



Oregonian: Money for schools, or for PERS? Oregon's pension crisis could gobble up \$2 billion tax hike

On Saturday, the Oregonian featured [the report](#) we and our partners at the Oregon Business Plan released two weeks ago which outlined how PERS costs will swallow up the potential \$2 billion revenue package. Click the image below to read the full article.

The [Corvallis Gazette Times](#) wrote a similar editorial reflecting the information in the Oregonian article.

Money for schools, or for PERS? Oregon's pension crisis could gobble up \$2 billion tax hike

Updated 6:22 AM; Posted Mar 16, 2019



If the governor and Legislature don't act to insulate schools, pension crisis will consume most of the tax hike in just a few years. (Photo by Mark Graves/The Oregonian)



By [Mike Rogoway](#) | [The Oregonian/OregonLive](#)

Longer school years? Smaller classes? More counselors, science and music classes?

Tax Update

The Joint Committee on Student Success Subcommittee on Revenue continues its work to outline a \$2 billion tax proposal. OBI is working closely with the committee and co-chairs to ensure the committee is looking at alternatives to the gross receipts tax, which is generally opposed by much of the business community. Things are constantly moving on this front, and OBI is keeping pace to protect your interests.

The full Joint Committee on Student Success met last Tuesday, when Sen. Mark Hass, co-chair of the revenue subcommittee, said the subcommittee will know by the end of this week whether it will move ahead with a gross receipts tax, a business activity tax or something else.

Paid Family Leave

Several bills addressing paid family leave are making their way through the 2019 Legislature. [HB 3031](#) envisions a state-run family leave which would allow eligible employees to receive a percentage of their wages while on medical or military leave and could expand the amount of leave to 32 weeks or more. It proposes to fund the program through payroll taxes paid by both employers and employees and creates a family medical leave program. OBI is against an employer-only paid program, as it would be too much of a burden on Oregon businesses, especially small businesses.

[HB 3140](#) and [SB 947](#) both aim to make changes to paid family leave requirements, such as size of the company, the number of days an employee must work before being eligible and the definition of "family member."

The House Committee on Business and Labor will hold a hearing on paid family leave on Monday, March 25. Invited testimony will be presented at the 8 a.m. hearing. Public testimony will be taken at an evening hearing at 6 p.m. We expect proponents will pack the hearing room. The committee needs to hear from employers. If you are able, please attend the public hearing. Written comments can also be submitted at hbl.exhibits@oregonlegislature.gov.

DEQ's Cleaner Air Oregon program

The Oregon Department of Environmental Quality (DEQ) announced an informal comment period on the draft recommended procedures for conducting [Cleaner Air Oregon risk assessments](#). The notice made clear that this is not a formal rulemaking, but the public may provide input on the risk assessment methods through April 15. OBI is tracking this development.

Oregon Legislature

What Happened Last Week

House and Senate committees held public hearings on tax bills. Those included [HB 2144](#) and [SB 851](#). HB 2144 would require taxpayers – for Oregon tax purposes – to add to their taxable income any gain deducted from their federal return as a result of an investment in a qualified opportunity zone. SB 851 addresses Oregon's interaction with the federal global intangible low-tax income (GILTI) provision. Both Opportunity Zones and GILTI were established in the 2017 federal tax reform law.

OBI testified against [HB 2818](#), which would expand definitions of age discrimination and would require courts to award attorney fees to prevailing plaintiffs and impose liquidated damages of at least \$25,000.

OBI submitted written testimony against [HB 2866](#), which would make sweeping changes to Oregon's privacy law and would impose costly requirements for businesses. [Click here](#) to read OBI's testimony.

The House passed [HB 2250](#), otherwise known as the Oregon Environmental Protection Act, by a 39-20 vote, demonstrating the continuing divide between Democrats and Republicans. This legislation tasks the DEQ and the Oregon Health Authority with using the "baseline federal standard" of Jan. 19, 2017, the final day of the Obama Administration, when assessing environmental law changes. OBI opposed the bill as it was introduced. It has been amended to remove its fiscal impact.

Gov. Brown signed [HB 2010](#), the Medicaid funding bill.

Coming Up This Week

March 20: the Senate Finance and Revenue Committee will hold a public hearing on [SJR 23](#), a resolution that amends the Oregon Constitution to direct future personal income tax "kicker" refunds to the Personal Investment in Education Fund instead of to taxpayers. The bill says the fund will support kindergarten readiness and K-12 education and prioritize seismic rehabilitation grants and student behavioral health consulting. If approved by the Legislature, this resolution will require voter approval.

