



Tax Update



The Oregon Senate, with an 18-11 party-line vote, today passed [HB 3427](#), the \$2 billion pre-K-12 education funding and tax proposal. The bill, passed April 30 by the House, now goes to Gov. Kate Brown for her signature.

Senate action on the bill was delayed for a week by Senate Republicans, who stayed away from the Capitol, thereby denying the Democratic leaders the quorum necessary to hold the vote. The 12-member Republican

caucus returned on Monday apparently after negotiating agreements on other non-tax issues.

During the bill's debate, Sen. Betsy Johnson emphasized that her yes vote was based on an assurance that the Legislature would also pass a bill to curb the growing cost of PERS, the state's public employee pension program. OBI has long advocated that PERS reform must be part of the fiscal plan to ensure new dollars actually make it to the classroom rather than being consumed by the ever-growing cost of the pension program.

During the weeks that HB 3427 was being considered, OBI worked with partner organizations representing a broad swath of Oregon business to advocate for language that would enable companies to deduct business input costs from their gross receipts for the purpose of calculating the new tax. After achieving some consideration of that request, as well as agreements on other bills expected to impose significant new costs on business, OBI signaled it would be neutral on the tax provisions of the bill. Long opposed to a tax on sales, OBI did not support the measure.

Last week, OBI issued a statement following a meeting of its board of directors. The statement can be [read here](#).

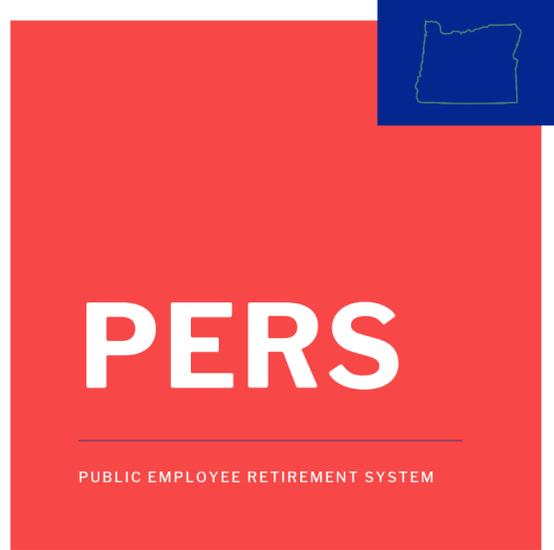
PERS Update

On Friday House Speaker Tina Kotek and Senate President Peter Courtney unveiled their plan for addressing the growing cost of the Public Employees Retirement System. The bill calls for employee cost-sharing as well as re-amortization of the PERS debt. It does not include raiding SAIF reserves to

offset PERS costs, as had been previously suggested by Gov. Kate Brown. OBI strongly opposed taking money from SAIF to pay for PERS, and was able to get agreement that would not happen as part of the tax discussions.

The Joint Ways and Means Committee's capital construction subcommittee will hold a public hearing and possible work session on the PERS bill at [5 p.m. on Tuesday, May 14](#).

OBI will watch how the pending PERS bill progresses. In the meantime, potential initiative ballot measures establishing PERS reform have been filed by a group called [PERS Solutions for Public Services](#).



Paid Family Leave

Amendments to [HB 2005](#) are being drafted by legislative counsel. The amendments will reflect the agreement with legislative leadership for a negotiated paid family and medical leave program, that would address some of the concerns raised by Oregon employers. The new program would be 12 weeks of paid leave financed by contributions by employers paying 40 percent of the cost and employees paying the remaining 60 percent of the cost. OBI will continue to update you as this bill progresses.

Oregon Legislature

Friday, May 10, was another big deadline for the 2019 Legislature. If a bill had not been scheduled for a work session in a policy committee, it did not advance this session. The next big deadline is May 24, when all bills must pass out of policy committees.

- [HB 3022](#) is the workers compensation bill which OBI worked on with MLAC. On Tuesday, the House passed the bill. It now heads to the Senate.
- Today the Senate Judiciary Committee voted to pass [HB 2395](#), which requires security for devices connected to the internet, on to the Senate floor.
- The House is expected to vote tomorrow on [SB 684](#), which relates to business obligations when there is a data breach including notifying customers and the attorney general.
- [SB 726](#) had a public hearing before the House Judiciary Committee on Thursday. It makes modifications to non-disclosure agreements and expands the statute of limitations for certain discrimination claims to five years. It has another work session with the committee scheduled on [Thursday, May 16](#).
- The Joint Committee on Carbon Reduction held a [work session](#) on Friday where it discussed [HB 2020](#), the carbon reduction bill, and [HB 3425](#), which would give credit



to households to mitigate the expected higher cost on fuel if HB 2020 passes. It has another work session scheduled for 5 p.m. today to discuss these bills and [amendments](#).

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 Legislative leaders present new plan for tackling big PERS debt](#)

[Oregon Republicans have many demands, few paths to win](#)

[Lawmakers release new, 'almost final' version of carbon cap and trade bill](#)

[Hundreds of Oregon teachers rally at Capitol, Republican senators still absent](#)

[Vaccine bill passes Oregon House, goes on to Senate](#)

Annual Meeting

If you missed the OBI 2019 Annual Meeting, we have you covered. You can read a website article about the event [here](#) or read a press release about Sen. Betsy Johnson receiving the Jobs Champion Award [here](#). And you can view a video about Sen. Johnson [here](#), or see photos from the event [here](#).



OBI HealthChoice

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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.



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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



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