

2019 OBI Annual Meeting

*Building Oregon: It Starts With Jobs*



Honoring Senator  
Betsy Johnson

May 7 | 3 p.m. to 6 p.m.  
Salem Convention Center

**REGISTER** ➔



## Governor's PERS Plan Includes Raiding SAIF

Gov. Kate Brown's plan to address the PERS problem, which she announced Friday, includes taking almost \$500 million from SAIF reserves. OBI and other business organizations strongly oppose raiding SAIF to pay for PERS' unfunded liability.

The governor proposes using SAIF's reserve funds to create a "side account" to help Oregon's K-12 school districts offset the impact of continuing PERS increases. OBI has argued that those funds come from Oregon employers, primarily smaller businesses, who buy SAIF coverage to protect their works. Taking those funds could result in higher premiums and a reduction in safety training, which is a key component of Oregon's successful workers' compensation program.



Please consider emailing your legislators to say you oppose taking funds from SAIF to prop up the PERS debt. Click [here for a list of Representatives](#) and [here for a list of Senators](#).

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## Tax Update

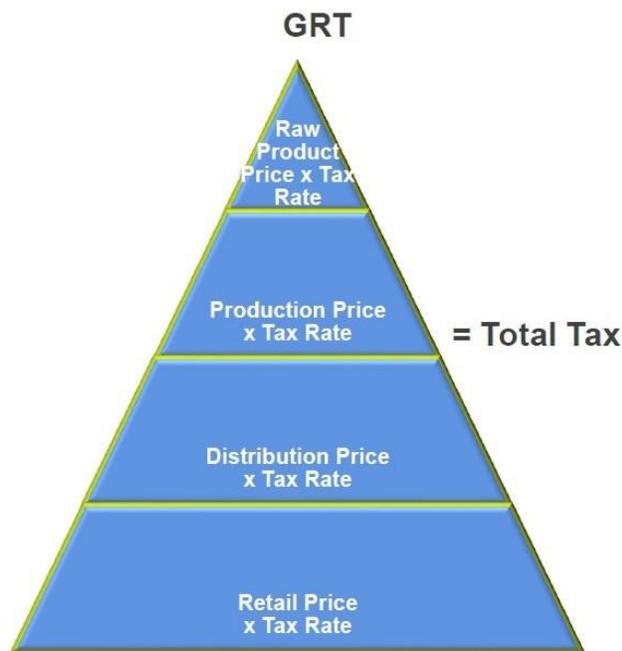
Last week, the Joint Committee on Student Success announced how it will raise the proposed \$2 billion in new revenues for education via [amendments to HB 2019](#). These amendments would levy a 0.49 percent tax rate on gross receipts over \$1 million. Businesses would be able to deduct 25 percent of their labor or input costs.

This proposal is based upon a gross receipts tax concept, which OBI has opposed because of its pyramiding characteristic.

“We appreciate that the committee has tried to address our concerns about the pyramiding impact of a gross receipts tax, but the proposed 25 percent deduction is insufficient,” said Mike Stober, OBI’s government relations director for tax and fiscal policy. “We have told the committee leadership we hope to continue this conversation with them.”

Under pyramiding, an item could be taxed several times in the production process before it reaches the final consumer, resulting in an effective tax rate that is multiple times the published statutory rate. OBI has asked the committee to consider an alternative structure that would eliminate pyramiding altogether.

Under the proposal published last week, businesses making less than \$1 million per year in taxable revenue would not get taxed, nor would grocery sales, gasoline or diesel sales. OBI continues to be part of the conversation, advocating for businesses and arguing the negative effects this could have on Oregon’s economy.



Differing effective tax rates based on production process.

## Carbon Reduction Bills

The Joint Committee on Carbon Reduction is expected this week to continue work on [HB 2020](#), including the [-31 amendments](#) (which totaled 130 pages) and the more than 30 other amendments that have been filed. The next scheduled meeting is on [Monday](#), though meetings last week were cancelled.

In the meantime, [SB 928](#), which would create a new state agency called the Oregon Climate Authority to oversee the carbon program, was sent to the Joint Committee on Ways & Means. The Oregon Climate Authority would eliminate the Oregon Department of Energy, and numerous administrative and regulatory functions would be shifted from the Department of Environmental Quality (DEQ), Department of Administrative Services and Oregon Climate Policy Office to the newly-created agency. OBI has joined other business associations in a [statement](#) urging a thoughtful approach to establishing this new state agency.

