



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

Cap-and-Trade Legislation

Halfway through the 35-day legislative session, the cap-and-trade debate continues to dominate. [SB 1530](#) is scheduled to be considered by the full Joint Ways and Means Committee on Monday morning, and several Republican senators have indicated they will walk out if the bill is moved to the floor, thus blocking a vote.

The cap-and-trade bill was approved by the Ways and Means Natural Resources Subcommittee earlier this week on a party-line vote. The subcommittee adopted the [-A59 amendment](#) on a party line vote and Sen. Kathleen Taylor, D-Milwaukie, committee chair, allowed two Republican amendments to be considered, including one to send the issue to voters. But both failed on party-line votes.

Meanwhile, on the House side, [HB 4167](#) was introduced and referred the House Committee on Rules, providing another vehicle for this legislation. It has a work session before the House Rules Committee today.

The uncertainty of the cap-and-trade debates is impacting all aspects of this legislative session, including the potential that several bills may die if Republicans deny a quorum in either house. The session is constitutionally limited to 35 days, so adjournment must occur by March 8.

In the Legislature

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

Corporate Activity Tax

The House Revenue Committee approved [HB 4009](#), the bill proposing 'fixes' to the Corporate Activity Tax, on Thursday, sending it to the House floor with a do-pass recommendation. Before approval, the committee adopted the [-16 amendment](#), which addresses language OBI flagged in the underlying bill which could have reduced the value of the 35% subtraction for many Oregon businesses. The committee also adopted the [-25 amendment](#), which includes an exemption for crop insurance, an exemption for certain dairy sales of milk and a provision allowing farmers to use an alternative to cost of goods sold when calculating their 35% cost inputs subtraction.

A reminder: The [Department of Revenue](#) has listening sessions on the CAT scheduled for [March in several locations around the state](#). The department will issue its next batch of temporary rules on March 1.

Employment

The House is scheduled to vote on [SB 1525](#) on Monday. This bill reflects the compromise agreement that emerged from the prevailing wage workgroup that met 15 times before the session. The bill requires enhanced notice and data collection for construction projects in the enterprise zones, rural long-term enterprise zones and strategic investment programs, but does not subject those construction projects to prevailing wage laws. OBI negotiated several changes to the bill prior to the start of session and subsequently has supported it. Previously, SB 1525 passed unanimously out of the Senate. We expect a similar result in the House.

[SB 1527](#), the bill that affects noncompete agreements, has been making its way through the House Committee on Business and Labor this week. It had a hearing on Wednesday and is scheduled for a committee vote on Monday, Feb. 24.

Through negotiations by OBI and others, the final bill makes agreements enforceable for 12 months (as opposed to six as originally proposed) and retained the basic structures of existing noncompete agreement law. Other stipulations of the bill include that noncompetes can only be given to employees who make at least \$97,311 per year or more, and employers are required to provide certain notices to employees when entering into a noncompete agreement and when the employee leaves the position.

[HB 4113](#) remains in the House Rules Committee and appears stalled. The bill aims 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 because of convictions for sexual offenses. OBI's concern was the broad language of the original bill related to criminal history could have unintended consequences. BOLI Commissioner Val Hoyle told the OBI board this month that she is working with our team to resolve the issues and she has appreciated the input.

[HB 4087](#) was referred to Ways and Means on Feb. 14 after it was amended and voted out of the House Committee on Business and Labor. The bill would allow BOLI to use proceeds from civil penalties to fund technical assistance for employers. 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. The bill has not been scheduled for a hearing in Ways and Means.

Tax and Fiscal

A bill allowing Metro to double its income tax authority died today after being pulled from consideration by House Speaker Tina Kotek, D-Portland, the bill's chief sponsor. This apparently negotiators reportedly agreed to a package including a 1% personal income tax and an unspecified new regional business income tax in the Portland-metro area. While agreeing to the urgent need to address the homelessness crisis, OBI opposed [HB 4164](#), which would have given Metro the ability to impose a personal income tax of up to 2%, doubling from the 1% currently allowed. In its opposition, OBI noted the impact of potential tax hike on small businesses.

