



Session Clock Running Down

The 2019 legislative session is entering its final days, as lawmakers complete work on the last major bills to be considered this year. Several bills OBI has tracked this session will be decided in upcoming days, including the cap and trade bill, paid family leave, campaign finance reform and technical fixes to the tax bill passed in May. The Oregon Constitution requires that lawmakers adjourn this session no later than June 30, but Senate President Peter Courtney has targeted June 21 for adjournment, and as major bills get decided, an early adjournment is becoming more likely. Here are some of the issues currently in play:



Paid Family Leave

[HB 2005](#), the Paid Family Leave bill, was voted out of the Joint Ways & Means Committee's capital construction subcommittee this morning and now heads to the full Ways & Means committee for approval before it goes to the House and Senate for a vote. The current bill reflects negotiations by OBI and partners to ensure employer concerns are addressed. The bill would cap the number of leave days an employee could take; establish a 40% employer/60% employee cost share; exclude small business (under 25 employees) from being subject to the tax, and allow for private plans. [Click here](#) to read a summary of the bill.

Cap and Trade

[HB 2020](#), the carbon reduction bill, was approved by the Oregon House today on a 36-24 vote, and now goes to the Oregon Senate. This has been one of the most contentious issues of the 2019 session, with several public hearings and work sessions in both the Joint Committee on Carbon Reduction and the Joint Ways and Means Committee, where it was referred after the carbon reduction committee completed its work. Last week, HB 2020 was passed out of the Ways and Means Committee, where amendments addressing industry concerns were offered. In the end, changes to the bill were limited and concerns remain about the impact of the bill on manufacturing and transportation sectors. [Click here](#) to read a statement issued by OBI as the Ways and Means Committee considered the bill.

Campaign Finance

Campaign finance reform continues to be a topic of conversation among legislators this session. Today, the Senate Rules Committee completed work on [SJR 18](#), a proposed amendment to the Oregon Constitution which would allow for campaign finance limits. If passed by the full Senate and then the House, SJR 18 will require voter approval in 2020 before it can take effect. Additionally, the Rules Committee sent out [HB 2716](#), which would make new requirements for independent expenditure disclosures in political advertising, and [HB 2983](#), which would require disclosure of donors to organizations that communicate in favor or in opposition to candidates or measures, affecting many nonprofit organizations. [HB 2714](#), which sets campaign finance limits, is not expected to win final passage this session. OBI opposed that bill because it would create an uneven playing field, where certain groups would be exempted from limits that others would have to follow. Campaign finance limitations are expected to be a subject of discussion during the legislative interim and OBI will remain engaged.

Oregon Legislature

What Happened Last Week

- [HB 2883](#), which would have banned the use of polystyrene foam food service products, died on the Senate floor last week. OBI supported the American Chemistry Council's opposition to the bill, which would have had negative ramifications for a new company in Tigard that is a joint venture of Agilyx and Americas Styrenics.
- [HB 2509](#), the plastic bag ban, passed the Senate last week and now goes to Gov. Kate Brown for her signature. The bill bans most plastic bags at check-out and imposes a 5-cent fee on paper bags. It will go into effect on January 1, 2020.
- [HB 5024](#), the Higher Education Coordinating Commission's budget bill, passed out of the full Joint Committee on Ways & Means on Friday morning. OBI had been working with partners and Brighter Oregon to advocate for additional funding for public universities and community colleges. While not all that we hoped for, this bill is an improvement over the initial budget bill. It includes a \$100 million investment for public universities over 2017-19 levels, an additional \$70 million for community colleges above the previous cycle, and nearly \$12.5 million more for the Oregon Opportunity Grant program.
- [HB 5015](#), the Oregon Department of Education budget bill, passed from the education subcommittee to the full Ways & Means Committee last Wednesday. The bill maintains funding for several OBI priorities, including STEM Hubs, the FIRST Robotics program, the Educator Advancement Council and STEM Innovation Grants.
- [SB 889](#), which establishes an implementation committee that will recommend a health care expenditure cost growth benchmark, passed the Senate unanimously last week. The intent with this bill is to establish a growth rate cap, based on a model in Massachusetts, that private and public health care providers would be encouraged not to exceed.



