

**To: Members of the House of Representatives**  
**From: Oregon's Business Community**  
**Subj: Support of A-Eng. HB 2707**

As representatives of Oregon's business community, we have been very consistent in our conversations with legislators and our public testimony before both the Senate Finance and Revenue Committee and the House Revenue Committee regarding our position on the rainy-day fund/corporate kicker issue. We all share and subscribe to the following principles:

- A reserve (rainy day) fund should be created to mitigate losses in funding to critical state services in times of economic downturn and to improve the state's credit rating;
- A **one-time** diversion of the corporate income tax kicker should be used to initially capitalize the reserve fund;
- There should be budgetary and economic triggers to access the reserve fund that accurately reflect a true economic emergency; and political triggers that require broad, bipartisan executive and legislative support; and
- There should be an on-going mechanism to build and replenish the reserve fund.

There are two approaches to creating a state rainy-day fund currently under consideration: the **Senate's permanent** diversion of the corporate kicker by referral to voters of a constitutional amendment that requires only a simple majority in each house; and the **House's one-time** version which only diverts the 2005-07 corporate kicker and requires a two-thirds majority vote in each chamber. (The Senate's proposal was approved by the Senate Finance and Revenue Committee on Feb. 15.)

Based on our criteria outlined above, we strongly encourage you to **support the House version contained in HB 2707.**

**American Electronics Association, Oregon Council**  
**Associated General Contractors**  
**Associated Oregon Industries**  
**Oregon Business Association**  
**Oregon Business Council**  
**Portland Business Alliance**  
**Smart Growth Coalition**

**From the desk of**  
**Representative Dave Hunt**  
**House Majority Leader**