

Tanking Economy Forces Day of Reckoning

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With the economy tanking worldwide, Oregon's projected deficit for the 2007/2009 biennium is approximately \$855 million (out of a \$15 billion General Fund budget). Required to balance the budget by the state's constitution, Oregon's Ways and Means Committee is recommending splitting the baby by making both cuts and using some of the federal stimulus funds. Of the over \$360 million in cuts, the Ways and Mean proposal reduces K-12 education funding by \$167 million. Other education accounts face a \$65 million cut, while public safety would be cut by \$58 million. The human services spending reduction is \$19 million, with \$215 million in budget backfill from the federal stimulus package.

It appears that the revenue forecast for the 2009/2011 biennium may be short \$2-3 billion. The swelling deficit has prompted the Legislature to look at a variety of potential revenue-raisers including: increasing the corporate minimum tax, hiking beer and cigarette taxes, increasing document recording fees, decreasing the amount of federal tax that an Oregon taxpayer can claim, adding a higher income tax rate for upper-income taxpayers, increasing transportation fees, hiking hospital provider fees and eliminating or reducing various tax credits including the popular Business Energy Tax Credits.

A casualty of the economy may be the Governor's Climate Change proposal to establish a cap-and-trade system to cut greenhouse gas emissions. The program would allow market forces to reduce the gases including carbon dioxide. It would set a limit on emissions and emitters would be required to have permits to release pollution. The limit would apply to utilities and industries starting in 2012 and to gasoline and heating fuel by 2015. Emitters could reduce their emissions and earn credits to sell to other emitters who can't meet the reductions goals. Critics argue that the program would add costs to businesses, increase utility bills and open a new, untested market in carbon emission credits.

OLCA has focused its legislative efforts on securing passage of SB 22. The bill would modify the current statutory pesticide licensure exemption for "persons who do not advertise or publicly hold themselves out as being in the business of applying pesticides but whose main or principal work or business is the maintenance of small or home lawns, shrubs or gardens." The proposal would require landscape maintenance businesses to be licensed under the Pesticide Control Act when applying pesticides on home lawns and gardens. However, the measure contains an exemption from licensure for these businesses when applying pesticides that are not restricted use, not using power-operated equipment and when the home owner furnishes the pesticide products and equipment and has provided instructions on the intended use consistent with the product label directions. OLCA believes that the public health and safety risks associated with the commercial application of pesticides – whether to residential lawns and shrubs or to commercial or public projects – warrants regulation under the Pesticide Control Act.

SB 22 also seeks to make the trainee's license more economical and viable for pesticide operators so that we can enhance the licensure of our employees. Part of the issue is the fee for a trainee's license which statutorily is the same as the applicator's license yet the trainee does not have the same level of authority under the statutes. Trainees are supervised employees who are applying the pesticides but are not responsible for the business' compliance with the Pesticide Control Act. The bill would allow the license fee for a pesticide trainee to be equal to or less than the license fee for a pesticide operator which would result in more employees being licensed and regulated.

SB 22 is also supported by the Department of Agriculture and Oregonians for Food and Shelter. It has had a public hearing in the Senate Business and Transportation Committee. While there is no organized opposition to the bill, several of the committee members are skeptical of the bill as they view licensure by business and trades as a means to reduce or eliminate competition.

OLCA is also working on SB 147. Introduced by the Landscape Contractors Board, the bill contained several housekeeping provisions:

- Clarifies that an employee of a property owner is not required to be licensed when contracting on behalf of the owner.
- Changes “to provide services of a landscape construction professional” to “for the performance of the activities” in the definition of the licensing requirements regulated by the Board.
- Clarifies that the winterization of irrigation systems using compressed air requires licensure by the Board.

Also in the Senate Business and Transportation Committee, the bill has had a hearing and is scheduled for a work session. Several committee members are skeptical of the winterization of irrigation systems licensure provision because it restricts the competitive marketplace. In addition, the plumbers and plumbing and heating contractors are trying to amend the bill to allow plumbers and plumbing contractors to install irrigation systems. Both LCB and OLCA are opposing the plumbers’ amendment. There is more to come on this issue.

OLCA is tracking 15 bills and it’s likely to add a few more to the list as the deadline for bill introduction is March 2 (though it takes a week or so for them all to be printed and distributed). To view the bills and their status, simply go to www.billstatus.com/wvcross and enter “olca” to login and “green” as the password.

Please don’t hesitate to contact me at 503-873-5384 or pres@wvcross.com if you have any questions.