With the Oregon Legislature at the Capitol for the 35-day even-year session, we will keep you up to date with weekly editions of Capitol Central. Here’s our report from this week.

Another major deadline for this short session passed yesterday: Bills that had not had a work session in their originating chamber by the end of the day Thursday were declared dead. This impacted a handful of bills OBI has engaged in, including some we opposed. Ways and Means, Revenue and Rules committee bills are not impacted by these deadlines.

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**Cap-and-Trade Legislation**

The cap-and-trade debate continues to dominate the session, with ongoing uncertainty over whether Republicans will block a vote through a quorum-denying walkout.

Democrats introduced 177 pages of amendment to [SB 1530](#) late on Wednesday, and on Thursday afternoon, the Senate Committee on Environment and Natural Resources sent the bill to the Joint Ways and Means Committee on a 5-2 party-line vote. The bill can remain in Ways and Means until leaders decide to send it to the Senate floor for a vote. In the 2019 session, recall, the carbon bill never made it to the Senate floor because of the Republican walkout.

Meanwhile, on the House side, Republicans literally *left the room* in the House Energy and Environment Committee, rather than vote on the House carbon bill, [HB 4159](#). Despite their protest, the bill was moved to the House Committee on Rules without receiving public input, and it will remain there until needed.

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**Timber Agreement**

This week Gov. Kate Brown [announced](#) an agreement between environmental groups and Oregon’s forest industry. The Monday announcement outlined a memorandum of understanding with 26 signatories from all sides of the forestry cause. [Click here](#) to read the official document. The agreement requires passage of a bill this month.

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**Annual Meeting**

This week about 250 people attended the OBI Annual Meeting at the Salem Convention Center. National columnist A.B. Stoddard talked about the state of politics in Washington, D.C., and Gov. Kate Brown and a

Later, the OBI Board of Directors elected Karen Vineyard, market executive, global commercial banking, for Bank of America, as OBI’s new chair. Click here for a press release about Karen. The board also elected Jordan Papé as first vice chair and Scott Parrish moved to the position immediate past chair.

Happy Birthday Oregon!

Feb. 14 is Oregon’s birthday – today our state is 161 years old. Our partners at the Oregon Historical Society are open free all day to mark the event.

In the Legislature

Here is a summary of some of the bills OBI engaged on in the past week:
Corporate Activity Tax

On Tuesday the House Revenue Committee reviewed the [10 amendment to HB 4009, the bill that makes technical changes to the CAT, the gross receipts-style tax the Legislature passed in 2019, and the new language appears to have addressed language OBI flagged which could have reduced the value of the 35% subtraction for many Oregon businesses. OBI’s Mike Stober worked with the Department of Revenue, the Governor’s office, the Legislative Revenue Office and the House revenue chair to progress toward this solution. HB 4009 is scheduled for a work session before the House Revenue Committee on Monday, Feb. 17.

The revenue department recently announced a series of meetings about the CAT throughout the state, happening in March. You can see a full list of those meetings by clicking here.

Employment

OBI, working with partners and members, negotiated changes to SB 1527, the bill that affects noncompete agreements. The final bill makes agreements enforceable for twelve months provided the agreements meet the requirement that subjected employees are salaried amounting to $97,311 annually, including commissions. Employers are also required to provide certain notices to employees when entering into a noncompete agreement and when the employee leaves the position. OBI worked closely with members to attempt to negotiate a bill that retained the basic structures of existing noncompete agreement law. On Tuesday OBI testified that, with the amendments, we were neutral on the bill. The bill was unanimously approved by the Senate Committee on Labor and Business. The full Senate will likely take it up on Monday, Feb. 17.

OBI continues to work with Labor Commissioner Val Hoyle to refine the language in HB 4113 to achieve the commissioner’s goals without creating excessive burdens on employers. The bill’s aim is to enable the Bureau of Labor and Industries (BOLI) to deny youth employment certificates to businesses where the employer poses a possible danger to children. OBI’s concern was the broad language of the original bill could have unintended impacts. Commissioner Hoyle told the OBI board this week that she is working with our team to resolve the issues and she has appreciated the input.

HB 4087 was amended and voted out of the House Committee on Business and Labor on Wednesday. The bill would allow BOLI to use proceeds from civil penalties to fund technical assistance, resources and training. Amendments to the bill put a $290,000 per year cap on the amount of civil penalties BOLI can retain, with 75% going to technical assistance for employers and 25% going to the wage security fund. Any civil penalties over that amount would revert to the common school fund. HB 4087 now heads to the Ways and Means Committee.

OBI and a broad coalition organized in opposition to HB 4007, which proposed making striking workers eligible for unemployment insurance, and this week the bill died after not receiving a work session. Thank you to the many OBI members who provided feedback on this bill. We expect the issue to return in future legislative sessions.

Tax and Fiscal

On Thursday OBI submitted testimony in support of SB 1560, which aims to increase the threshold for when the estate tax kicks in. Rather than going into effect at $1 million, the bill would raise the threshold to $2.5 million. This is important for Oregon farmers and small businesses, as well as family estates.

Retail

On Wednesday the House Judiciary Committee passed HB 4107 along with a -2 amendment. HB 4107 would prohibit discrimination based on hair type (which OBI supports) and also bans cash-free stores (which OBI opposes). The bill would allow online purchases to be cash free, and the -2 amendment would include allowing buying online for in-store pickup to also be cashless. HB 4107 is headed to the House floor for a vote. OBI testified on it during a hearing on Feb. 3.
Environment

On Thursday the House Committee on Energy and Environment voted to move HB 4024, which affects businesses using refrigeration and some air conditioning, on to Ways and Means. OBI previously submitted testimony on this bill, and worked with a coalition to ensure the bill lined up with standards set in other West Coast states.

Education

On Wednesday OBI testified in support of HB 4098, which directs development of a statewide, long-term plan for computer science education for every public school student in Oregon. OBI’s Nathaniel Brown voiced our support for the bill, as computer science and digital literacy is a necessary skill for large and small businesses, and many emerging industries require these skills in their employees. “When all of Oregon’s students are better equipped to enter our workforce, the economic benefits are magnified,” he told the House Education Committee. OBI also submitted comments on the bill, which was voted out of committee and on to Ways and Means.

OBI joined a coalition raising concerns around SB 1572, which as originally written would have removed the state’s authority to set graduation requirements and move that job to local school districts. The bill was amended to instead create a task force to evaluate Oregon’s high school diploma requirements. On Thursday the Senate Committee on Education voted to move the amended bill to Ways and Means.

OBI also submitted testimony in support of capital construction projects on Oregon university campuses, citing the importance of a strong post-secondary education system to Oregon’s economy and workforce. HB 5201 had a hearing before the Ways and Means Subcommittee on Capital Construction on Friday.

Health Care

SB 1535, which aims to expand the Department of Consumer and Business Services’ authority to investigate price increases in the pharmaceutical supply chain, was voted out of the Senate Committee on Health Care and to the Senate floor. OBI submitted comments on Feb. 4 raising issues about the broad nature of the proposed expanded authority and the precedent it would set.

Do you have questions about pending legislation?

Feel free to contact our team.

- Tax, fiscal policies and retail: Mike Stober
- Education and health care policies: Nathaniel Brown
- Employment policies: Paloma Sparks
- Environment and energy policies: Sharla Moffett

Oregon Legislature in the News

Democrats Advance Oregon’s Controversial Climate Change Policy
Upcoming Events

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

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