

Senate passes Rainy Day Fund

by Bend_Weekly_News_Sources

Bill now moves to Governor's desk; Legislation will establish savings account to be used during difficult economic times

SALEM, Ore. - The Oregon Senate on Thursday passed House Bill 2707 and House Bill 2031, legislation that creates the state's first-ever comprehensive rainy day fund. The new savings account will initially be funded by redirecting approximately \$290 million from the corporate kicker into the fund. Additional deposits into the rainy day fund will come from the General Fund ending balance, with the next deposit forecast to be \$138 million.

The rainy day fund can be accessed during difficult economic times to prevent cuts in education, health care and public safety. The legislation received strong support from the business community and passed with bipartisan support.

"This is an historic day for Oregon," said Senate President Peter Courtney (D-Salem/Gervais/Woodburn). "The legislature has come together in a bipartisan way to make sure Oregon will be okay during rough times."

House Bill 2707 establishes a savings account that can be tapped if certain strict economic criteria are met. The legislature will also have to provide a three-fifths vote before the fund could be accessed. Additionally, the legislature could only draw on two-thirds of the fund in any one biennium.

"This is one of the most significant votes I have taken in my career," said Senate Majority Leader Kate Brown (D-Portland). "Oregon has waited far too long to implement this commonsense policy."

The creation of the fund will also have a positive impact on the state's bond rating, saving the state dollars due to an improved rating and lower interest rates. In addition, the legislation passed today preserves a \$25 million tax credit for small businesses in Oregon.

"This is smart legislation that makes sense to everyone and means immediate savings of millions for the state," said Senator Ryan Deckert (D-Beaverton). "Oregon will also benefit for years to come by the creation of this fund."

House Bills 2707 and 2031 will now move to the Governor's desk for his signature.

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