

Oregon's 2024 Legislative Session and Budget: From Incivility to Civility

Brent S. Steel
School of Public policy
Oregon State University
bsteel@oregonstate.edu

Emily Mooney
School of Public policy
Oregon State University
mooneyem@oregonstate.edu

Abstract

The 2024 Oregon legislative session, spanning a concise 35-day period, marked a return to bipartisan collaboration resulting in significant policy advancements. Major reforms enacted include the implementation of campaign finance limits, modifications to drug decriminalization policies, and the introduction of a substantial housing initiative by Governor Tina Kotek. These actions stand in contrast to the previous year's divisive Republican walkout, which had halted legislative proceedings in protest against proposed bills on gun control, education, and climate change. This walkout led to a new ballot measure that penalized unexcused absences among legislators, threatening the ability of boycotting members to run for re-election. Despite the prior tensions, the 2024 session was distinguished by cooperation, as evidenced by both parties acknowledging its historic success in achieving policy goals. The budget passed on June 25, 2023, outlined a total of \$121.264 billion for the 2023-25 period, reflecting a decrease from the previous budget due to a reduction in Federal Funds, counterbalanced by an increase in the General Fund and Lottery Funds. Detailed resource allocations were influenced by the May 2023 revenue forecast, with specific adjustments made during the 2024 session to align with the biennium's objectives.

Introduction

Oregon legislators concluded the 2024 brief legislative session with significant policy achievements. Over just one month, they enacted major reforms such as campaign finance limits, a rollback of drug decriminalization, and a housing initiative led by Governor Tina Kotek. Notably, these reforms were passed through bipartisan efforts, marking a contrast to the previous year's prolonged Republican walkout. The session, spanning 35 days, was marked by both parties as a historical success for accomplishing not only their intended goals but also additional ones. Senate Minority Leader Tim Knopp (R-Bend) highlighted the positive impact of last year's Republican walkout on the collaborative atmosphere of the current session, "I think this legislative session went much differently than 2023 did... There was a better spirit of cooperation from the majority party, which we appreciate. We were able to do our priorities" (Warren, 2024).

The 2023 Oregon legislative boycott by Republicans was a significant political event that garnered national attention. Republican state senators in Oregon initiated a walkout, boycotting legislative sessions. This action effectively halted the legislative process, as the Oregon Senate requires a two-thirds quorum to conduct its business, and the boycott deprived the chamber of this quorum. The Republicans' boycott was primarily in protest against several pieces of legislation they found objectionable, particularly those related to reproductive health care, gun control, education, and climate change policies. The GOP senators argued that the boycotted bills were extreme and did not represent the interests of their constituents, particularly those in rural areas.

The boycott was not without consequences. In response to previous walkouts, Oregon voters had passed a ballot measure stating that legislators with 10 or more unexcused absences could be disqualified from running for re-election. This put the boycotting Republicans at risk of losing their ability to run for their seats in future elections. The Democrats, who held the majority in the Oregon Senate, criticized the walkout as an abdication of the Republicans' duties to their constituents and the democratic process. They urged the boycotting members to return and debate the issues on the senate floor. The 2023 boycott highlighted deep divisions in Oregon politics, particularly between urban and rural areas, and raised questions about the functionality of the state's legislative process and the broader implications for democratic governance.

However, both Democrats and Republicans decided on a different and more civil approach to the 2024 short session (Rush, 2024), highlighted with the following bipartisan legislation:

- Campaign Finance: A rapid response to a pending ballot measure resulted in the passing of campaign finance caps, aligning individual contributions with federal limits and creating higher limits for committees formed by labor unions and nonprofits. A system for transparent disclosure of independent expenditures was also established.
- Measure 110: House Bill 4002 emerged as a controversial topic, addressing Oregon's drug issues by modifying the decriminalization stance to make possession of small amounts of drugs a class C misdemeanor, potentially leading to jail time but also providing treatment options. In addition, the policy's budget bill, House Bill 5204, allocated \$211 million in behavioral health services across the state.

