

2009 Legislative Session

Session will be a big test for newly elected leadership.

The 2008 election has now come to a close and I think we are all glad to get our television sets and mailboxes back to normal. Leaders have been selected and now it is time for those elected officials to prove to voters that they made the right choice. What are the issues for the 2009 legislative session?

Money and/or budgets!

The economy has made the budget the biggest issue. The amount of taxes available to spend next session goes down in every quarterly forecast the government releases. The September forecast showed income taxes down \$550 million, the December forecast showed income taxes down about \$1 billion, and Oregon Lottery revenues down an additional \$70 million.

The Budget Committee in Oregon is a joint committee, which means there is a co-chair from each chamber – the Oregon House of Representatives and the Oregon Senate. This year, the budget Committee will have two new chairs. Senate co-chair Kurt Schrader was elected to the US Congress and will give up his Oregon Senate seat, and House co-chair Mary Nolan moved to the Majority Leader position and gave up her committee position.

The new chairs will be faced with tough decisions in trying to cope with the billion dollar tax short fall in the next budget. Plus, there are new projects being proposed that will fall outside the current budget.

On top of that amount, Governor Ted Kulongoski will be seeking more than \$1 billion in additional revenues for transportation projects. The governor proposed about half a dozen tax and fee increases, including a two cent per gallon gas tax hike, and more than doubling the annual fees for car title and registration. He also would borrow \$600 million, raise the tobacco tax by two-and-a-half cents and take \$16 million in lottery money to pay for railroad, mass transit and port projects.

Over the years political leaders have often proposed these types of public works projects to get the economy moving. Since many changes will focus on roads and bridges, it can be spread around to all regions of the state.

The Governor has also proposed an increase in the minimum corporate tax on businesses that file as “C-corps.” Currently if a company shows no profit, they have to pay at least \$10 in taxes. Kulongoski would like to have an increase in that amount to try and raise \$85 million for the rainy day fund.

The budget will be the main focus of the legislature. While lawmakers will not ignore policy issues, it will be policy on jumpstarting the economy that will probably take priority.

The Oregon Restaurant Association (ORA) will be introducing two major pieces of legislation in the upcoming legislative session. ORA will be asking the legislature to remove the annual indexing from the minimum wage. Oregon just had back to back big increases in the unemployment rate, which jumped an additional 1½ percent. At a time when the state needs to create more jobs, a law that mandates a wage increase is bad public policy.


The indexing removal will be hard to pass in this legislative environment. The unions placed this measure on the ballot, and Democrats generally will not go against the wishes of the unions. We are hoping that pleas from business owners, as well as increasing unemployment numbers, will help policymakers see the negative impact this minimum wage law has on Oregon’s economy in a time of recession.

ORA will also propose a statewide system for nutritional disclosure in chain restaurants that have 20 or more locations. This is an effort to give consumers the information they want, but stop the confusing proposals being forced upon our industry at the local level across the country – proposals like those in Multnomah and King Counties here in the Northwest.


This proposal will also have its share of difficulties. Democratic leadership will most likely support the disclosure information piece of the bill, but will have a difficult time restricting harsher measures from local government control.

This session will be a big test for leadership. A test to balance the budget, try and end the session by the middle of the summer, and hopefully give business enough tools to get the economy moving again. One of the most important things hospitality industry partners can do during the 2009 legislative session is to pay close attention to what’s happening in Salem, and be prepared to tell your story. Policy makers will rely on your input on the economic climate and how to improve it. So, be ready to share what’s important to you and your business during the upcoming months on behalf of our industry. ■

REPRESENTATION



“Advocacy at the state level is the number one reason that I am a member of ORA. Through them I am very well represented in the state legislature.”
Les Perry, Burrito Amigos



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