While the Legislature is not in session, OBI staff have been busy on policy, rulemaking and committees governing issues affecting member businesses. Here is a round-up of what OBI has been working on in November.

What Are Oregonians Thinking?

OBI looked into that question with a statewide poll in October. We wanted to learn about Oregonian’s opinions on proposed ballot measures, their review of the 2019 Legislature and their feelings toward the business community. The answers were wide ranging and in some cases, surprising.

Check out the OBI news release about the survey by clicking here. Or see the results for yourself by clicking here.
Redistricting

People Not Politicians and Common Cause Oregon are proposing a new way to draw district lines in Oregon. Rather than leaving it to legislators, they propose setting up a citizens' redistricting committee made up of four Democrats, four Republicans and four third-party or non-affiliated voters.

They are taking this proposal to Oregon voters through three proposed ballot measures for the November 2020 election.

Redistricting is especially important in 2020 because Oregon's population has grown so much, we're likely to pick up an additional Congressional district, the state's sixth. Until now, legislators have controlled the way districts are drawn. This measure gives voters a direct voice in the redistricting process.

Learn more about the measure on the People Not Politicians website. Or click here for a flier about the proposal.

Corporate Activity Tax Update

The Oregon Department of Revenue released a list of questions asked and concerns raised at the stakeholder meetings it held in September and October on the Corporate Activity Tax. Even though it lists questions, it does not list answers.

If you have more questions, especially if you were unable to attend the input sessions, you can contact officials by emailing cat.help.dor@oregon.gov. If you have concerns you'd like OBI to advocate for, please contact Mike Stober on the OBI team.

One question OBI and others raised was whether or not businesses could list the CAT on receipts to customers. Sen. Mark Hass, D-Beaverton, sent a letter to the department regarding OBI's and others' concerns. The department indicated it does not plan to issue a rule prohibiting businesses from recovering the tax from customers.

Looking ahead to the 2020 short session, the Senate Finance and Revenue Committee met during November legislative days to discuss potential technical fixes to the CAT.

Those were:
1. Registration
2. Penalty provisions
3. Returns and allowances
4. Calendar year vs. fiscal year issues
5. Modify Oregon statute references regarding vehicle dealers to include out-of-state
D. Language to simplify compliance for taxpayer and administrative workloads

OBI will continue to work with the Department of Revenue and legislators to mitigate the financial and administrative burden the tax will place on our members.

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**December Revenue Forecast**

Worried about a recession? It’s not likely to happen any time soon, according to the Oregon Economic and Revenue Forecast December report. The two primary causes of a recession, worried about earlier this year, seem to be abated. The yield curve is no longer inverted, and the trade war escalation is on hold for now.

“The longest running U.S. economic expansion marches on,” the report stated.

In line with that positive news, Oregon continues to have job growth, but not as strong as it was. A tight labor market caused growth to slow down in 2019.

Another bright spot for Oregon: median household income. Oregonians are working more hours and getting paid better wages. The typical household income in Oregon is 2.4 percentage points higher than counterparts nationally – something that hasn’t happened for 50 years. The last time Oregon household incomes were higher than the national ones? 1960.
For the state budget, all these factors and others translate to strong tax collections. If a recession looms again, Oregon is in a better position to weather the storm, the report said. Oregon’s Rainy Day Fund will end the biennium with more than $2.7 billion in reserves, which is about 13% of the two-year budget.

Read the full revenue forecast by clicking here, or check out the PowerPoint presentation by clicking here.

Rulemaking, Policy Updates and Legislative Days

Below is a rundown of what the OBI policy team has been working on in rulemaking sessions, committees, ballot measures and during the November legislative days at the Capitol.

Education

The Student Success Act implementation process has begun, with school districts across the state required to submit needs assessments by mid-December. OBI is engaged in the rulemaking process, ensuring that the significant new investments are tied to measurable outcomes for students.

During November legislative days, representatives from the STEM Investment Council updated the House Education Committee on their progress toward their goal to double the number of Oregon students proficient in math and science. The House committee also heard a progress report from the Early Learning Division, which is slated to receive new investments from the Student Success Act for professional development of teachers and expanding access to publicly funded programs.

Health Care

OBI continues to monitor the Oregon Health Authority’s work on cost containment. Senate Bill 889, which passed in 2019, established a committee of stakeholders to recommend a systemwide health care cost growth rate cap. The committee convened for the first time in November and will hold monthly meetings. Both the House and Senate committees on health care heard a progress report on this work during November legislative days.

Campaign Finance
The **Senate Committee on Campaign Finance** reviewed a legislative concept from Sen. Jeff Golden, D-Ashland, during November legislative days that would eliminate political action committees and establish various new committees with strict limits on political spending. The concept appears to favor small donors over others, and OBI will be monitoring this issue closely to advocate for a fair and even playing field.