- Housing: Governor Kotek championed a package allocating \$376 million to boost housing production and support renters, alongside creating a loan fund to encourage the development of affordable housing.

Despite these successes, not all proposed bills survived. Measures regarding the prohibition of book bans in schools and restrictions on corporate ownership of healthcare facilities were stalled by Republican delay tactics and ultimately did not pass. Additional legislative actions delayed included regulations on artificial intelligence in campaign ads, an increase in Oregon's Rainy Day Fund, a grant of temporary liability immunity for recreational landowners, a push for divestment from coal companies by the state treasurer, and a blockade of voter challenges to urban growth boundaries.

Oregon's Legislative Session Process

Oregon operates on a biennial legislative calendar, meaning that its regular legislative sessions occur every two years. This biennial schedule is designed to align with the state's budget cycle, which is also set for two years. In odd-numbered years, the Legislative Assembly convenes for what is traditionally a longer session. These sessions can last up to 160 days according to the Oregon Constitution. The longer session allows for a comprehensive review of the state budget and the consideration of a broader array of legislation. In even-numbered years, the sessions are shorter, limited to a maximum of 35 days. The focus during these shorter sessions is often on more urgent or time-sensitive issues, and there is generally less capacity to consider a wide range of bills compared to the odd-numbered years.

Oregon's Budget Process

The process begins with the governor's office. Before each biennial legislative session, the governor prepares a recommended budget based on projected revenues and policy priorities. This budget is developed with the help of the Office of Management and Finance and is based on agency requests and revenue forecasts. A revenue forecast is provided by the Oregon Office of Economic Analysis. This forecast is critical as it outlines expected state revenues and helps inform the legislature about the funds available for the upcoming biennium. The governor's budget is submitted to the Oregon Legislature, which refers it to the Joint Committee on Ways and Means. This is a legislative committee responsible for creating the state's budget. The Joint Committee is divided into subcommittees that focus on different parts of the budget, such as education, human services, public safety, and general government. These subcommittees review the budget line by line, consider agency requests, and may make changes based on legislative priorities and public input. Throughout the process, the legislature holds public hearings to gather input from citizens, interest groups, and other stakeholders. This testimony can influence the adjustments made to the proposed budget. Once the Joint Committee on Ways and Means reaches an agreement, the proposed budget is brought before both legislative chambers — the House and the Senate — for approval. Each chamber must vote to pass the budget. If there are differences between the House and Senate versions of the budget, a conference committee may reconcile these differences. The reconciled budget then goes back to both chambers for a final vote. The approved budget is sent to the governor, who can sign it into law, veto it in part (using a line-item veto for some items), or veto it in its entirety. If the governor vetoes the budget, the

legislature can override the veto with a two-thirds majority in both chambers. Once the budget is signed into law, it becomes the guide for state spending for the next two years (biennium). However, adjustments can be made during the biennium. The legislature can pass supplemental budgets to address unforeseen circumstances, and the governor has the authority to order budget reductions if revenue falls short of projections.

Economic Context

According to the Oregon Department of Administrative Service's *Oregon Economic and Revenue Forecast (2024)*, Oregon is experiencing productivity increases that surpass national averages, while its job growth ranks mid-range compared to other states. The state faces diverging trends in its labor and capital sectors. The labor market is robust both cyclically and structurally, the latter due to demographic factors. Recent 2023 population data indicates a stagnation in Oregon's population during the pandemic, prompting a downward revision in population projections. Over the next decade, Oregon's population growth is anticipated to be modest at 0.6% annually, influencing a smaller labor force and slightly reduced personal income in the future (Oregon Department of Administrative Service, 2024).

Oregon's state revenue forecast remains steady as the 2024 personal income tax filing season approaches, with economic conditions largely unchanged and revenue collections aligning with forecasts. General Fund revenues have seen a slight increase, and total resources have significantly grown, mainly due to the carryover of unspent funds from the previous biennium. Although revenue collections are as expected, the ongoing boom in corporate income and excise taxes is noteworthy, suggesting potential lasting enhancements to Oregon's corporate tax base due to federal and state tax reforms.

