

MEASURES from A1

private businesses means those bonds can't be utilized by private housing developers, eliminating the chance at a public/private partnership between the city of Portland and a private housing development company. Measure 102 would change that, allowing the partnership.

The case for each project would still have to be made to voters in order to issue the bonds and should the bonds be approved, the measure requires a yearly audit of the funds and a report on how they're being spent.

The measure has received support from both sides of the aisle with both gubernatorial candidates saying they supported the measure. Oregon AFL-CIO and IBEW Local 48, both union groups, voiced their support of the measure in this year's voter pamphlet along with AARP Oregon and the League of Women Voters. The sole argument against the measure included in the voter pamphlet was state senator Alan Olsen arguing that "affordable housing" wasn't defined in the measure and said he believed the measure could cause property taxes to increase.

Measure 102 would not increase property taxes on its own. If approved, voters would decide if bond measures could be implemented and those funds — once green-lighted by voters — could be utilized by private housing developers. In Cottage Grove, the South Lane School District asked voters to pass a \$35 million bond in 2016 to construct a new elementary school, remodel the community pool and improve technology and security around the district. In 2015, South Lane County Fire and Rescue asked voters to fund the purchase of new equipment including a water tender and fire engine.

Those bonds, in turn, in-

creased property taxes but only after voters approved the measure.

Measure 103 Measure 103 seeks to prohibit sales tax on groceries

By Damien Sherwood For The Sentinel

Oregon sits uniquely in the Pacific Northwest as a state without a sales tax. When struggling Oregon families plot out their food expenditures, they can rely on their supermarkets' price tags without any surprises at the cash register.

Still, in September this year, more than 620,000 Oregonians received help from the Supplemental Nutritional Assistance Program (SNAP), according to the Department of Human Services. With hundreds of thousands of households living on thin margins, many can ill afford price hikes in basic necessities.

A measure on the Oregon ballot this year will challenge a perceived threat to these necessities.

Measure 103 would amend the Oregon Constitution by adding a 16th section to Article IX. It proposes to prohibit taxes and fees based on the transactions of groceries, which would extend to sellers and distributors such as supermarkets, restaurants, farmers markets and food banks.

The bill defines groceries as "any raw or processed food or beverage intended for human consumption," but does not include alcohol, marijuana or tobacco products.

The proposed amendment has drawn strong support from food and beverage distributors, but finds dissent among a wide range of critics concerned about the bill's sprawling definitions and lack of necessity.

Oregon does not currently have a statewide sales tax on any items — including groceries — although two Oregon

cities, Ashland and Yachats, do have a five percent tax on prepared food and nonalcoholic drinks, which essentially apply to restaurants.

Both were voter-approved. Ashland first approved its local tax in 1990 to help fund costs associated with the construction of a wastewater treatment plant and to purchase land for parks. In 2009, voters chose to renew it.

Yachats first started collecting its food and beverage tax in 2007, also to pay for a new wastewater treatment facility, and modeled their tax policy on Ashland's, letting businesses keep five percent of any sales tax they collect to offset accounting costs.

"It has, by and large, been a positive effect on the community," said Yachats Mayor Gerald Stanley.

Outside of Yachats and Ashland, Oregon does not tax food and beverages, although such a tax was proposed in Grants Pass in 2006 and residents turned it down. This year in Jacksonville, an effort was made to bring a similar tax to ballot, but failed to garner the required signatures.

As these local negotiations have taken place, however, bigger stakes are on the table in the state legislature.

In support of Measure 103, campaign contributions are currently around \$4.2 million, compared to the opposition's roughly \$2.8 million.

The American Beverage Association has poured more than \$1 million into the support campaign and other major donors include Albertsons, Safeway, Kroger, Costco and the Northwest Grocery Association.

When the initiative received enough signatures this spring to be placed on the Nov. 6 General Election ballot, Joe Gilliam, president of the Northwest Grocery Association, hailed the moment as a "major milestone."

A leading proponent of the

bill, he said, "Since statehood, Oregon has never taxed groceries, yet politicians in Oregon continue to push for a tax on grocery sales. This initiative will end these efforts and other future efforts by proactively prohibiting the taxing of groceries from farm-to-fork."

The Grocery Tax 'Push'

Gilliam's claim that Oregon politicians have continuously sought to impose grocery taxes echoes similar claims made by the Yes on 103 campaign and its supporters — that Oregon politicians have tried several times over the years to institute a grocery tax.

Evidence for this, however, is sparse.

