



HOUSE OF REPRESENTATIVES

Dear Chair Bowman, Vice-Chairs Elmer and Pham, and members of the committee.

This is about a bill that I created and is grounded in basic principles of fairness. Making sure that nobody is above the law and that the federal tax dollars that everyone in this room pays, continues to come back to our families and communities.

Over the last year, we have seen the federal government attempt to withhold more than 4.6 billion dollars from Oregon communities. That has real devastating impacts on families and everyone in our districts. That means there are parents lying awake at night wondering if they will be able to feed their children. That means that there are domestic violence shelters that help some of our most vulnerable communities, unsure if they will be able to keep their doors open. That means that the emergency preparedness grants that keep all of us safe (in case of earthquake or fire) where funding is not coming in on time.

And what has happened with these federal dollars is that the federal government has attempted to withhold it. The state of Oregon has sued and has gone to federal court. And time and time again, the federal court has said this withholding is illegal. And either immediately or fairly quickly the federal government has paid the funds to Oregon and the funds have ultimately arrived.

The delay has been harmful—it has hurt Oregon families and businesses but the money has arrived. The question this bill seeks to answer is what happens if the federal gov doesn't follow the court order. What happens if they continue to withhold funding that Oregon is legally due, if we continue to sue and the federal administration says no, we are holding onto these funds.

This is when the RECOURSE act would apply.

I just want to underscore what a big problem we are talking about here. A problem that in my lifetime we don't have any analogs for. We are talking about a direct attack on our system of federalism and states rights. We are talking about a direct attack on our system of rule of law and the coequal branches of government. And we're talking about a direct attack on Oregon families—stealing money that rightfully and lawfully belongs in our community.

If that scenario were to come, and I sincerely hope it does not, we need to make sure Oregon is prepared.



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What the RECOURSE act does is a very measured approach that allows Oregon to take advantage of long standing legal principles grounded in fairness and grounded in the common law to make sure that we have some sort of recourse if that scenario were to come.

If the federal government does not release funding ordered by a court the RECOURSE Act would authorize the Oregon Governor, w/ the consent of both the Attorney General and the Treasurer, to withhold direct payments to the federal government up to an equivalent amount of money that is lawfully due to Oregon.

We explicitly have made sure that the payroll taxes state employees are paying are not included in this, we're talking about direct payments from Oregon as a state or its agency to the federal government or its agencies. We make dozens of these payments every year. It is grounded in the idea of the right to offset debt, a common law principle that is older than the state of Oregon itself. If I owe you money and you owe me money we can offset that difference.

We don't need to be paying each other in opposite directions if we have debts that both go in the same direction. That right to offset has been recognized in every single one of the 50 states. It has been recognized that the federal government has this right against states. It's been used between states and local governments, we are simply applying that same basic principle of fairness to this new situation.

To conclude, the goal here is to create a tool that I sincerely hope Oregon will never need to use, but the purpose is to be prepared. Both be prepared to protect the rule of law and also prepared to protect Oregon families if any President attempts to steal resources that are rightfully and lawfully owed to our communities.

I urge your support of this bill.

Representative Willy Chotzen

Willy Chotzen