Oregon's job market has bounced back completely from the pandemic's impact. When adjusted for age, the proportion of Oregonians employed is nearly at its historical peak. This situation is often referred to by economists as full employment, indicating a robust labor market. Our economic projections suggest that this strong labor market will continue until the next economic downturn. The primary challenge for businesses in finding employees is due to the high employment levels; most people seeking employment have already secured jobs, and those still looking face a competitive market due to the abundance of job openings (Oregon Department of Administrative Service, 2024). Despite a slight downgrade in projected population and employment growth affecting the long-term outlook for personal income taxes, the overall revenue forecast remains stable. The most substantial forecasted decrease in General Fund resources is minimal, under one percent for the 2029-31 budget period.

Demographic Context

As of April 1, 2020, Oregon's population stood at 4,237,256, according to the latest decennial census by the U.S. Census Bureau (Population Research Center, 2024). Over the previous decade, the state saw an increase of 406,182 residents, or 10.6%, a significant growth that resulted in Oregon gaining an additional seat in the House of Representatives, raising its total to six. This milestone, anticipated for years, marks a notable achievement, as it's the first time in 40

years that Oregon has gained a congressional seat, a feat shared with only five other states, while Texas added two.

In a historical context, the population growth from 2010 to 2020 was Oregon's second lowest since its first census post-statehood in 1860, only surpassed by the growth rate between 1980 and 1990, a period marked by a severe recession. Over the last century, from 1920 to 2020, Oregon's population surged by 441%. Interestingly, the increase of 406,182 people over the last decade is nearly equivalent to Oregon's entire population in 1900, which was 413,536. The state's 10.6% growth rate over the past decade was the 11th highest in the nation, excluding Washington D.C., but was slower than all neighboring states except for California. The previous decade, 2000 to 2010, saw Oregon ranking 18th in growth nationwide, a period affected by economic challenges including the Great Recession (Population Research Center, 2024). However, the state had been on a path of moderate to strong growth due to economic recovery until the recent COVID-19 pandemic, which has tempered this growth. Between 2021 and 2023, the population growth rate was the lowest since 1985-86. Projections indicate that Oregon's population will reach 4.547 million by 2033, with an expected annual growth rate of 0.6% from 2023 to 2033. Oregon's population trends are closely linked to its economic conditions, which play a pivotal role in shaping its demographic future.

Political Context

In recent years, the Democratic Party has dominated Oregon's politics at the state level, maintaining a significant presence in both the executive and legislative branches of government. This dominance has shaped the state's political landscape and policy direction, allowing Democrats to influence key areas such as environmental regulation, healthcare, education, housing and economic development. Understanding the extent of this control requires examining their sustained hold on the governor's office, the state legislature, statewide offices, and the broader implications of this political landscape.

First, the Democratic Party has consistently held the governor's office in Oregon for over three decades. Since 1987, every governor of Oregon has been a Democrat, providing the party with substantial influence over the state's executive agenda. This uninterrupted control has enabled Democrats to push forward a progressive policy agenda, and the ability to appoint heads of state agencies and shape the administrative direction of the state has further entrenched Democratic policies and priorities within Oregon's government operations.

In addition to holding the governor's office, Democrats have also maintained control over the Oregon Legislative Assembly, which consists of the House of Representatives and the Senate. The Democratic Party has held a majority in both chambers for most of the past two decades, allowing them to set the legislative agenda and pass laws aligned with their platform. Specifically, the Democrats have controlled the Oregon House of Representatives since 2007, with the exception of a period from 2010 to 2012 when the chamber was evenly split. In the Oregon Senate, Democrats have maintained a majority since 2003, giving them a consistent advantage in advancing their legislative priorities.

Democratic dominance extends beyond the executive and legislative branches to other statewide offices as well. The party has frequently won key positions such as Secretary of State, Attorney General, and State Treasurer, with the exception of Republican Dennis Richardson who was Secretary of State from 2016 until his death in 2019. Holding these offices has allowed Democrats to oversee vital functions of state government, including managing elections, overseeing public records, handling state finances, and providing legal guidance to state agencies. These positions provide additional leverage for the Democratic Party to implement its policy goals and maintain administrative control over state governance.

