.

The council can’t spend too much more time debating the ballot questions — Kerns said the council needs to pass a resolution next month.

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