

Cultural Advocacy Coalition

LEGISLATIVE REPORT 2005

PO BOX 12911 SALEM OR 97309

P: 503 763 1833 F: 503 763 1834

WWW.OREGONCAC.ORG

Dear CAC Member:

Thank you for your financial support during this past year. The following 2005 Legislative Report was prepared by Kristina L. McNitt, the CAC lobbyist representing our interests at the State Capitol. Your generous contribution made the representation in Salem possible. For more information, please visit our website at www.oregoncac.org

Cultural Advocacy Coalition Legislative Session Report

The 2005 Legislative Session adjourned in the early morning of August 5, concluding the second-longest run in Oregon's history. For the first time in ten years, Democrats controlled one of the two chambers, splitting leadership in the House and Senate among Republicans and Democrats. This change in dynamic, coupled with the state's steady economic recovery, had most predicting a budget-driven session. However, after months of no movement on a relatively small \$50 million disagreement over THE key budget, K-12 education, these predictions were proven wrong. The 2005 session was all about politics.

Early in session, both House Republicans and Senate Democrats agreed to an overall total spending limit, with no tax increases. What remained was "slicing the pie." Speculation credits the subsequent budget stalemate to this agreement, which didn't provide clear differences between the two political platforms for re-election purposes.

In May, Speaker Minnis pulled all House members out of the traditional Joint Ways and Means Committee, resulting in the establishment of separate Budget Committees. This development necessitated the re-issuance of every budget bill, for every agency, in both a House and a Senate version. Also about this time, both chambers began orchestrating the passage of high-profile policy issues, with no expectations that the other chamber would take any action. At this point, agency budgets experienced tremendous variability between the chambers, with Senate Democrats attempting to wrest policy issues out of the House in exchange for budget concessions, and House Republicans countering that a balanced budget was their only must-have agenda item.

Against this backdrop, the CAC tracked almost 80 policy and budget bills through the duration. Despite the wrangling, the 2005 Session was a remarkably kinder and gentler session to the arts and culture community. The Governor's Recommended Budget included funding for the Arts Commission and, unlike during 2003, this appropriation was never proposed to be eliminated.

Further, extensive discussions ensued to the very end about how to enhance support to arts and culture, and several legislators truly stepped up on behalf of this effort, namely Senator Betsy Johnson and Representatives Greg Smith and Brad Avakian. Their support was supplemented with efforts by Senators Ben Westlund and Frank Morse and Representative Gary Hansen. The CAC also enjoyed active support and assistance from Governor Kulongoski through his policy advisor, Howard Lavine.

In summary, this session was considerably kinder than the 2003 session, and its outcomes could be rated as “do no harm.” The following represents a brief summary of legislation tracked by the CAC:

Cultural Trust Tax Credit

Protected.

The Cultural Trust will remain vulnerable to its own success. Its tax credit is large and consistently ranks as one of the most expensive among Oregon’s multitude of tax credits. Eight different bills with the potential to affect tax credits were introduced, ranging from requiring all tax credits to expire annually to proposing Constitutional limitations. For the first three months, House Democrats tried to initiate a comprehensive review of tax credit programs, but efforts never got off the ground due to the fact that tax credit “cuts” translate into tax increases, an issue off the table.

Cultural Trust License Plate

Protected.

The CAC also tracked a spectrum of legislation with the potential to affect or eliminate the Cultural Trust license plate. None of this legislation ultimately moved far, but it became evident during hearings that in the event a competing group desired their own plate, the Trust plate is the lowest-performing of the statutorily-limited three programs allowed by the Oregon Department of Transportation. It would likely be the program targeted for discontinuation.

Mill Creek Proceeds

Protected.

Also in the defensive mode, the CAC worked to defeat HB 3330, a bill that specifically targeted the Trust by transferring proceeds from the sale of the Mill Creek development project from the Cultural Trust to various veterans programs. This was a well-crafted piece of legislation with a potentially powerful profile. In the end, dozens of veteran’s bills became law, without utilizing the Mill Creek proceeds for funding. As Mill Creek completes its development and is sold, the pressure to reallocate these funds will likely continue.

Oregon Arts Commission (OECDD) Budget

Funded.

Through several iterations due to the split of Ways and Means, the OAC portion of GF remained funded at the Governor’s recommended level, minus 3% for services and supplies. Relative to the 2003 session where the OAC line item was zeroed out before being reinstated, this budget is a “win.” However, the amount is 50% of 2001 funding and represents a truly bare-bones amount for the OAC. Additionally, the OAC is providing administrative functions to the Trust. The Trust is growing but not yet robust enough to cover its own administrative costs. These are expenses the OAC is absorbing without additional dollars.

Despite persistent efforts and months of discussion, any infusion of lottery dollars for an arts and culture package, including Trust administration and Oregon Historical Society curative responsibilities, collapsed in the final two days of session. In the end, \$100,000 Lottery Funds were allocated to the Gresham Center for the Arts and \$100,000 General Funds were allocated to the City of Hillsboro for cultural and economic development purposes. The CAC had not advocated for these two appropriations.

Other Policy Bills of Interest

HB 2191	Created labor rebate for costs incurred by persons engaged in film production in Oregon. <i>CAC position: S</i> <i>Signed into Law</i>
HB 2776	Expands type of property for which owner may reapply for second 15-year period of historic property special assessment. <i>CAC position: S</i> <i>Signed into Law</i>
HB 3254	Imposes tax on purchase of luxury items (including art). <i>CAC position: O</i> <i>Died upon adjournment</i>
HB 3312	Provides that property is not subject to permitting standards imposed solely on historic property by local government if property owner has refused to consent to historic property designations. <i>CAC position: O</i> <i>Died upon adjournment</i>
HB 3330	Directs Governor to create Office of Homeland Security. Creates veterans programs. Reallocated proceeds of Mill Creek sales from the Trust for Cultural Development to new programs. <i>CAC position: O</i> <i>Died upon adjournment</i>
HJR 32	Directs Legislative Administrator to designate location in Capitol for establishment of Capitol History Center. <i>CAC position: N</i> <i>Adopted</i>
SB 67	Changes annual matching fund grant program for museums to biennial competitive grant program. <i>CAC position: S</i> <i>Signed into law</i>
SB 1013	Requires private schools to register with the Department of Education. <i>CAC position: O</i> <i>Died upon adjournment</i>
SB 1018	Changes qualifications and term of office for Poet Laureate of the State of Oregon. <i>CAC position: S</i> <i>Signed into law</i>

Legislative Action Center

For exact bill language, please visit www.oregoncac.org and click on the link for Legislative Action Center.