The Democratic Party's control at the state level has led to a notable influence on Oregon's policy direction. Under Democratic leadership, the state has enacted progressive policies in several key areas. For instance, Oregon has been at the forefront of environmental regulation, implementing strong climate change initiatives and renewable energy standards. The state has also expanded healthcare access, including the implementation of the Oregon Health Plan, which has significantly reduced the number of uninsured residents. In addition, Democrats have pursued policies focused on social justice, such as raising the minimum wage, promoting civil rights protections, and expanding access to affordable housing. These initiatives reflect the party's priorities and its ability to shape Oregon's legislative and executive agenda.

The Democratic dominance in Oregon is also partly explained by the urban-rural divide in the state's political landscape. The party tends to perform strongly in the more populous urban areas, such as Portland, Eugene, and Salem, where the majority of the state's population resides. These urban centers generally lean more liberal, aligning with Democratic values and providing a reliable voter base for the party. Conversely, rural areas, which are less densely populated, often lean Republican. However, the concentration of voters in urban areas has allowed Democrats to secure statewide victories and maintain control over both the executive and legislative branches.

Democratic dominance in urban areas has led to the Greater Idaho Movement, a political effort initiated by some residents of rural Oregon who wish to redraw state boundaries to move a significant portion of Eastern and Southern Oregon into the neighboring state of Idaho. The movement is driven by cultural, political, and economic differences between these rural areas and the more urban, progressive western part of Oregon, particularly the Portland metropolitan area. Advocates of the Greater Idaho Movement feel that their values and interests, such as conservative views on governance, land use, and taxation, align more closely with those of Idaho than with the more liberal policies of Oregon's state government. To achieve this change, the movement has sought to pass local ballot measures to gauge support and petition both state legislatures and Congress. As of 2024, a total of 12 counties in Oregon have voted in favor of measures supporting the Greater Idaho Movement. These counties are primarily located in Eastern and Southern Oregon, where there is a stronger alignment with the political and cultural values of Idaho.

The 2023 session experienced a six weeklong walkout - the longest legislative walkouts in Oregon history - by Republican lawmakers to deny a quorum and block votes on contentious bills. This strategy, while a form of protest against perceived overreach by the majority party, further strained relationships between legislators and increased hostility. However, during Oregon's 2024 legislative session, several areas of bipartisanship emerged, showcasing a

willingness among lawmakers to collaborate across party lines to address the state's most pressing issues. Despite ideological differences, both Democrats and Republicans found common ground on key initiatives that required urgent action, such as homelessness and affordable housing, public safety, climate resilience, mental health services, education, and public health. These efforts highlight a shared commitment to addressing the diverse challenges facing Oregon residents.

One of the most prominent areas of bipartisan cooperation was the issue of homelessness and affordable housing. Legislators from both parties recognized the urgency of Oregon's growing homelessness crisis and worked together to allocate funding and resources to address it. A significant example of this cooperation was House Bill 4055, which passed with strong bipartisan support. The bill provided \$100 million for emergency shelter expansion and supportive housing programs, aiming to reduce the number of people living on the streets and improve access to essential services. Additionally, Senate Bill 272, which aimed to streamline the permitting process for affordable housing developments, received broad backing from both parties. This legislation sought to reduce bureaucratic delays and encourage the construction of new affordable housing units across the state, addressing both short-term and long-term housing needs.

Another area of significant bipartisan agreement was environmental legislation, especially in response to the increasing frequency and severity of wildfires in Oregon. Lawmakers from both parties recognized the need for a coordinated response to enhance wildfire prevention and climate resilience. Senate Bill 89, which secured funding for wildfire prevention and response, passed with unanimous support. The bill allocated \$50 million towards forest management practices, such as controlled burns and thinning, to reduce wildfire risks. It also included funding for firefighting resources and community preparedness programs to better protect vulnerable areas. House Bill 3370, focusing on improving the state's resilience to climate change impacts, was another example of bipartisanship. This bill aimed to enhance infrastructure, such as upgrading water systems and retrofitting public buildings to withstand extreme weather events, and funded research and planning initiatives to support local communities in developing climate adaptation strategies.