On the Yes on 103 campaign's website, an advertisement cites specific political moves as proof of such attempts.

First among them is House Bill 2830 from 2017. This bill proposed to increase the state's corporate income tax; however, there is no mention specifically of food or beverage.

The advertisement also refers to Oregon's Measure 97, which failed to receive a majority vote in the General Election in 2016. The measure would have removed the cap on the corporate gross sales tax — again, however, with no specific language targeting food or groceries.

Also listed as an attempt at a grocery tax is Senate Joint Resolution 18 in 2015, but government records show that this resolution proposed to amend the Oregon Constitution in relation to an education support fund, wholly unrelated to food or beverage.

House Bill 2330 from 2017 is also found among proponents' examples of grocery tax proposals, but this bill was "relating to charges for electricity delivered to the public for electrically powered motor vehicles," according to state documents.

Other cited attempts at the local level are Ontario's failed

Measure 23-58, a broad sales tax, and St. Helen City Council's unanimous rejection of a proposed sweetened-beverage tax earlier this year.

The lack of proposals to specifically target groceries and the thematic thread of general sales taxes cited among objectionable proposals leave the impression that the bill's backers are concerned mainly with an overall sales tax — not grocery tax.

Still, in a KTVZ television interview, Yes on 103 campaign spokesman Dan Floyd said that the measure would prevent lawmakers from imposing a burden on the people most affected by grocery costs.

"I think that (the opposition is) in full support of taxing your food and beverage," he said. "They believe state and local government need the money. And we understand that revenue is important, but we don't think it should be a regressive tax on the people who can afford to pay it the least, and it shouldn't be on your food and beverages."

Regressive as it might be, little evidence suggests that any state politicians are in favor of a grocery tax or that the needy live under its perpetual threat.

Others believe the real threat lies in a subsection of the bill referring to the "corporate minimum tax."

Corporations vs. Local Control

When Oregon businesses pay taxes, they must pay the greater between two options: (1) roughly 0.1 percent of sales, known as the corporate minimum tax; or (2) 6.6 percent on taxable income up to \$1 million or 7.6 percent over \$1 million. The minimum tax on sales is capped at \$100,000.

A subsection of Measure 103 addresses the corporate minimum tax specifically, stating that the prohibition against imposing taxes applies to this tax as well, effectively protecting the corporate minimum tax from future increases.

The Yes on 103 campaign flatly rejects that the bill is a corporate tax break on its website's FAQ.

However, in a December 2017 petition to place this initiative on the ballot, the Oregon Attorney General's office considered an objection raised by the chief petitioners of the bill.

In drafting the "yes" and "no" vote result summaries for the

See GROCERIES 7A

Advertisement for James Heating & Air Conditioning. Features an image of a furnace and text: "Fall Heating Tune-Up Only \$99*", "Complete Heating & Cooling System Service", "Reasonable Rates • All Work Guaranteed", "JAMES HEATING & AIR CONDITIONING COMMERCIAL & RESIDENTIAL", "www.jamesheating.com", "115 Lawrence St., Eugene, OR 97401", "CCB #47396", "Bus. (541) 461-2101 • Fax: (541) 686-4820", "*Limited-time offer. Restrictions apply. Call for details."

Subscription advertisement for Cottage Grove Sentinel. Features a photo of a woman reading a newspaper. Text: "Special Deal! 25% SENIOR DISCOUNT SAVE NOW ON SUBSCRIPTION RATES! Valid for One-Year New & Renewal Subscriptions!". Includes a coupon form with fields for name, address, city, state, zip, phone, and email. Payment options include credit card (Visa, MasterCard, Discover) and check enclosed. Total price: "1 Yr. In Lane County w/Senior Discount: \$30.75".

Advertisement for "Salute to Vets" section. Features an eagle logo with a dog tag that says "VETERANS". Text: "In Honor of All Veterans". "The Cottage Grove Sentinel is preparing to publish its 'Salute to Vets' a special section devoted to all military veterans who are Cottage Grove-area residents or have a connection to this area." Includes a form for veterans to submit their stories and photos. Deadline: "MUST BE SUBMITTED BY OCTOBER 31, 2018." Contact info: "Submit forms and photos (preferably) by e-mail to cgnews@cgsentinel.com; or by mail to Cottage Grove Sentinel, Attn: Caitlyn May, PO Box 35, Cottage Grove, OR 97424; or drop forms off at the Cottage Grove Sentinel, 116 N. 6th Street, Cottage Grove." Includes fields for name, contact phone number, branch of service, rank achieved, dates served, and where served.