Coming Up This Week

- We expect the Joint Committee on Tax Expenditures this week to complete work on [HB 2164](#), the bill that will be the legislative vehicle for the extension of expiring tax credits as well as the technical tax changes to the \$2 billion Student Success Act that passed earlier this legislative session. The committee last week reviewed the portion of the bill that includes the technical tax changes. A summary is available [here](#). A summary table of the expiring tax credits being considered for renewal is available [here](#). Two new [amendments](#) have been posted and the bill is scheduled for a hearing

- tomorrow. OBI has worked closely with our partners to ensure issues we identified as priorities for technical corrections during the tax negotiations make it into the bill.
- The Joint Committee on Tax Expenditures will consider the proposed cigarette tax increase this afternoon. Last Thursday, the House Revenue Committee held a work session to adopt the [-14 amendment](#) to [HB 2270](#) and pass the bill out of the committee. A summary of the amended bill is available [here](#). The legislation increases the cigarette tax by \$2/pack (raising it from \$1.33 to \$3.33) and subjects vaping products to a tax equal to 65% of their wholesale price. Funds raised by the legislation will be dedicated to Oregon's Medicaid program. The bill also includes a provision referring the measure to the November 2020 ballot where voters will determine whether or not it takes effect.
 - The Senate today passed, which requires federal global intangible low-tax income (GILTI) to be included in Oregon taxable income. Last week, the Senate Finance and Revenue Committee held a work session to adopt the [-8 amendment](#) to [SB 851](#) and to pass the bill out of the committee. The legislation allows Oregon taxpayers to apply the Oregon dividends received deduction (DRD) to the GILTI income.
 - [SB 123](#), the Pay Equity fix bill, is scheduled for vote in the House tomorrow. It will then head back to the Senate, where we expect the Senate will concur in the House amendments.
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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

[Editorial: Initiative bill smacks of voter suppression](#)

[Single-family zoning bill faces crucial votes in Oregon legislature's last days](#)

[Oregon legislature passes plastic bag ban, kills polystyrene food container ban](#)

[Once stalled, a cigarette tax hike is moving in Oregon Capitol](#)

[Legislature bans landlords from using prior marijuana convictions to reject renters](#)

Non-road Diesel Engine Survey

Please consider filling out this survey from the Oregon Department of Environmental Quality on non-road diesel engine use. In 2017, OBI and other business organizations negotiated a compromise to the diesel phase-out bill, in part asking that the state complete a survey of existing diesel uses. This survey represents the effort to collect more data on non-road diesel engines. OBI is promoting the [survey](#) in our various weekly and monthly newsletters to assist the DEQ in collecting Oregon-specific information on diesel generators and compressors. Without state-specific information, DEQ would utilize EPA's default data that likely overestimate emissions and provide an unrealistic picture of air pollution levels in the state. This is a blind, confidential survey and will not be used to create an equipment

registry. Both businesses who utilize diesel compressors and generators and those who don't should take the survey to ensure the data collected is accurate.

[Click Here for Survey](#)

OBI HealthChoice

Big Business Options on a Small Business Budget

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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



Calendar of Events

Unemployment Insurance Conference

June 27 is your chance to get the scoop on unemployment insurance strategies to improve your bottom line. The National Unemployment Insurance Policy Conference is coming to Portland and offers a unique opportunity for businesses and companies to learn about unemployment tax, benefits and policy to 2020 and beyond.

OBI has a special single-day pass rate for members for June 27. [Click here](#) to learn more.

- What: National Unemployment Insurance Policy Conference
- When: June 26-28
- Where: Portland Marriott Downtown Waterfront Hotel

- Event information: www.uwcstrategy.org/conferences/

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