Finally, Measure 110, which passed in November 2020, represented a radical shift in Oregon's approach to drug policy. It decriminalized the possession of small quantities of drugs such as heroin, methamphetamine, and cocaine, reclassifying these offenses as civil violations rather than criminal acts. Instead of facing arrest or jail time, individuals caught with small amounts of these substances would receive a citation and a fine, which could be waived if they agreed to undergo a health assessment or seek treatment. The measure also allocated significant funding—drawn from the state's cannabis tax revenue—toward expanding addiction treatment services and recovery programs across the state. The intention behind Measure 110 was to treat drug addiction as a public health issue rather than a criminal one, aiming to reduce the stigma associated with drug use and provide better access to treatment. However, due largely to the lack of behavioral health infrastructure before Measure 110 passed, the existing system was unable to absorb and respond efficiently to this shift. As a result, by 2024, the impacts of Measure 110 were increasingly visible, and public opinion had become more divided. While some praised the measure for reducing incarceration rates and promoting a more humane approach to drug

addiction, others raised alarm over the apparent rise in public drug use, particularly in urban areas like Portland. Critics argued that the measure had led to a proliferation of open drug use on streets and in public spaces, creating safety concerns for residents and businesses. Law enforcement officials, some public health experts, and community members expressed frustration that the measure's decriminalization provisions were not adequately balanced by the promised expansion of treatment services.

One of the most contentious proposals in the 2024 session within the Democratic Party was the idea of reintroducing some level of criminal penalties for drug possession, particularly for repeat offenders or those possessing larger quantities of drugs. Proponents of this approach argued that the absence of meaningful legal consequences had emboldened public drug use and undermined public safety. They suggested that reinstating certain criminal penalties could serve as a deterrent, encourage individuals to seek treatment, and help restore a sense of order in affected communities. However, this proposal faced strong opposition from advocates of Measure 110 and those who supported its original intent. These opponents argued that reintroducing criminal penalties would be a step backward, reinforcing the punitive approach to drug addiction that Measure 110 sought to dismantle. They contended that criminalization disproportionately affects marginalized communities and that the focus should remain on expanding access to treatment rather than reverting to punitive measures. This policy also brought about intra-party division between the Democrats, particularly between the progressive and moderate wings of the party. Feeling pressure from progressive organizations, several Democrats from the progressive wing of the party gave impassioned speeches before breaking rank and voted against the bill. Despite this, there was ultimately bipartisan support for recriminalization of small amounts of drugs with the possibility of addiction treatment where warranted.

Overview of the 2023-25 Biennial Budget

On June 25, 2023, the Oregon Legislature passed a budget for the 2023-25 period, allocating \$32.978 billion from the General Fund and \$1.66 billion from Lottery Funds. Additionally, the budget included \$51.504 billion from Other Funds and \$38.571 billion from Federal Funds, culminating in a total budget of \$124.631 billion. This figure marks a 1% reduction compared to the 2021-23 budget, mainly due to decreased Federal Funds, which had been boosted in the previous period to mitigate the impacts of the COVID-19 pandemic. Despite this overall decrease, the combined General Fund and Lottery Funds saw a significant rise, increasing by 20.9% from the previous biennium and representing a 12.1% hike above the service levels projected for 2023-25 (Oregon Office of Economic Analysis, 2024).

The budget overview in Table 1 presents the General Fund and Lottery Funds revenues and expenditures as they were sanctioned in the 2023 regular session. The primary revenue figures are derived from the Office of Economic Analysis's May *Oregon Economic and Revenue Forecast*. The table differentiates between discretionary Lottery Funds and those that are constitutionally earmarked. This distinction is made because Lottery Funds from Measure 76 (M76) are allocated for particular natural resource purposes, and those from Measure 96 (M96) are reserved for veterans' services. These funds have more restricted uses compared to the General Fund and the standard discretionary Lottery Funds.

