

TAX: Rematch over business taxes shaping up for 2018 ballot

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It also means that a state hiring freeze will continue and that legislation attempting to curb the costs of state government from education to forestry will likely advance.

Brown, Senate President Peter Courtney, D-Salem, and Speaker of the House Tina Kotek, D-Portland, say structural changes to the state's tax system will have to wait until the next long legislative session in 2019.

The Oregon Legislative Assembly meets for approximately five-month long sessions in every odd-numbered year, alternating with short month-long sessions in even-numbered years, and is constitutionally required to finish its business — primarily, balancing the state budget — by July 10.

With a \$1.4 billion gap between projected revenue and expenses in the next two-year budget, only partially closed with the Legislature's passage Wednesday of a new tax on health care providers and insurers, Courtney, Kotek and Brown say that they'll push for cost containment to make up the difference.

"...We have worked for months with legislators in both parties, business leaders, and labor leaders, to identify ways to reduce state spending, contain costs going forward, and finally reform our revenue system," Brown, Courtney and Kotek said in a joint statement Thursday morning. "While we are moving forward on several major cost containment measures, it has become clear that the Legislature will not

have the necessary support to achieve structural revenue reforms this session."

Those cost containment strategies won't include proposed cutbacks to the Public Employees Retirement System, a sticking point for many Republicans.

Some Democrats had hoped to achieve structural changes to state taxes on business, shifting the basis from income to sales.

But this week there were already indications those ambitions may not come to fruition.

Lawmakers were considering alternatives, such as increasing the existing corporate income tax, which could raise \$530 million for the next budget, and narrowing eligibility for a pass through tax break, which would shore up nearly \$200 million in the next two years.

Brown said she didn't think that a proposal to increase the corporate income tax had "traction" in the Oregon House.

And Republicans are already up in arms about the other proposal, which Senate Minority Leader Ted Ferrioli, R-John Day, dubbed a "tax heist."

Brown said she wanted to "set the table" for a tax overhaul in 2019. She blamed the rancorous Measure 97 fight last year for the impasse.

Measure 97, backed by union groups, would have taxed certain corporations with annual Oregon sales of more than \$25 million.

"It is really clear to me, as I mentioned, that it takes a full legislative session to vet structural changes to Oregon's

revenue situation," Brown told reporters Thursday. "I think I would have liked to (have had) a process leading up to that. Ballot Measure 97 and the battle over that prohibited that table or that level of collaboration."

A rematch over business taxes is already shaping up for the November 2018 ballot.

The state's largest teachers' union, the Oregon Education Association, is backing a ballot measure that would create a gross receipts tax on businesses with annual sales of more than \$3 million.

House Majority Leader Jennifer Williamson, D-Portland, contended Republicans were to blame.

Democrats in both the House and Senate are one vote shy of the three-fifths majority required to pass revenue-raising measures, meaning that if all Democrats were to vote in favor of revenue reform, they'd still need one Republican on board.

"Unfortunately, Republicans have chosen to stand in the way rather than work collaboratively in order to solve the biggest problems facing our state," Williamson said in a statement. She argued her caucus had floated proposals to reduce costs, address the state's "broken" revenue system and stabilize education funding.

House Minority Leader Mike McLane, R-Powell Butte, shot back, arguing that Republicans had worked "in good faith."

"We said before the session began that we would be open to raising revenue if Democrats were willing

to engage in a serious effort to grow the economy and control costs," McLane said in a prepared statement. "The Democrats were not willing to do that. House Democrats failed to produce this session the budget changes needed to support our communities."

Hanna Vaandering, president of the Oregon Education Association, accused both Republicans and Oregon businesses of obstruction in a statement Thursday.

"We met with the business community nearly 10 times and not once did they bring forward a long-term, sustainable solution for our students," Vaandering said. "They said it would be easy to find common ground, but instead have spent months obstructing."

But Vaandering also said the Legislature had "ample time" to pass a bigger revenue package before the final gavel falls later this summer.

Business leaders such as a Brighter Oregon, a coalition of businesses and business groups including the Portland Business Alliance, were adamant that their support for new revenue was contingent on curtailing the state's costs, which the state now appears poised to do out of necessity.

Jim Green, head of the Oregon School Boards Association, called Thursday's announcement "disappointing."

"Now there will be a lot of finger-pointing on both sides, but ultimately this is a failure by our elected state leaders to put aside their differences and do what is needed," Green said in a statement. "Instead of a solution, what we are left with is a short-term patch."

POLICE: Firefighter contract expires at the end of June

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said the wide range allowed for a true average.

Bowen said the association also brought a list of comparable departments to the bargaining table, and each side had a few the other didn't. He said the city's comparison showed Pendleton police were about 7.5 percent behind the average.

"What we wanted," Bowen said, "was to be at market value so we keep good employees and draw interest from others."

Previous labor contracts have been for three years, including the one that expires at the end of June.

That contract provided for 3-percent cost of living increase in 2015, then 1 percent in 2016 and 1 percent again in 2017. The salary schedule in its last year ranged from a bottom of \$3,139 a month to the top end of \$5,642 a month, along with bonuses for certain duties or assignments, such as an extra 2 percent for the community service officer and 4 percent to an officer with the police dog.

Bowen said the association wanted a two-year contract to make it easier to stay competitive.

Pendleton's other contract for public safety labor is in mediation.