**Transportation**

OBI joined other supporters of the Newberg-Dundee Bypass to urge the Oregon Transportation Commission to expedite the project’s completion. Only four of the 11 miles of the bypass have been completed, meanwhile the ongoing project created choke points and diverted traffic, likely contributing to fatal accidents in the area.

“Completing the bypass will resolve the congestion and concerning safety issues and the time is now to finish the project,” **OBI's letter to the commission** said.

OBI will continue to monitor the progress and advocate for funding to complete this infrastructure essential for communities from Portland to the Central Coast.

**Environment**

An initiative petition, called the **Toxics Reduction and Right to Know Act**, was filed recently and aims to place more stringent regulations that will be more difficult for manufacturing facilities to meet. OBI is coordinating an effort to challenge the ballot title.

The three carbon reduction ballot initiatives, known as **100% Carbon-Free Economy by 2050**, **100% Clean Energy by 2045** and **100% Clean Energy plus Electrification by 2045** have gained the signatures necessary to get their ballot titles drafted. OBI is coordinating an effort to challenge these ballot titles as well.

OBI **submitted comments** on Greenhouse Gas Reporting rules in November with four partner organizations signing on. Proposed regulations will likely be available for public comment in December.

**Retail**

OBI **filed comments** on the Department of Justice’s proposed rule on the health benefits of goods. The rule would require a business to produce “competent and reliable scientific evidence” before advertising that a product has a health benefit. **Click here** to read the letter OBI and our coalition partners submitted.

OBI is also participating in the Oregon Health Authority **Toxic Free Kids Act** Rulemaking Advisory Committee. The committee continues to work through issues related to regulations on items marketed to children by requiring manufacturers to report products containing “chemicals of concern.” OBI has raised its concerns over duplicating already existing national requirements and definitions that are too broad to be properly implemented.

OBI has submitted a ballot title challenge for this **initiative petition** which aims to limit automated checkout stands in retail stores. It specifically mandates no more than two
Employment

OBI continues to work with legislators and others on a workgroup looking at possible legislation that would require prevailing wages for private projects in enterprise zones and strategic investment program zones. The latest proposal was an opt-in that would allow local governments to negotiate with businesses for prevailing wage requirements on projects in enterprise zones. OBI will continue to work on this committee and update members on the progress.

OBI prepared and filed comments on the employer assessment ballot measure back in October. The “Public Assistance Protection Act” aims to require employers to pay a tax based on the number of their employees eligible for public assistance. It is often referred to as an “employer assessment,” but OBI has asked it be called what it is, a tax. OBI and our partners are now challenging the ballot title in court.

Upcoming Events

Oregon Business Plan – Oregon Leadership Summit
- Monday, Dec. 16
- Oregon Convention Center
- Portland

This year’s summit will focus on the path forward for Oregon wildland fires and competing demands on finite water resources. Speakers include Matt Donegan, chair of the governor’s Wildfire Prevention Council and Martin Doyle, a Duke University professor specializing in water issues.

The summit also takes a “long-game approach” on economic development. “The Summit is Oregon’s premier economic policy event, where urban and rural leaders from across Oregon’s public and private sector gather to shape the agenda for the year ahead with the aim of creating jobs, raising incomes, and reducing poverty,” its website says. Click here to learn more.

2020 OBI Annual Meeting

OBI is pleased to announce the keynote speaker for the 2020 Annual Meeting is A.B. Stoddard, associate editor and columnist at RealClearPolitics. Stoddard is known for her extensive career in political journalism. She has worked at The Hill and ABC News and regularly appears on the Fox News Channel and Fox Business Network.

You can register for the Annual Meeting, which will be on Thursday, Feb. 13, in Salem. Click here to reserve your spot.

Capitol News

No Option but to Build a New Interstate Bridge, Governors Say
Wholesale Fuel Pricing

OBI has partnered with MCP Petroleum to drive down OBI members’ fuel cost. OBI is leveraging the collective purchasing power of our membership to get wholesale fuel pricing for our members. In addition to fuel savings, OBI members will have access to a comprehensive fuel management system that will reduce slippage, save valuable employee time and provide accountability and oversight of your company’s fuel consumption.

OBI members who use 900 gallons of fuel annually through their company are eligible for this program. Please contact Jeff DeSantis for more information.

LegalPLUS Program

Did you know, by being an OBI member you can get free legal advice? OBI and Innova Legal Advisors provides members 15 minutes of legal consultation each month through the LegalPlus program. Check it out by clicking here. Or contact Bob Blackmore at Innova Legal Advisors: Phone: 503-479-7175; email: Bob.Blackmore@innovalegaladvisors.com