

Oregon forecasts a \$3B kicker in 2024

By PETER WONG
Oregon Capital Bureau

SALEM — Taxes kept rolling into Oregon's coffers at record amounts this year, but state economists say much of that money is likely to go back to taxpayers in 2024 in record credits against their state tax bills.

While not forecasting an economic downturn soon, the economists say that if it happens in 2023 or 2024, Oregon's tax collections could drop by as much as 20% — and the state's discretionary budget still relies largely on personal and corporate income taxes.

Still, shortly after the state's quarterly economic and revenue forecast was released Wednesday, May 18, Gov. Kate Brown said the forecast will yield slightly more money that can be spent on one-time needs in the next state budget cycle in 2023-25.

Brown said in a statement: "The good news is that the continued strength in the economy will allow the Legislature to look at additional one-time investments in the coming budget cycle — like those we've recently made in housing, behavioral health and child care — to further spur growth and support working families, so that all Oregonians see and feel the benefits of our economic bounce back."

Though Brown leaves office on Jan. 9, 2023, her administration will prepare most of the next state budget that goes to the Legislature. Whoever is elected governor Nov. 8 will have until Feb. 1 to propose changes.

Even allowing for \$1.9 billion in credits against taxes after the 2019-21 budget cycle, state economist Mark McMullen said Oregon still collected \$1.2 billion more than economists projected a year ago, when they prepared a forecast for the current two-year budget. Though McMullen said the trend is similar in other states dependent on income taxes, their gains were 35% to 40% above forecasts; Oregon's was 70%.

"We never really could

have imagined the sort of things we have seen in the past couple of months. What that has left us with is unprecedented balances for the current cycle," he told lawmakers on the House and Senate revenue committees. "Those are largely, but not entirely, offset by a larger kicker in 2023."

McMullen also added, "We're going to do our best to explain how we could possibly be this stupid to make this kind of forecasting error in the outlook."

Forecast: \$3 billion kicker

The latest projections are for a record "kicker" of \$3 billion in credits to taxpayers against their 2023 tax bills — paid out when they file returns in spring 2024 — and \$931 million in excess corporate income taxes that will go automatically into the state school fund.

Under a 1979 law, which voters wrote into the Oregon Constitution in 2000, taxpayers get a "kicker" when actual tax collections exceed 2% of the forecasted amounts at the time that lawmakers approve the two-year budget. The rebate covers the entire excess, not just the amount above 2%.

No other state has a similar rebate law.

McMullen said the principal reason tax collections are higher now is that higher-income taxpayers are cashing in on capital gains, which are profits from the sale of assets such as stock. Unlike the federal tax code, which offers a tax break, Oregon taxes capital gains as ordinary income with a top rate of 9.9%. Some taxpayers may anticipate federal changes that will increase their taxes.

Based on a conference call with economists from other states the previous day, McMullen said:

"The trend is the same; it's not an Oregon phenomenon. We are seeing it across the board. It's a lot higher than our 2% threshold for the kicker, which made a dramatic change for the outlook for 2023-25."

Working group to draft plans for drone management in parks

East Oregonian

SALEM — Oregon Parks and Recreation Department is convening a workgroup to draft criteria for managing drone take-offs and landings in state parks and along the ocean shore.

Adopting the formal administrative rules began in January, but department Director Lisa Sumption paused the process to allow the group to conduct research and suggest ways to develop maps, according to a recent news release from OPRD.

State parks and recreation invited members to the workgroup who represent a wide range of interests and expertise, including conservation organizations, drone enthusiasts and trail users. The workgroup, which will report its results to Sumption, first has to draft criteria for locations allowing and restricting drone take-offs and landings. Then park managers will apply the criteria to create maps showing the proposed sites in state parks and along the ocean shore.

Sumption's move to hit pause came after a conversation with the Oregon State Parks and Recreation Commission and members of the public at an April 13, commission meeting. The decision follows a two-month public rulemaking process that generated much public feedback in support and critical of the proposed rules.

"Drones are growing in popularity as a way to get outside and enjoy parks," said

Guy Rodrigue, OPRD central resources manager, who will convene the workgroup. "This workgroup gives us a chance to hear from a diverse group of stakeholders on the best way to balance providing places for drone pilots to capture photos while also protecting wildlife and park lands."

