



A.B. Stoddard
RealClearPolitics

OBI ANNUAL MEETING

The 2020 National Political Scene

Hear from a national political commentator about what's really going on.

Thursday, February 13 | 7:30 - 9:30 a.m.
Salem Convention Center

REGISTER



2020 Legislative Session Starts Monday

The Oregon Legislature will convene on Monday, Feb. 3. Though there are many disagreements at the Capitol, we can all agree on one thing: no one knows what's going to happen.

The major sticking point for the session will be the fate of carbon reduction legislation. Democrats are seeking to pass major carbon legislation but it is unclear if they will be able to do so. Opponents have emerged on both sides, with some saying the bill is too costly and goes too far, while others are saying it doesn't go far enough. Republican leaders have not ruled out another walkout, thereby denying quorum and blocking a vote. And Senate President Peter Courtney's absence due to medical issues has created even more uncertainty.



During Legislative Days in January, Senate Democrats proposed cap-and-trade language similar to HB 2020, with the only changes being a phased-in approach to raising fuel prices to curb emissions and changes in how the state calculates manufacturing emissions, as well as treatment for companies purchasing electricity and natural gas from non-utility providers. This week, three bills were introduced, [SB 1530](#), [SB 1574](#) and [HB 4159](#). The legislation is expected to start in the Senate.

Many OBI members are directly involved in the negotiation of this issue, particularly in terms of impacts to specific industries. OBI is staying in close touch with the negotiators, and we have raised concerns about the impact to manufacturing and transportation costs.

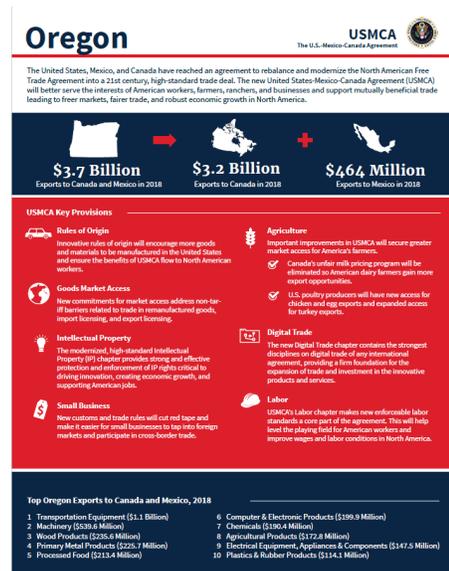
OBI will publish Capitol Central weekly during the session to keep our members informed of what is happening at the statehouse.

North American Trade Deal Becomes Law

In the U.S. capital, President Trump signed the U.S.-Mexico-Canada Agreement into law. Enacted by Congress with bipartisan support, and a key role played by Oregon Congressman Earl Blumenauer, the long-awaited trade deal will help ensure Oregon products can ship to our closest neighbors. Because Oregon is one of the most trade-dependent states in the nation, this pact was very important to the economy of our state: in fact, Oregon exported products valued \$3.7 billion to Canada and Mexico in 2018.

[Click here](#) to read more.

Click the image to see the USMCA fact sheet.



Corporate Activity Tax Update

Among the proposed legislation for the 2020 session are potential technical fixes to the Corporate Activity Tax (CAT). While we are supporting many necessary fixes, OBI is closely watching [HB 4009](#), which includes language that could reduce the value of the 35% in cost inputs or labor costs businesses can subtract when calculating the CAT. OBI is working to protect the 35% subtraction as it is crucial to mitigating the impact of this new tax on Oregon businesses.

As a reminder, the CAT was part of the Student Success Act in the 2019 legislative session and is \$250 plus 0.57% of Oregon commercial activity greater than \$1 million. OBI negotiated giving impacted businesses the ability to subtract 35% of their cost of goods sold or 35% of their labor costs, whichever is greater, from their taxable Oregon commercial activity.

The Oregon Department of Revenue is developing rulemaking for the tax, posting three new draft rules this week. The latest updates are on the [CAT website](#). If you want to contact the Oregon Department of Revenue directly, email cat.help.dor@oregon.gov. And feel free to reach out to OBI's tax expert, [Mike Stober](#).

2020 Session: Proposed Legislation

Want more information on bills OBI is watching? [Click here](#) for OBI's bill tracker. Below are highlights on what we're working on this session.

