



NEWS

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Big Spenders Derail Budget Reform

--Lack of quorum in Oregon House sidelines tax reform --

WASHINGTON, D.C. – Twenty-three House members torpedoed plans to reform Oregon’s budget process by not showing up for a special session. The twenty-three legislators impeded Speaker Karen Minnis (R) and Majority leader Jeff Kropf (R)’s efforts to seek legislation that would set spending limits on the state government, create a larger reserve fund, and institute tax rebates.

With only 35 House Republicans and 2 Democrats taking their seats, the twenty-three vacancies kept the House from holding a formal session. The House needed two thirds of the members to be present to hold a session in the House and conduct business.

The topic of discussion during this special session was the proposal to limit state spending growth to four percent per year. Unspent revenue would be placed into a reserve “bucket” saved for a rainy day. When this bucket of funds totals fifteen percent of state spending, future collections would be rebated back to the taxpayers. This proposal became known as “the Bucket Plan.” However, the failure of House members to be present for this session caused this reform to die.

“The group of lawmakers opposing this budget and tax reform fears economic growth and opposes a prosperous Oregon,” said Grover Norquist, President of ATR. **“The plan in Oregon was to institute reform similar to a Taxpayer Bill of Rights (TABOR). TABOR has been profitable in Colorado, producing ten years of rapid growth. Colorado leads the nation in Gross State Product growth, is second in the nation in personal income growth, and is one of only five states that did not face a budget crisis in 2002. Maryland, New Hampshire, California, and Minnesota have all taken steps to follow the trend in adopting TABOR-style reforms. Through opposition from big spending lawmakers, Oregon has missed an opportunity to institute TABOR-like reforms. Oregon remains behind in protecting the taxpayers and revitalizing the economy.”**

The Taxpayer Bill of Rights limits the growth of state spending to inflation plus population growth. It also places a requirement to have a supermajority in order to raise taxes. While limitations on tax and spending increases are in place, any revenues above the spending limit are returned back to the taxpayers.

“It is alarming to see big spending lawmakers’ irresponsibility in facing the consequences of their uncontrolled spending. Instead of addressing and resolving their problems through TABOR-style reforms, they are passing the burdens of their spending on hard working families of Oregon. Limiting spending and instituting tax rebates will be the solution, as we have seen its effects in other states in providing a competitive job market and encouraging growth in the economy,” Norquist continued.

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.