## Building Oregon: It Starts With Jobs



### HONORING

Senator Betsy Johnson with the first Jobs Champion Award for her work with the Oregon Manufacturing Innovation Center

### WITH GUEST SPEAKERS

Governor Kate Brown  
Senate Republican Leader  
Herman Baertschiger  
Senator Arnie Roblan  
House Speaker Tina Kotek  
House Republican Leader Carl Wilson  
Panel of Business Leaders

## OBI Annual Meeting – May 7

Please join Oregon Business & Industry for the 2019 Annual Meeting on Tuesday, May 7, at the Salem Convention Center. That’s only three weeks away!

Registration is open! Click the image to register.

We invite all our members and partners to join us as we bring together economic and civic leaders to discuss how business builds great Oregon jobs.

OBI is honoring Sen. Betsy Johnson with the first Jobs Champion Award, presenting speakers Gov. Kate Brown, House Speaker Tina Kotek, Senate Republican Leader Herman Baertschiger, House Republican Leader Carl Wilson and Sen. Arnie Roblan, and a panel of business leaders will discuss the outlook for growing employment in Oregon.

[Click here](#) to find out more about the event.

### Receptions Sponsors



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### Jobs Champion Sponsor



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## \$5.67 Billion

Taxes, fees and new programs could cost Oregon's economy \$5.67 billion over the next two years. On an individual level, that comes out to \$1,350 per Oregonian over the next two years.

Please contact your legislators and let them know that \$5.67 billion is more than Oregonians can handle. [Click here](#) for information about legislators.

New Consumption Tax \$2B

Family Leave Tax \$1.5B

Carbon \$1.1B

Employer Assessment Tax \$500M

Medicaid Tax \$334.5M

Small Business Tax \$130M

Kicker Cut \$108M



HOW MANY MORE  
TAXES CAN  
OREGONIANS  
TAKE

**\$5.67  
BILLION**

Over Two Years

## Oregon Legislature

Last week heralded the mid-session deadline for bills to continue on in the Legislature or die in committee. Here are a few OBI has been watching that survived and will move ahead this session:

- [HB 2005](#) – The revamped bill on paid family leave bill, HB 2005 would provide 22 weeks of paid leave, phasing up to 26 weeks. It would be funded by both employees and employers. It is in the House Committee on Rules.
- [HB 3022](#) – This bill was pushed by the Oregon Trial Lawyers Association and would have rolled back many reforms from the 1990s. OBI worked collaboratively with the Management-Labor Advisory Committee (MLAC) subcommittee over the past two months to ensure changes minimally affect employers. Big thanks go to SAIF and MLAC for facilitating changes that protect workers while also preserving the Workers' Compensation system. Referred to House Committee on Rules.
- [HB 2498](#) – This bill changes the test that determines if someone is an employee or independent contractor. It is currently in the House Committee on Rules. OBI has opposed this bill.
- [SB 379](#) – This bill potentially prohibits employers from disciplining employees for testing positive for any legal drugs, including marijuana. OBI has opposed this bill as it could make workplaces unsafe and endanger workers, both those who could be impaired and their coworkers. The Senate Committee on Judiciary voted in favor of the bill in a party-line vote and it is heading to the Senate floor, where there is a push to defeat it.
- [HB 2509](#) – This bill, which would prohibit single-use bags at checkout stands, has been amended to require a 5-cent charge for paper bags (as opposed to the 10-cent charge in the original bill) and does not apply to non-checkout bags, such as bags used for vegetables or meats. OBI continues to work to amend the bill. It is headed to



- the House floor.
- [HB 2395](#) – This bill, which applies to the “internet of things,” or all devices that connect to the internet, also known as smart devices, would give the attorney general the authority to require internet-connected devices be equipped with security features to protect consumers’ privacy. It is headed to the House floor.
  - [SB 764](#) – OBI has opposed this bill, which would add class size and caseload limits to collective bargaining. OBI has opposed this bill, which has been referred to the Student Success committee.
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**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

[Gov. Kate Brown unveils new plan to offset school's increasing pension costs](#)

[Long-awaited business tax proposal unveiled](#)

[Gov. Kate Brown signs reduced 2020 kicker rebate into law](#)

[Lawmakers unveil spending plans for \\$2 billion corporate tax hike](#)

[Pot bill suffers rare floor vote loss](#)

[Gov. Brown's plan to protect schools from pension costs likely falls short](#)

[Halfway through session, higher ed funding in limbo](#)

[Hundreds rally in downtown Portland to push for education funding](#)

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## 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.



PETROLEUM

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## 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](mailto:Bob.Blackmore@innovalegaladvisors.com)



**OBI HealthChoice**  
Big Business Options on  
a Small Business Budget

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**Smart Oregon  
Businesses Choose  
OBI CompSAFE**

LEARN MORE →



## Calendar of Events

### Labor & Employment Seminar

OBI is one of the sponsors for the 36<sup>th</sup> 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 Duniway 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](#).

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