Taxes

Aside from proposed changes to the Corporate Activity Tax, the Legislature may also consider other tax-related bills. If an Oregon taxpayer deferred federal capital gains taxes by investing in an opportunity zone, [HB 4010](#) would require those taxpayers to add those deferred capital gains back into their Oregon taxable income. [HB 4011](#) would require a study on tax reform.

Employment

OBI is engaging with legislators and our partners on employment related legislation, and as the session gets started, we will be there to advocate for Oregon companies.

Businesses in highly competitive fields need to ensure that investments in training and innovation benefit their own company, not their competitors. That's why OBI is opposing [SB 1527](#). It could reduce the amount of time allowed in noncompete agreements from 18 months to six months. Through the use of noncompete agreements, companies are able to protect their products and designs, and stay competitive in their markets. The bill also proposes

changing minimum salary requirements tied to noncompete agreements to an amount that can be adjusted annually based on inflation. Oregon's existing non-compete law is already highly restrictive, and further restrictions could make it more difficult for businesses to operate in our state.

OBI wants to ensure businesses can transact with customers in the way that best serves those customers. We're watching [HB 4107](#), which aims to stop stores from banning cash-based payments. OBI supports another provision of the bill, which prohibits discrimination based on hair texture.

[HB 4076](#) would create a task force on age discrimination. OBI has been involved in this process by working with the AARP and legislators. While we disagree with AARP's stance on this issue, we are open to continued discussions.

Lastly, OBI is opposing [HB 4007](#), which proposes making striking workers eligible to receive unemployment benefits. This bill would be a fundamental departure from current law. It would also force employers to pay for employee wages even when the employee voluntarily walked off the job.

Education

OBI keeps an eye on education legislation because we know a well-trained workforce comes from well-educated students. While getting their education, students need the ability to transfer credits between schools and colleges based on their career trajectory. That's why we're watching [SB 1541](#), which would simplify the credit transfer process. One way it would do that is by establishing an advisory committee to recommend better standards of practice and require additional data collection.

Employers also need to be able to know which skills and abilities students graduate with. That's why we're closely monitoring [SB 1572](#), an effort to limit the State Board of Education's authority to set assessment requirements. OBI will work with partners to ensure our state's assessment system remains balanced and accessible for all.

We're also keeping an eye on [HB 4094](#), which would include class sizes and caseload limits as mandatory collective bargaining subjects for school districts. OBI joined an effort to successfully opposed a similar bill in 2019, because school districts shouldn't be forced to choose between hiring teachers and making targeted investments in students.

Health Care

OBI is keeping an eye on several health care-related bills, including [SB 1548](#), which would establish a task force to look at estimated costs of pending legislative mandates, and [HB 4102](#), which makes changes to ways insurers contain costs, including allowing prior authorization for health services to last for at least 60 days and allowing 12-month prior authorization for medications used to treat chronic conditions.

Other bills propose changes on products bought and sold. That includes banning the sale of flavored vaping products ([SB 1559](#), [SB 1577](#) and [HB 4078](#)), limiting the out-of-pocket costs of insulin at \$100 per 30-day supply ([HB 4073](#)), and designing a program to import wholesale drugs from Canada to increase competition and lower drug costs for Oregonians ([HB 4147](#)).

Initiative Petitions Update

More than 60 proposed initiative petitions to place measures on the 2020 general election ballot have been filed with the Secretary of State. OBI is working with partners to challenge ballot titles for seven of them, to ensure the words that actually appear on the ballots, if the initiatives are successful, accurately describe what the measures would do. To qualify for the ballot, proponents must secure a certified ballot title from the Secretary of State and then collect 112,020 valid signatures by July 2.

OBI has participated in the ballot title challenges for IPs 48, 49 and 50, which are related to carbon reduction; IP 56, which would effectively negate the 2018 negotiated agreement around air toxics regulation; IP 41, which would limit grocery stores to two automated check-out stands; IP 51, which would institute a Measure 97-like 2.5% gross receipts tax; and IP 28,

which would tax businesses with employees who are eligible for public assistance programs.

