

Oregon House approves Rainy Day Fund

by Bend_Weekly_News_Sources

Corporate kicker will be diverted to bring stability to Oregon economy during future recessions; moves to Senate for approval

SALEM—The Oregon House on Thursday approved the creation of the Oregon Rainy Day Fund by a 48-9 vote. House Bill 2707 would establish a Rainy Day Fund and direct the 2007-2009 Corporate Kicker and one percent of the state's general fund balance into the reserve, providing stability in education, public safety, health care and other essential services even in a future economic downturn.

“For all of Oregon’s 148 years, it has been raining. Many of us who have been long time Oregonians know that “real Oregonians” often just deal with the rainstorms and forego the umbrella,” said State Representative Terry Beyer (D-Springfield). “That may be fine when it comes to the weather, but it is nothing short of irresponsible when it comes to managing our state budget. It is time—long past time-- to end uncontrolled government spending and bring fiscal common sense to Salem. Today, we’ve gone a long way toward achieving that goal.”

“Because of today’s (Thursday’s) vote, Oregon is poised to finally end the cyclical “boom and bust” pattern that has made Oregon one grand casino and our fellow citizens unwilling gamblers for the last two decades,” said State Representative David Edwards (D-Hillsboro), who made the case for Democrats on the House Floor. “No longer will the fate of our economic stability rest largely on speculation and chance. No longer, in periods of recession, will the system continue will our most vulnerable citizens—children, the elderly and infirm, the working poor—suffer because of drastic cuts to essential public services when times are tough.”

The Rainy Day Fund savings plan, championed by Democrats, is backed by the state's leading business associations including the Oregon Council of the American Electronics Association, Associated Oregon Industries, Oregon Business Association, Oregon Business Council, Portland Business Alliance and the Smart Growth Coalition.

In addition to creating Oregon’s first general reserve rainy day fund, the House also approved, as part of

the package a nearly \$25 million tax break for small Oregon businesses.

“Today’s vote honors small businesses that are the lifeblood of the Oregon economy, enabling business owners to reinvest in their companies and our state’s economic future” said State Representative Chris Edwards (D-Eugene).

House Democrats have been fighting for years for a real Rainy Day Fund that would ensure funding for schools, health care, public safety and natural disaster recovery but previous proposals have been consistently blocked by House Republican leadership. In 2005 alone, House Democrats put forward three specific proposals for a Rainy Day Fund.

Today’s long-awaited vote on the Oregon Rainy Day Fund came after two days of negotiations between House Democrats and House Republicans to hold together a bipartisan agreement that included the creation of a Rainy Day Fund and a one-time diversion of the corporate kicker. Republicans had also pushed an increase in the current estate tax exemption and a Republican-backed corporate minimum tax plan. Republicans, however, backed off those parts of the agreement and only the Rainy Day Fund and corporate kicker proposals came to the House Floor for a vote.

“Our success today is a clear indication of what happens when Democrats are in charge,” said House Majority Leader Dave Hunt (D-Clackamas County). “We are proud to have gained the necessary support for this proposal from our Republican colleagues, but we also know that this day was never possible under previous Republican leadership. Democrats have succeeded today, but Oregonians are the real winners.”

The Rainy Day Fund proposal now moves to the Oregon Senate for approval.

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