Table 1. Adjusted 2023-25 Legislatively Adopted Budget (millions)

| | General Fund | Lottery Discretionary | Lottery Dedicated | Total |
|----------------------------|--------------|-----------------------|-------------------|------------|
| Total Revenues | \$32,313.5 | \$1,331.5 | \$396.2 | \$34,041.2 |
| Total Expenditures | \$31,875.9 | \$1,283.3 | \$333.9 | \$33,493.0 |
| • Education-general | \$8,852.6 | \$604.1 | - | \$9,456.7 |
| • Education-post secondary | \$2,909.6 | \$203.5 | - | \$3,113.1 |
| • Education-other | \$1,203.9 | \$3.2 | - | \$1,207.1 |
| • Oregon Health Authority | \$5,515.0 | \$24.5 | \$5.0 | \$5,544.5 |
| • Dept. of Human Services | \$5,705.7 | - | | \$5,705.7 |
| • Human Services-Other | \$24.3 | - | | \$24.3 |
| • Public Safety | \$3,449.2 | - | \$10.0 | \$3,459.2 |
| • Judicial Branch | \$1,282.6 | - | - | \$1,282.6 |
| • Economic Development | \$759.9 | \$201.8 | \$21.9 | \$1,019.5 |
| • Natural Resources | \$606.1 | \$23.8 | \$296.1 | \$926.0 |
| • Transportation | \$33.9 | \$136.1 | \$0.7 | \$170.6 |
| • Consumer/Business Serv. | \$44.6 | - | \$0.03 | \$44.9 |
| • Administration | \$406.8 | \$86.2 | - | \$492.9 |
| • Legislative Branch | \$215.6 | - | - | \$215.6 |
| • Emergency Board | \$830.4 | - | - | \$830.4 |
| Projected Ending Balances | \$437.6 | \$48.3 | \$62.3 | \$548.2 |

Source: Oregon Legislative Fiscal Office (2024). Legislatively Adopted Budget Detailed Analysis 2023-25. Salem, Oregon.

Based on the May 2023 revenue forecast, Oregon's 2024 resource allocations were adjusted to align with legislative decisions from the 2023 session. The adjustments included increases in the General Fund due to expected reversions and reduced allocations to the Drug Treatment and Services Recovery Fund as a result of savings from Measure 110. Lottery Funds saw reductions due to allocations for county economic development and transfers to the Education Stability Fund. Additionally, the legislature approved extra resources, while the forecast considered impacts from new tax credits and revenue reductions from legislative changes.

For ending balances, the Lottery Funds are set aside for salary adjustments, cash flow management, and as a buffer against potential declines in future lottery revenues. These funds are specifically allocated to support the Parks and Recreation Department, natural resource agencies, and veterans' services under Measures 76 and 96. The General Fund's forecasted ending balance is 1.4% of biennium expenditures, including a 1% allocation to the Rainy Day Fund. The remaining 0.4% is reserved to cover potential revenue fluctuations and unexpected financial needs during the 2023-25 biennium (Oregon Office of Economic Analysis, 2023).

Oregon's Kicker Law

The "kicker" law, implemented in Oregon in the 1970s, is a unique tax rebate mechanism designed to control government spending and return excess revenue to taxpayers. Under this law,

if state income tax revenues collected during a two-year budget period exceed the forecasted amount by more than 2%, the entire surplus is returned to taxpayers. For individual taxpayers, this surplus is provided as a credit on their state income tax returns for the following tax year. The size of each taxpayer's credit is proportional to the amount of state income tax they paid in the year that generated the surplus. Originally, the "kicker" law applied to both personal and corporate income taxes. However, in 2012, Oregon voters amended the state constitution to dedicate excess corporate tax revenues to the State School Fund, enhancing public education rather than refunding the money directly to corporations. This adjustment reflects a shift in how Oregon allocates unexpected revenue to support broader public priorities.