Rulemaking

Indirect Source Program

The Environmental Quality Commission (DEQ's boss) is considering a petition filed by air activists to regulate "indirect sources" of air emissions. Indirect sources are facilities and businesses that attract "mobile sources" like cars, trucks, locomotives and construction equipment to a given location. Potentially thousands of sites could be impacted if the EQC moves forward with the proposal, from grocery store parking lots to construction sites.

OBI is working closely with Associated General Contractors and many other partners who [submitted comments](#) on the petition. Last week, OBI's Sharla Moffett was one of several industry representatives [who spoke](#) at the EQC meeting to raise concerns about the proposal, and OBI will submit comments for the record.

Please consider weighing in and urging the Commission to deny this petition that would result in enormous regulatory overreach. DEQ will accept comments at ISPComment@deq.state.or.us until 4 p.m. Feb. 14. You can review suggested [talking points here](#).

If you have questions on this complex and costly rulemaking, please contact OBI's energy and environment expert, [Sharla Moffett](#).

Paid Family and Medical Leave

The Oregon Employment Department has created a committee to advise the department on implementing the new paid family and medical leave law. OBI's Paloma Sparks is on the committee, as are representatives of both employee and employer interests. The state has a website for the new program, check it out by [clicking here](#).

Share Your Voice on Oregon's Forests

Our Partners at the Oregon Forest Industries Council (OFIC) are hoping many Oregonians will respond to a survey being conducted by [The Oregonian and OPB](#) about Oregon's forests and forest industries. Please consider responding to the survey and, most importantly, copy your response to a special email created by OFIC, voices@ofic.com. OFIC plans to publish all of the responses it receives to ensure balance in how the story is reported.



Upcoming Events

OBI Annual Meeting Update

Join us at our Annual Meeting 7:30 a.m. Thursday, Feb. 13, at the Salem Convention Center. We will be celebrating our 2020 Jobs Champion awardees, Reps. Jeff Barker, D-Aloha, and Shelly Boshart Davis, R-Albany. Speakers will include Gov. Kate Brown and a panel of legislative leaders, as well as keynote speaker [A.B. Stoddard](#), national political columnist for [RealClearPolitics](#), who will delve into what's really going on in Washington, D.C.

- What: OBI 2020 Annual Meeting
- When: 7:30 a.m., Thursday Feb. 13
- Where: Salem Convention Center
- [Click here](#) to register



College Opportunity Grant Tax Credit Auction

When: Feb. 10-12

Where: Online: Instructions on bidding will be available on the [Oregon Department of Revenue \(DOR\) Tax Credit Option webpage](#)

The Oregon Higher Education Coordinating Commission has announced an online [College Opportunity Grant tax credit auction](#) happening Feb. 10-12. Individuals and businesses with Oregon income tax liability are eligible to place bids on tax credit certificates applicable for tax year 2019. If the certificates are not allowed on a 2019 return they can be carried forward up to three years. The Oregon Department of Revenue administers the auction. To learn more, sign up for updates from the Higher Education Coordinating Commission by [subscribing here](#).

Save the Date: Eastern Oregon Economic Summit

This event brings state, regional, and local leaders from across private and public sectors to Hermiston to discuss issues and set goals to improve our Eastern Oregon communities and region.

July 23: Regional industry and issue tours

July 24: General session and breakout discussions

[Click here](#) to learn more



Capitol News

[Measure to Limit Self-Checkout Gets Nod From Oregon Supreme Court](#)

[Oregon Senate President Peter Courtney, 76, Hospitalized with Hip Pain](#)

[Oregon Republicans and Democrats at Odds Over Intent of Legislative Short Session](#)

[Lawmakers Lay out Priorities Ahead of Session](#)

[From Guns to Wildfires, Legislators Heading to Salem Soon to Push Changes](#)

[Oregon Senate GOP Leader Says Walkout Possible Over Climate Change Vote](#)

[Oregon Union Leaders Say They Will File Initiative Aimed at Stopping Legislative Walkouts](#)

[Court Overturns Clarno, Reinstates Clean Energy Measures for 2020 Ballot Process](#)

[Oregon Democrats Want to Trim Controversial Tax Breaks for Investors](#)

[Timber Unity Gears Up for Cap and Trade, Other Issues](#)

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 [Nancy Marquay](#) for more information.



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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