The International Association of Fire Fighters represents 21 members of the Pendleton Fire Department and Ambulance Service, excluding administration, reserves and interns. Fire

Chief Mike Ciraulo said the union is asking for a salary increase in a three-year contract, but he could not reveal how much. Coming to a fair deal, he said, means the sides first need to agree on which fire departments compare to Pendleton's.

Ciraulo said union members know the citizens of Pendleton approved a bond to build a new fire station. The administration wants what's best for the citizens, he said, and union representatives want what's best for their members.

"I absolutely believe they are not being greedy," he said.

City and union officials met with a state mediator earlier this week and twice informally since. Under Oregon's Public Employee Collective Bargaining Act, mediation can last 15 calendar days. After that, sides decide if they want to continue working in mediation, or either side can declare an impasse. Oregon law prohibits firefighters and other public safety employees from striking.

Instead, they can go to arbitration, a formal process in which a third-party decides the labor contract.

Ciraulo said neither side wants that. Negotiations remain cordial and respectful, he said, and there's time to reach a deal before the contract expires at the end of June.

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Pendleton felon grabbed rifle as buffalo charged him, lawyer says

BY MAXINE BERNSTEIN The Oregonian/OregonLive

A convicted felon who went on a buffalo hunt in Montana and grabbed a rifle when the buffalo came charging is now facing a felony charge in federal court.

Cecil Wesley Tias, 45, of Pendleton made his first appearance on the charge Thursday in U.S. District Court in Portland.

U.S. Magistrate Judge Staci F. Beckerman said she initially thought the case was very serious, based on the charge alone and Tias' criminal record, which includes a 2006 involuntary manslaughter conviction.

But after learning more of the details, the judge said she understood the case a little better.

"The buffalo were charging. They were not far from Mr. Tias," explained federal

defender Ruben Iniguez. "He made the mistake of picking up the gun."

The incident occurred Feb. 23 in Gallatin County, Montana. Tias grabbed a Savage Arms model .243 caliber, bolt-action rifle, according to federal prosecutors.

Iniguez told the court that there's not much dispute about the facts of the case, and Tias will appear as required in federal court in Montana next month.

Defense lawyers may argue that there was a "lawful sporting purpose" for Tias to grab the rifle.

Beckerman agreed to release Tias from custody, with GPS monitoring and a remote alcohol testing system in place. He must report on his own to federal court in Butte, Montana, on July 12. Family members intend to rent a car and drive to Montana for the court appearance, Tias' defense lawyer said.

While the felon in possession of a firearm charge initially caught the judge off guard, Beckerman said the case will serve as a "good lesson" for her not to be judgmental about a case based on the charge alone until she knows the facts

behind it. Tias was convicted in 2006 of involuntary manslaughter, found to have caused the death of a woman while driving drunk on the Umatilla Indian Reservation on May 29, 2005, according to court records.

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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NATIONAL WEATHER TODAY Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day. National Summary: Cindy will add to heavy rainfall and the risk of flooding from the central Gulf Coast to the Ohio Valley and southern Appalachians today. Cooler air will invade the Midwest as heat holds in the Southwest. Yesterday's National Extremes: (for the 48 contiguous states) High 118° in Needles, Calif. Low 34° in West Yellowstone, Mont. NATIONAL CITIES Today Sat. Albuquerque 98 65 pc 89 67 t Atlanta 88 74 c 82 68 t Atlanta City 81 73 t 82 68 r Baltimore 88 72 t 85 64 r Billings 72 49 c 73 49 c Birmingham 85 73 c 81 67 t Boise 84 56 s 90 59 s Boston 84 69 t 81 64 pc Charleston, SC 89 76 c 92 75 pc Chicago, IL 81 59 t 75 54 pc Cleveland 80 62 t 79 60 pc Dallas 98 72 pc 81 72 t Denver 67 50 pc 76 51 c Detroit 81 60 t 77 55 pc El Paso 109 76 s 95 75 t Fairbanks 74 56 pc 71 52 sh Fargo 67 46 c 63 47 r Honolulu 85 74 sh 84 73 sh Houston 93 77 pc 88 74 t Indianapolis 77 60 t 75 54 s Jacksonville 91 73 t 93 74 pc Kansas City 79 55 t 81 56 c Las Vegas 114 87 s 112 87 s Little Rock 86 66 r 82 62 pc Los Angeles 81 64 pc 80 65 pc Louisville 81 65 t 83 58 pc Memphis 80 70 r 83 64 pc Miami 90 80 pc 91 80 sh Milwaukee 80 59 pc 72 55 c Minneapolis 71 53 pc 67 54 c Nashville 80 67 r 84 59 pc New Orleans 86 76 t 88 75 t New York City 84 72 t 84 68 r Oklahoma City 87 62 t 81 61 c Omaha 76 53 pc 81 51 c Philadelphia 87 53 t 86 67 r Portland, ME 79 66 t 82 60 pc Providence 84 70 c 81 63 pc Raleigh 91 74 c 89 68 t Rapid City 72 42 pc 74 42 c Reno 97 65 s 99 65 s Sacramento 99 62 t 95 60 s St. Louis 86 64 t 81 60 s Salt Lake City 88 59 t 91 61 s San Diego 75 66 pc 75 66 pc San Francisco 76 57 pc 71 56 pc Seattle 81 59 s 88 62 s Tucson 109 80 pc 110 82 s Washington, DC 87 75 t 87 69 r Wichita 78 56 t 81 60 c