



CAPITOL INSIDER

OSB Public Affairs Newsletter for Bar Leaders

APRIL 30, 2004

Emergency Board Updates

- The Emergency Board met April 9th and approved expenditures totaling more than \$14.9 million of the \$40 million reserve. This leaves \$17.7 million in the Emergency Fund to last through June 30, 2005.
- Legislators preserved full health care coverage for 300,000 low-income and disabled Oregonians and approved:
- \$8.9 million to preserve the Community Corrections program that pays counties to house and supervise low-level felons instead of sending them to state prisons.
- \$3.9 million to maintain the seven state crime labs and retain 60 specialists.
- \$1.9 million to restore residential care for 1,200 senior and disabled people.
- \$1 million to open 25 beds at the Warrenton juvenile detention center.

The E-Board's next meeting is scheduled for Friday June 25. For more information contact the office of the Emergency Board at 503-986-1828.

Campaign Fundraising Down

Fund raising is off to a rocky start for most legislative candidates. According to the April 1 campaign finance reports legislative hopefuls have raised less than \$2.5 million compared to the \$2.9 million collected closer to the 2002 election.

The most successful legislative fund-raisers are Senate Democrats and House Republicans. Led by Senate Democratic Leader Kate Brown the Senate Democrats' caucus fund collected roughly \$350,000. The Senate Republicans have raised just \$107,000. In the House, Speaker Karen Minnis and Majority Leader Wane Scott have largely contributed to the Republican fund raising effort which totals \$238,000 compared to the \$219,000 raised by Democrats.

Several factors may be contributing to the decrease in campaign contributions:

- The resignation of seasoned legislators created vacancies in the legislature some of which required candidate recruitment thereby delaying the start of the campaign.
- The record length of the 2004 session and Ballot Measure 30 may have left some Oregonians tired and disinterested of state politics.
- Several legislative races are between relative new comers which may not attract contributions.

Interest groups, however are prepared and well funded for this year's election cycle. Three interest groups, Oregon Right to Life, the Oregon Education Association teachers union and the Oregon Forest Industries Council have collected a combined total of \$1.4 million. More than 20 interest groups have \$100,000 available to spend.

The state of Oregon is among the few states that place no limits on political

contributions. Instead, Oregon requires full disclosure of campaign contributions. The campaign finance disclosure panel, appointed by Secretary of State Bill Bradbury to study Oregon's campaign finance disclosure laws, recommended the state develop a searchable online database of campaign contributions. The panel will approve their final recommendation at its May 20 meeting with hopes that the proposals will be considered in the 2005 legislative session. For more information go to the Secretary of States website: www.sos.state.or.us/executive/campfin.htm.

Joint Tax Reform Committee

Prospects for a special session in June are growing doubtful. The 2003 Legislature established a Joint Interim Committee on Tax Reform to develop recommendations for consideration at a special session in June, 2004. The interim committee has completed a series of public hearings throughout the state and has met twice in April to consider its options. At its April 29 meeting the committee reached no final conclusions, but will meet again May 11 to consider several proposals including a sales tax plan and a combination spending limit reserve fund.

Several factors are combining to make a special session somewhat unlikely. Legislative Counsel Greg Chaimov has issued an opinion that questions the mechanism by which the session would be convened. The resignations of several members most interested in tax reform, the defeat of Measure 30, and an almost positive economic forecast have reduced if not eliminated the motivation to act on tax reform now. While informative, the hearings throughout the state gave no clear direction to the committee. If there were to be a special session, the politically explosive issue of same sex marriage would almost unquestionably be on the agendas of a number of legislators, while others would want to avoid it.

Perhaps most importantly, no single tax reform idea seems to have enough support on the committee itself to be referred to the special session. At a hearing on April 13, a number of ideas were proposed:

- A sales tax combined with an income tax cut.
- Elimination of capital gains taxes.
- A spending limitation, with increases based on inflation and population growth.
- A spending limitation combined with a rainy day fund.

While a few members were very supportive of each of these ideas, none seemed to have the support of a majority of members from both chambers.

With the immediate pressure off and the public's confidence in the legislature at a low point, the Governor and most of legislative leadership seem anxious for the legislature to stay away from Salem. A scenario more likely than a special session is for the tax reform committee to continue to meet and to propose tax reform measures for action in the 2005 legislature. For further information please contact the Legislative Revenue Office at 503-986-1000 or visit www.leg.state.or.us/comm/lro/home.htm.

