



HB 4065 Ensuring the State's Business Partners Pay Taxes **Comments for House Consumer Protection and Government Effectiveness**

HB 4065 establishes procedures for ensuring state agencies contract only with contractors who are tax and fee compliant or making payments under an established payment plan.

Oregon funding for our public services and infrastructure is sadly inadequate - we currently underfund our public K-12 school system alone by \$2B according to the QEM.

Our state has a duty to the taxpayers and citizens to make every effort to collect delinquent payments. Certainly taxpayer funds should not be spent to pay contractors who fail to pay their state taxes and/or fees.

According to a September 2015 Oregon Secretary of State audit, ["Oregon Needs Stronger Leadership, Sustained Focus to Improve Delinquent Debt Collection,"](#) their findings for what they call "State Vendor Offsets" included:

- More than 9,000 state debtors were on the state vendor list and had received payments or were authorized to receive payments.
- The state is regularly making payments to individuals and businesses that owe the state money.
- In four years – from 2011 to 2014 – the state could have collected roughly \$3 million dollars had vendor offset been in place, indicating vendor offset could return at least \$750,000 a year. These numbers could underestimate vendor offset potential.

HB 4065 is an important step towards ensuring Oregon businesses pay their fair share to support the state's vital public health, education, well-being and safety services and infrastructure improvements and maintenance.

Thank you for your consideration.