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On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: HB2084

This measure arose out of fraud, waste, and abuse at the Measure 110 Oversight and Accountability Council.

Starting in 2021, the Council, consisting of cronies in the Poverty Industrial Complex, started handing out state grant monies from a carveout of cannabis taxes to their friends who formed a number of privately owned LLC's, including one in the personal possessory interest of the Representative of House District 33 for the purchase of real estate. Many of these operated fake sobriety centers that were little more than money laundering scheme for the inurement of private benefit to Poverty Industrial Complex insiders. Meanwhile, the Council withheld funds from legitimately compliant nonprofit organizations operating good programs. For example, the phony LLC "Bright Transitions" operated a fake sobriety house that was little more than a front for receiving Measure 110 monies to pay the personal mortgage of a well-connected Poverty Industrial Complex homeowner.

As much as this legislation makes sense on the surface, it is unnecessary given that the AG sets standard terms and conditions of all state grant contracts and the Executive Director of the Measure 110 council is empowered as a matter of ministerial authority to enforce them. If the Secretary of State revokes, suspends, or never authorizes an entity to do business and be protected from liability in the State of Oregon, the Council's ED can take action to terminate a contract without action of the council.

Furthermore, this measure enables certain types of political lawfare such as allowing the Department of Revenue to find a technical violation for political reasons and thus suspending its arrangements with the state. Such an event happened in San Francisco, CA where a long-established shooting range and gun club operating on a lease of City property had its lease revoked because the City Treasurer went on an anti-gun crusade completely unrelated to tax revenue.

The standard of a person being "under investigation" is an unconstitutional violation of due process for the purpose of terminating a contract. The AG, can on a whim, announce an "investigation" even if it is a sham - solely for the purpose of allowing this statute to kick in so as to terminate a contract. We saw this in 1985 when the Reagan Administration announced a phony "investigation" of the NASA administrator simply because Reagan wanted to get rid of him.

What this measure does not accomplish is addressing a fundamental deficiency in

Oregon property tax law that limits public inspection of business property tax assessments. The purpose of public assessments is to allow neighbors to examine if they are being unfavorably assessed compared to political insiders or if political insiders are obtaining unfair low tax assessments. If this committee's goal is to improve the integrity of business operations in the state, it would address this transparency deficiency.