Juvenile Law Task Force

At its January 31, 2004 meeting, the Board of Governors authorized the formation of a Juvenile Law Task Force to develop and recommend performance standards for juvenile law cases.

The Juvenile Law Task Force will study and make recommendations regarding the adoption of juvenile practice performance standards in light of recent and significant legal changes. It is likely that development of juvenile practice standards will also serve as a foundation for the Public Defense Services Commission's Juvenile Training Academy in the future.

The next Juvenile Law Task Force meeting is scheduled for 3:30 p.m. on May 13, 2004 at the Oregon State Bar. For further information please contact the Oregon State Bar at 503.620.0222 ext. 376.

Interim Judiciary Committee Meeting April 28, 2004

The Joint Interim Judiciary Committee met on April 28, 2004, and considered a wide range of agenda items:

- A presentation from Ed Harnden, chair of the Appellate Process Review Committee, on the status of the committee's report. The final report should be complete in June 2004, and will include a set of recommendations for further consideration.
- A discussion of the current status of civil and criminal forfeiture procedure and practice, in light of the review of the validity of Measure 3 (2000) in the Oregon Supreme Court.

- A presentation on the treatment of mentally ill people in prisons and jails.
- A panel discussion on allowing the court to order joint custody in domestic relations cases over the objection of one of the parents.

Interim Judiciary Committee Uniform Securities Act Task Force

Sen. Ginny Burdick, Co-Chair	D	Dist. 18-Mult. & Washington Cty.
Rep. Wayne Krieger, Co-Chair	R	Dist. 1-Coos, Curry, & Josephine Cty.
Sen. John Lim, Vice Chair	R	Dist. 25-Mult.
Sen. Jason Atkinson	R	Dist. 2-Jackson & Josephine Cty.
Sen. Kate Brown	D	Dist. 21-Clack. & Mult. Cty.
Sen. Ted Ferrioli	R	Dist. 30-Baker, Clack., Wasco, & Malheur Cty.
Sen. Charlie Ringo	D	Dist. 17-Mult. & Washington Cty.
Sen. Charles Starr	R	Dist. 13-Clack., Wash., Marion, & Yamhill Cty.
Sen. Vicki Walker	D	Dist.7-Lane Cty.
Rep. Robert Ackerman	D	Dist. 13-Lane Cty.
Rep. Vic Backlund	R	Dist. 25-Marion & Yamhill Cty.
Rep. Jeff Barker	D	Dist. 28-Washington Cty.
Rep. John Mabrey	R	Dist. 59-Wasco, Sherman, Jeff., & Marion Cty.
Rep. Greg Macpherson	D	Dist.38-Clack., & Mult. Cty.
Rep. Dennis Richardson	R	Dist. 4-Jackson & Josephine Cty.
Rep. Gene Whisnant	R	Dist. 53-Deschutes Cty.
Rep. Kelly Wirth	D	Dist. 16-Benton Cty.

The Uniform Securities Act Task Force has begun a series of meetings to discuss the possible implementation of the Uniform Securities Act in Oregon. The task force has decided to analyze the act in a thorough and deliberate fashion and will not recommend legislation for the 2005 session.

Much of the detailed analysis of the substantive provisions will be undertaken by a number of subcommittees, responsible for analyzing each section. The group intends to review the entire act and make recommendations regarding which sections may be suitable for implementation in Oregon. The task force consists of a balanced group of securities law practitioners, including litigators, both plaintiff and defense, as well as business transaction attorneys and law professors. The task force will meet over the next year and a half.

Meetings of the Uniform Securities Act Task Force are subject to the public meetings law. Contact the Oregon State Bar at 503-431-6376 for information regarding meeting agendas, times and locations.

Remember **May 1**, is the deadline to submit **legislative proposals** to Public Affairs for the 2005 Legislative Session. For additional information please contact the Public Affairs Department at 503.620.0222 ext. 376.

2004 Public Affair Committee
 Gerry Gaydos, Chair, Eugene
 Mark Comstock, Vice Chair, Salem
 William Carter, Medford
 Nena Cook, Portland
 Lauren Paulson, Aloha
 Linda Eyerman, Portland