



**OREGON
ASSOCIATION OF
NURSERIES**

**Testimony before the Senate Finance and Revenue Committee
Senate Joint Resolution 202
By Jeff Stone, Executive Director
Oregon Association of Nurseries
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Chair Burdick and members of the Committee, I am Jeff Stone, Executive Director for the Oregon Association of Nurseries (OAN). The OAN is supportive of SJR 202 and believes that it is a sensible approach and stabilizing influence to state financing.

Oregon nursery industry background

The nursery and greenhouse industry remains the state's largest agricultural sector despite a severe economic downturn. Oregon's nursery growers ship their products throughout the country, over 74% of nursery stock grown in our state – with over half reaching markets east of the Mississippi River. Nursery association members represent wholesale and Christmas tree growers, retailers and greenhouse operations.

Why SJR is not symbolic but necessary

The OAN knows that any change to the state financing system, let alone a constitutional amendment is something not to take lightly. We believe that the tenants set forth in this legislation take us from a volatile feast and famine system and places us on a more stable path. Asking Oregonians to weigh in is an important step and gives the case that we need stable reform.

A stable state financing plan prevents the feast or famine nature of our state budgeting. The nursery and greenhouse industry depends on functional nature resource agencies. We depend on infrastructure investment in transportation, stable funding for higher education, and a stable and predictable tax structure to support and enhance job creation. This remains a complex bill and the nursery and greenhouse industry appreciates all the hard work that has gone in, by both parties, to craft a compromise. I will not go into all the details of each segment, but will point out a three main issues.

1. This bill does a lot of things that have needed to be done for many years. Modification of the kicker is an important and critical step to derive a constitutionally disciplined plan. We need consistency and this part of the bill helps provide that. It sets a marker for excess revenue to personal income – which is a true measure of predictability of a revenue stream – especially in Oregon.

2. The proposed constitutional amendment places the state on a much needed reserve fund, capped at a reasonable 12% of the prior biennium revenue, has reasoned flexibility to match economic conditions.
3. Finally, the November 2012 election timing is wise – especially with a presidential election driving a higher turnout.

No steps to help fix state financing is easy

This is not an easy step to take and we encourage the 2012 Legislature to take it. Should we embrace a plan that reduces the volatility of the revenue system, is disciplined, creates a meaningful reserve fund, and adjusts the kicker to actually be based on the true measure of economic growth – personal income? Does this plan encourage long term budgeting and spending? The answer in our opinion is yes.

The state tax system is not perfect and still needs some significant changes. However I think we all recognize that the current system is not working and we must find a way to fix it. Is this a step to do so, yes it is.

Thank you for your time this morning.