On Thursday, the House Revenue Committee passed [HB 4010](#) with the [-15 amendment](#). The amended bill partially disconnects Oregon from the federal opportunity zone program, requires opportunity zone funds to report on certain aspects of their investments and directs



the Legislative Revenue Office to study the opportunity zone program. OBI opposed the underlying bill and the amendment as it unfairly punishes Oregon investors and discourages investment in low-income communities across the state. [Click here](#) to read testimony OBI submitted on Feb. 6.

Retail

[HB 4107](#), which would prohibit discrimination based on hair type (which OBI supported) and also bans cash-free stores (which OBI has opposed), was introduced in the Senate on Thursday after the House passed it on a 45-12 vote on Wednesday. The House vote came after a surprise turn of events when the House unanimously supported a minority report, amending the bill on the floor to make several changes to the version that had passed out of committee. The current version of the bill language exempts online purchases for in-store pick up from the cash-free prohibition in the bill and removes exemptions for public bodies and gas stations. Further amendments to the legislation are expected in the Senate. OBI continues to work on this bill to address concerns members have raised.

Environment

[HB 4024](#), which phases out the use of hydrofluorocarbons in equipment like refrigeration and air conditioning, was moved to the Ways and Means Natural Resources Subcommittee this week but has not been scheduled for a hearing. Rep. Julie Fahey, D-Eugene, worked with the business sector to better align the bill with Washington state law.

Education

OBI has supported [HB 4098](#), which directs the Oregon Department of Education to make computer science education mandatory in all classrooms by 2025-26. On Wednesday it was sent to the Ways and Means Education Subcommittee, and is scheduled for a work session on Tuesday, Feb. 25.

Health Care

[SB 1535](#) passed the Senate on Thursday and is now pending in the House. OBI has raised concerns about the bill, which would give the Department of Consumer and Business Services broad new authority to investigate drug manufacturers. Provisions that would have granted the state immunity should workers disclose proprietary information – which OBI particularly objected to – were removed from the bill. OBI [submitted comments](#) on Feb. 4.

The vaping ban bills are moving forward: [HB 4078](#), which bans the remote sales of vaping products, passed the House on Feb. 11 and passed through the Senate Health Care Committee this week. A companion bill, [SB 1577](#), which would have banned certain flavors of vaping products, now only requires licensing for all stores selling tobacco. This week it was sent to the Joint Committee on Ways and Means.

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](#)

Administrative News

In a letter to Washington Gov. Jay Inslee, Oregon Gov. Kate Brown indicated support for removal of the Snake River dams as a long-term solution to restoring fish runs in the Northwest. That announcement has [met with opposition](#) from agriculture businesses and rural electric cooperatives potentially impacted by dam removal.

The Federal Energy Regulatory Commission delayed a decision on the proposed Jordan Cove liquified natural gas project in Coos Bay this week after state officials announced they were denying an application which state regulators say is necessary for the project to move forward. Read more [here](#).

OBI Member Survey

We want your opinion on how well we're serving you, our members. Please take 10 minutes to complete our annual member survey. As a thank you for your time, you will be entered to win a **\$500 Amazon gift card**. You have until Friday, March 20, to fill it out.

[SURVEY](#)

Oregon Legislature in the News

[With Oregon Republicans Ready to Walk Out, Gov. Brown Tries to Bargain](#)

[Senate Republicans in Final Phase of Walkout Preparations Over Carbon Bill](#)

[Prospects for Oregon Senate Republican Walkout Over Climate Bills is Unclear](#)

[Oregon's Cap and Trade Climate Bill: A Tax or Not? It Depends](#)

[Democrats Estimate Low Household Costs From Cap and Trade Climate Bill](#)

[Oregon's Unique, Billion-Dollar Business Tax Greeted with Confusion, Consternation](#)

[Oregon House Republicans State First Walkout to Slow Democrats' Progress](#)

[Oregon House Republicans a No-Show at Evening Session](#)

[Oregon Democrats Will Hit Pause on Cap-and-Trade Bill for More Hearings](#)

[House Creates New Carbon Bill, Slows Process](#)

[Cash Requirement, Hair Discrimination Bill Passes Oregon House](#)

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



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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 [Nancy Marquay](#) 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



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