



## Campaign Finance

During the 2018 governor's race, campaign finance was a leading issue, and now legislators have introduced significant changes to Oregon's campaign finance laws. Several bills have advanced in the last week. HB 2714, HB 2716 and HB 2983 were all voted out of the House Rules Committee on a party line last week and are heading to the House floor. These bills, as they currently read, would make sweeping changes to Oregon's campaign laws: [HB 2714-6](#) would establish campaign contribution limits, but there would be no limits on contributions from small donor, political party and caucus political action committees; [HB 2716-5](#) would make new requirements for independent expenditure disclosures in political advertising; and [HB 2983-6](#) would require disclosure of donors to organizations that communicate in favor or in opposition to candidates or measures.



OBI and partners are concerned that the bills could create inequities, and we are working together with partner organizations to bring those issues to lawmakers.

The courts have long ruled that limits on campaign contributions are an unconstitutional limit on freedom of speech under the Oregon Constitution. In order for these bills to withstand a court challenge, voters will have to approve a constitutional amendment. To that end, legislators are considering [SJR 18](#), which would send a constitutional amendment to voters probably in 2020.

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## PERS Reform

[SB 1049](#), the PERS reform bill, has been passed by the Legislature and is now on the desk of Gov. Kate Brown, who is expected to sign it into law.

Last Thursday the House passed the bill by a vote of 31-29. The vote was suspenseful, requiring Speaker Tina Kotek to hold the vote open for 30 minutes so that two Democratic legislators could switch their votes from "no" to "yes".

Introduced by House Speaker Kotek and Senate President Peter Courtney, the bill makes several changes to PERS to control costs and lessen the impact on state, local and school district budgets. It creates employee contributions to PERS pensions by redirecting a portion of the Individual Account Program contributions back to the pension system; re-amortizes the tier one and tier two unfunded liability over a longer period of time; removes limitations

on PERS' retirees work after retirement; caps the final average salary at \$195,000 for calculating pension payments; and uses sports betting revenue to fund a portion of pension side accounts.

While these changes fall short of what OBI and our partners have advocated for, PERS Solutions, a group formed to advocate for PERS reform, estimates that they will result in \$600 million in savings each year starting in 2021-2022, with most of the savings coming from the re-amortization. Under this proposal, schools may save enough to hire 1,850 teachers or add 7.5 school days statewide.

PERS Solutions filed proposed initiative measures to reform PERS earlier this year. They have indicated they are continuing to evaluate how they will move forward with those initiative measures.

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## Paid Family Leave

Last week legislative leaders circulated potential amendments to HB 2005, the Paid Family Leave bill. A new negotiated amendment is expected this week. We expect the House Rules committee will schedule a hearing on the bill late this week or early next week. The amendments reflect provisions negotiated by OBI and partners to ensure employer concerns are addressed.



OBI is tracking the bill development closely, with a focus on ensuring business concerns are addressed as a bill moves forward.

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# Oregon Legislature

## What Happened Last Week

- On May 30, the Oregon House unanimously passed [SB 213 A](#), sending it to the governor's desk for her signature. The legislation maintains Oregon's rolling (automatic) connection to federal taxable income and updates the date on which other provisions of Oregon's tax code are connected to the federal tax code to December 31, 2018 (from December 31, 2017).
- [SB 726](#), the discrimination bill, passed the House on May 30, and is headed to the governor for her signature. As previously discussed, this bill has been amended to remove individual liability from the bill as introduced. Unfortunately, the bill still contains expansion of the statute of limitations from one year to five years. While certainly improved from the original bill, this will remain a hardship for employers.
- [HB 2509](#), which would ban the use of plastic checkout bags and impose a 5-cent fee on paper bags, passed out of the Senate Rules Committee on May 29. Republicans on the committee served notice of a minority report, setting up for a floor fight. We expect a vote in the coming weeks.
- OBI and partners have been meeting with key legislators to discuss the need for investment in higher education. The Joint Ways & Means Education Subcommittee has scheduled a work session on [HB 5024](#), the Higher Education Coordinating Commission's budget bill, for Thursday morning. We continue to strongly encourage investments in STEM, community colleges and public universities.
- On Friday, the Joint Committee on Tax Expenditures met for the second time this legislative session. The meeting consisted of an overview of the earned income,



cultural trust and agricultural worker housing construction tax credits. It also included a brief [presentation](#) from the Legislative Revenue Office on an omnibus bill that will include both an extension of some tax expenditures and technical corrections to [HB 3427](#), the \$2 billion Student Success Act.

- [HB 2014](#) passed out of the Senate Judiciary Committee along party lines on Tuesday, May 21, and a vote on the Senate floor is scheduled for today. It passed the House in April. The bill removes the \$500,000 limit on noneconomic damages in the event of wrongful death. OBI is part of a broad coalition opposed to the bill.
- [HB 2658](#) passed out of the Senate Health Care Committee on Wednesday, May 22, and a full Senate vote is expected this week. The bill requires the disclosure of drug price increases 60 days in advance of the increase, if a brand-name drug is increasing by more than 10 percent, or by \$10,000, from the previous 12 months and if a generic drug price is increasing by 25 percent or by \$300 from the previous year.

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## Coming Up This Week

- A Senate Rules Committee hearing is scheduled today for [HB 3022](#), the workers comp bill. As originally introduced, HB 3022 would have rolled back the 1990 Mahonia Hall reforms to the workers' compensation that improved cost and safety to the system for all users. OBI and other stakeholders urged legislators to let the Management-Labor Advisory Committee (MLAC) process work and negotiate a compromise. MLAC brought together a subcommittee and the current bill is the result of those efforts. The bill makes changes to requirements around diagnostics and denials due to pre-existing conditions.
- Today, the House Revenue Committee is holding an informational meeting on the Earned Income Tax Credit (EITC). As a member of the Renew & Raise Coalition, OBI is supportive of efforts to renew Oregon's connection to the federal EITC, which expires next year, and raise the percentage of the federal credit an individual can claim for Oregon tax purposes. Our understanding is that a renewal of the EITC may be included in the omnibus tax package before the end of the session. Questions remain regarding how the Legislature will pay for an extension of the credit.
- Tomorrow morning, the Joint Committee on Tax Expenditures will meet to review proposed technical changes to [HB 3427](#), the \$2 billion Student Success Act. The committee released a high-level [overview](#) of expected changes more than a week ago and will use tomorrow's meeting to provide more detail, potentially including legislative language. We expect the committee to receive feedback on the proposed technical corrections this week, meet again on Friday to discuss that feedback and then pass the omnibus tax package at some point next week. We are working with partners to ensure issues raised by OBI and other business organizations are addressed in this bill.

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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

[Salem Sen. Jackie Winters, advocate for reform, cooperation, dies at 82](#)

[Gov. Brown names Mike McLane to state judgeship](#)

[Oregon House back on track after 2 Republicans break rank](#)

[After shaky start, Oregon House passes PERS reform](#)

[Gov. Kate Brown wants to tap taxpayer refunds for \\$500 million additional spending](#)

[Oregon governor signs bill requiring 'reasonable security' for online gadgets](#)

[Brown wants to divert kicker from top income earners](#)

[House OKs limited ban on plastic straws](#)

[Holocaust Education Bill Passes House, Governor Expected To Sign](#)

[Opinion: Legislators, finish the job with post-high school investment](#)

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## 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

LEARN MORE 

## 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



## 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)



## 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/](http://www.uwcstrategy.org/conferences/)

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