



SJR 32 – Expanding 60% Vote to Requirement to Additional Revenue Raising

Testimony for the Senate Rules Committee – Gerritt Rosenthal – 3.27.2017

SJR 32 would ask for a referendum that would extend the three-fifth (60%) vote requirement to “bills that establish new or increased taxes, including but not limited to increases in tax rates of the elimination or reductions of tax credits, exemptions, deductions, subtractions or other tax expenditures.” It would also apply to modifications of a tax base, new or increased and fines, or bills containing offsetting reductions in revenue.

Tax Fairness Oregon strongly opposes this bill for a variety of reasons.

First and foremost, this bill represents an extreme level of fiduciary irresponsibility. In essence, it would retain the capacity to create tax credits, exemptions and exclusions by a simple majority, but removal would require a super-majority.

We would note the problems with the Business Energy Tax Credits. While we may all agree that tax credits and other instruments can provide development benefits, we all know they can become boondoggles. **It would be irresponsible to make it harder to remove such boondoggles than to establish them.**

Our opposition to use of a supermajority regarding fees and fines is simply based on the basic one-person one-vote premise. The level of democratic representation to establish and remove fines and fees should be equivalent.

Regarding the entire bill, Tax Fairness Oregon does not favor the use of supermajorities to do the will of the people in conducting state business since it violates basic tenants of democracy, however, repeal of the current 60% requirement for revenue bills is not the issue here.

The concepts embedded in SJR 32 would make Oregon government less efficient and less adaptive to changing conditions, and while its provision would protect the desires of minority political interests, it would do so at the expense of the majority in a way that would reduce government efficiencies. **It would, in essence, create a “tyranny of the minority”.**

Tax Fairness Oregon opposes all aspects of SJR 32.