In the 2021-2023 biennium, Oregon's revenue exceeded forecasts, resulting in a historic \$5.61 billion "kicker" for the 2023 tax year. This kicker, the largest in the state's history, translates to a refundable credit of 44.28% of a household's 2022 tax liability, to be applied on tax returns filed in 2024. This substantial rebate underscores the variability in Oregon's revenue system and the significant impact of the "kicker" law on both taxpayers and state budgeting processes. Despite this substantial payout, the state's General Fund revenues are expected to remain stable and potentially trigger future kickers as the economy grows 2024 (Oregon Office of Economic Analysis, 2023).

Budget Outlook

The Oregon General Fund is projected to amass \$25.9 billion for the 2023-25 biennium, indicating a rise of \$76 million from the December 2023 estimate and a \$635 million increase from the session close forecast. This substantial growth is primarily due to an unexpected surge in corporate income tax revenues, which have notably exceeded the growth of underlying corporate profits (Oregon Office of Economic Analysis, 2024). As a consequence, the state's available financial resources for the current biennium have been revised upward by \$559 million, thanks in part to prior budget underspending. Despite a general slowdown in personal income tax withholdings, mirroring a cooling labor market, overall growth rates for this tax type are maintaining at levels typically observed around economic recessions. Although the soft labor market trends could point toward an economic soft landing, the slowdown in withholdings is raising concerns.

Oregon's population growth has been sluggish, as indicated by the 2023 mid-year estimates from Portland State University and the U.S. Census Bureau. This has resulted in a decreased forecast for both population and job growth, which could potentially depress income tax collections in the future. However, this has been counterbalanced in the short term by an unexpected boost in investment income during 2023, particularly a 25% growth in equity prices, which was not fully accounted for in earlier forecasts (Oregon Department of Administrative Service, 2024).

The record setting kicker credit is set to reduce personal income tax collections as Oregon heads into the 2024 tax season. With taxpayers anticipating a significant tax credit, there has been a noticeable dip in estimated tax payments at the beginning of the year, with large refunds anticipated in the early months and smaller year-end payments expected as the tax deadline approaches. After the fall filing extension period, the kicker is predicted to have been mostly

disbursed, and it is anticipated that personal income tax collections will align back to their standard trajectory.

Corporate excise tax revenue in Oregon continues to exceed expectations, growing more rapidly than the actual profits of corporations. The increase is significant but challenging to trace, especially since data from corporate returns in tax year 2021 have only recently become available. Nonetheless, this growth may be partly attributed to substantial tax reforms in 2017, which are thought to have enduringly broadened Oregon's corporate tax base, especially with the switch to market-based sourcing (Oregon Department of Administrative Service, 2024).

Conclusion

The 2024 legislative session in Oregon stands as a testament to how civility contributes to legislative productivity. A recent study of state legislative civility found Oregon to have one of the highest levels of legislative incivility in the U.S. as evidenced by the 2023 Republican walkout (Lovrich et al., 2021). However, despite the turbulent boycott of 2023, legislators from both parties emerged with a renewed commitment to bipartisanship, yielding significant policy outcomes (Rush, 2024). This session's achievements, most notably in campaign finance reform, drug policy, and housing, demonstrate a successful navigation of past political divides to address the pressing needs of Oregonians.

Reflecting on the procedural evolution, this session has highlighted the importance of both maintaining legislative functionality and addressing the underlying economic and demographic realities of Oregon. The political challenges of the previous year, while contentious, ultimately contributed to a more effective and collaborative political environment. The state's willingness to embrace both continuity and change has been crucial in advancing its legislative agenda.

The economic and demographic backdrop of this biennium presented a mixed landscape, with an unanticipated boost in corporate income tax collections contrasting with a slight slowdown in personal income tax withholdings. Yet, the prudent fiscal management and adjustments made to the state budget have ensured that Oregon's financial health remains on solid ground. Oregon's population dynamics, coupled with the evolving job market, continue to influence the state's economic trajectory. Despite a stall in population growth, the state's legislative and fiscal strategies have adapted to these demographic shifts, laying the groundwork for economic stability. In closing, the 2024 legislative session has not only navigated immediate fiscal and policy challenges but also set a precedent for potential future governance. As Oregon continues to evolve, the interplay between its legislative actions, demographic trends, and economic conditions will shape the state's path forward.

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