Once the drone criteria and maps are drafted and delivered to Sumption, the department expects to reconvene a Rule Advisory Committee and restart the process of amending the Oregon Administrative Rules. The committee will be able to refer to the criteria and maps as part of the process of drafting rules for drone pilots, hobbyists and the general public. The Oregon State Parks and Recreation Commission has the task of approving the amended rules.

Oregon has no state park rules that specifically prohibit people from flying a drone in an Oregon state park, though Federal Aviation Authority rules apply. However, some park managers have created temporary limits on the places and times a person can use a drone to protect sensitive plants and animals as well as public and private property.

OPRD cannot adopt rules specifically related to drones without following the formal public process for amending the Oregon Administrative Rules. Updates on the project and more information about flying drones is online at bit.ly/3M7xfNU.

Avian flu epidemic reaches wild birds

By DOUGLAS PERRY
The Oregonian

SALEM — Avian flu has been detected in wild birds in Oregon.

Several Canada goose goslings in Lane County, along with an osprey and a red-tailed hawk, have tested positive for the deadly bird disease, Oregon Fish and Wildlife reported Wednesday, May 18.

This follows detection of the highly contagious virus earlier this month in a backyard flock in Linn County. That was Oregon's first confirmed avian-flu case in seven years.

"We knew (it) was coming our way after a bald eagle in British Columbia tested positive in early March," state veterinarian Ryan Scholz said in an Oregon Department of Agriculture statement. The goslings were collected in Eugene's Alton Baker Park, the osprey in Eugene and hawk at Dorena Reservoir near Cottage Grove.

Humans are at very little risk of contracting or spreading avian flu, also known as H5N1, but it can happen.

In April, a man who was working on a Colorado farm with infected poultry was found to have the virus. He remained "largely asymptomatic," the Colorado Department of Health and Environment reported.

People can be infected when saliva, mucus or feces from an infected bird gets into their eyes, nose or mouth.

Most of the viruses that fall into the bird-flu category do not sicken humans. But those that do, such as H5N1,



John Bazemore/The Associated Press, File

A bald eagle sits on a nest in March 2007 overlooking Lake Oconee near Greensboro, Georgia. The Oregon Department of Fish and Wildlife reported Wednesday, May 18, 2022, that avian flu had been detected in wild birds in the Willamette Valley.

AVIAN FLU

The Oregon Department of Fish and Wildlife cautions Oregonians "to avoid close contact with waterfowl (ducks and geese) this spring and summer. This includes feeding waterfowl, which congregates susceptible birds and enables the disease to spread between birds more easily."

The agency advises people to avoid touching dead birds or birds that appear sick — and to notify the

agency by calling 866-968-2600 or emailing to Wildlife. Health@odfw.oregon.gov. People with domesticated backyard birds are asked to be extra-vigilant and increase their safety measures in handling their birds. It remains safe to eat poultry that has been properly handled and cooked, experts point out. Cooking poultry and eggs to an internal temperature of 165 degrees Fahrenheit kills all avian-flu viruses and other bacteria and viruses.

can be quite deadly. Over the past two decades, reports the U.S. Centers for Disease Control & Prevention, "19 countries have reported more than 860 total human infections with (H5N1) viruses to

the World Health Organization, with about 53% of those resulting in death."

For months, Europe has been enduring, in the words of Germany's federal animal-disease agency, its

"strongest avian flu epidemic ever."

Avian flu can be catastrophic to commercial bird populations, as well as devastating to wild birds and domesticated backyard birds, but the potential impact in Oregon at this point remains little more than guesswork.

"This is a novel strain of Highly Pathogenic Avian Influenza that has some unique qualities associated with its virulence in that it is affecting a large number of species (68 so far) and it is causing mortalities among many of its wild avian hosts, a characteristic we do not see in most (such) outbreaks," state wildlife veterinarian Colin Gillin told The Oregonian in an email. "Europe and Asia have seen similar high wild bird mortalities."

People with HIV are our neighbors.

More than half of Oregonians with HIV live outside Portland, often in suburbs or small towns like this one.

But with today's advances, HIV isn't what it used to be. People with HIV are living longer, healthier lives, with the help of medication. By talking about HIV, we can support our community. Testing and early treatment protect you and your partner. Help is available if you're HIV+.

Learn more and find free testing at endhivoregon.org