March 21: The Senate Finance and Revenue Committee will hold a public hearing on [SB 214](#), legislation that changes the point at which Oregon connects to the federal tax code from federal taxable income to federal adjusted gross income. The bill effectively eliminates Oregon taxpayers' ability to itemize deductions and establishes a new standard deduction equal to 33 percent of the federal standard deduction.

March 22: The Capital Construction Subcommittee of the Joint Committee on Ways and

Means will continue their series of hearings on PERS financing with testimony from the public. [PERS Solutions for Public Services](#) will likely testify about the ideas OBI and our partners in the Oregon Business Plan have put forth to reform the system.

The MLAC subcommittee (Management-Labor Advisory Committee) will continue its discussion of [HB 3022](#), Oregon Trial Lawyers Association proposed changes to workers' compensation regulations. The subcommittee is meeting every Friday and this week will discuss combined conditions and pre-existing conditions.

Do you have questions about pending legislation? Feel free to contact our team.

Tax and fiscal policies: [Mike Stober](#)

Education and health care policies: [Nathaniel Brown](#)

Employment and retail policies: [Paloma Sparks](#)

Environment and energy policies: [Sharla Moffett](#)



Oregon Legislature In the News

[Oregon House moves to update LGBTQ language in statute](#)

[Oregon bills would tighten dairy rules](#)

[Oregon lawmakers push to tackle age discrimination](#)

[Oregon Senate President Peter Courtney returns briefly to the Capitol](#)

[Gov. Kate Brown grabs national spotlight on voter access](#)



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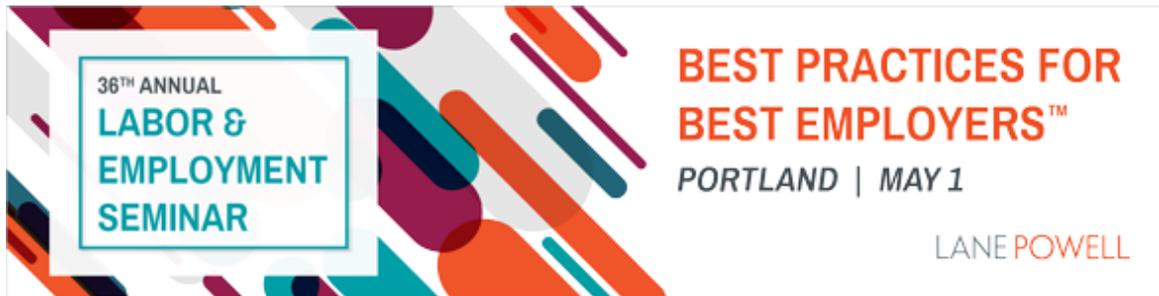


Calendar of Events

Beaverton Joint Town Hall



Sen. Mark Hass, Rep. Sheri Schouten and Rep. Jeff Barker are putting on a joint town hall at 11 a.m., Saturday, March 23 at the Beaverton City Main Library, 12375 SW 5th St., Beaverton. [Click here](#) to learn more about this event.



OBI is one of the sponsors for the 36th annual Best Practices for Best Employers labor and employment seminar put on by Lane Powell.

The event will cover important topics for employers and businesses, including drug testing, federal and state disability laws, immigration, privacy laws, employee benefits updates, new hire best practices, how to conduct an effective workplace investigation and new federal, state and local legal developments.

- When: Wednesday, May 1
- Where: The Dunaway Portland

Special Discount to OBI members: As a benefit of your membership, you will receive a special discounted rate of \$50 (regular registration fee is \$110 prepaid online, or \$130 at door). To get the discounted \$50 registration rate for the seminar, register online and enter the code **OBIMEMBER** when prompted at checkout.

For more information and to register, please visit the [event website](#).

SAVE THE DATE - May 7



OREGON BUSINESS & INDUSTRY LEGISLATIVE RECEPTION

May 7, 2019
Salem Convention Center

Mark your calendars for OBI's Annual Meeting at the Salem Convention Center. We invite all our members to join us as we bring together business and civic leaders to discuss issues important to business and industry in our state. Watch for registration and more details soon.

Oregon Business & Industry
oregonbusinessindustry.com
1149 Court Street NE
Salem, OR 97301

