

April 6, 2011

To: Senate Finance and Revenue Committee

Senator Ginny Burdick, Chair

Re: SJR 26, SB 754, SB 968 Comments

The League of Women Voters of Oregon is a non-partisan, grassroots, political organization that encourages informed citizen participation in government. The League supports the role of state government in providing programs and services that protect basic services and enhance the quality of life for its citizens. We also support a tax system that is equitable, adequate, stable, easy to administer and as simple as possible. Over the past two decades, the state's ability to address the needs of its citizens has deteriorated as a result of economic downturns and mandated uses of the General Fund revenues.

Since 2005, the League has observed, commented on and followed legislative proposals of three legislatively-established commissions and a task force. The charge of these groups included discussions of the Legislature and its role; the restructuring of the legislative budget process; and how to more efficiently and effectively provide shared state and local government services to Oregonians. The reports of these groups all included recommendations or references to the need for a revised use of surplus personal and corporate income tax revenues and the importance of reserve funds and fiscal stability.

Because the "kicker" law is in the Oregon Constitution, any realistic change in its use must be referred to citizens. The Rainy Day Fund is in statute and should be in the Constitution. There needs to be specific ways to fund the reserves, and using revenue from surplus tax dollars makes good sense. Given the lack of reliable funding for public higher education in Oregon, establishing a Universities Stability Fund also is good public and fiscal policy. Firming up the monetary support for the reserves also gives a strong message regarding Oregon's bond rating.

The League encourages an open and thoughtful discussion on the bills before this committee today, including adequate public input. We look forward to supporting a proposal that will meet the revenue needs of the reserves and use surplus personal and corporate income tax revenues to provide adequacy and stability. Thank you for this opportunity to comment.

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President

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