



**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**



**With the Oregon Legislature in session, OBI will keep you up to date with weekly editions of Capitol Central. Here's our report from week one of the 2020 short session.**

### Timber Unity Rally

The sounds of honking horns and revving engines filled Salem Thursday as Timber Unity rallied supporters from around the state to the Capitol building to object cap-and-trade legislation.

The grassroots organization, which originally formed in opposition to HB 2020 in the 2019 session, executed the daylong event, this time in opposition to the prospect that Democratic leadership will move cap-and-trade legislation in the February short session. Republican leaders have not ruled out the potential of a walk out if a cap-and-trade bill moves forward, and that has created significant uncertainty for the February session. This year's bills build on HB 2020, with changes designed to address concerns that have been raised by impacted industries. While some businesses have indicated their issues were addressed, several businesses, including some large Oregon manufacturers and the transportation sector, remain concerned about the bill, which they say will substantially increase the cost of doing business in Oregon.

Hearings for [SB 1530](#) kicked off on Tuesday with a walkthrough of proposed amendments. One of the most significant changes is phasing in fuel fees based on geography. It would start in the Portland-metro county area in 2022, followed by Western Oregon, plus the cities of Bend and Klamath Falls in 2025. The bill had another public hearing Thursday and one more is scheduled for [10 a.m. on Saturday](#) in Hearing Room C in the Capitol.



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## Annual Meeting

Want a closer look at what's happening in government? Make sure you have your ticket to OBI's 2020 Annual Meeting. **The big event is next week**, Thursday, Feb. 13. [Click here](#) to reserve your seat.

We'll hear from Gov. Kate Brown and a legislative panel on what's happening this session and hear from A.B. Stoddard, national political columnist with RealClearPolitics, to hear the latest from Washington, D.C. We'll celebrate our 2020 Jobs Champion honorees, Reps. Jeff Barker, D-Aloha, and Shelly Boshart Davis, R-Albany.

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## In the Legislature

### Cash-Free Stores

[HB 4107](#) would prohibit businesses from operating cash-free stores. OBI is working with legislators and our partners in the business community to address several concerns we have with the legislation, some of which OBI's Mike Stober addressed in testimony at a House Judiciary Committee public hearing on the bill on Monday; click below to watch a video excerpt of his testimony.



Mike pointed out many small businesses choose to operate cash-free to keep up with advancements in technology and to improve efficiency and customer experience. Businesses are also concerned with safety. Registers full of cash can be a target for thieves. If the committee chooses to move forward with the legislation, OBI has asked that they clarify an existing exception in the bill for online transactions to ensure that purchases made online for in-store pickup are covered as well. The bill also makes an exception for government institutions, allowing them to operate cash-free. If the government can be cash-free, OBI asked, why can't private businesses? We requested that the exception for public institutions be removed from the bill.

The bill also draws up specific provisions to outlaw discrimination based on hair type. OBI supports this portion of the bill, as our members strive to keep workplaces free of discrimination and expect other Oregon businesses to do the same.

Negotiations regarding changes to the bill are ongoing, and it has not yet been scheduled for a work session to be passed out of the committee.

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## Corporate Activity Tax

On Wednesday, OBI testified before the House Committee on Revenue on [HB 4009](#), which makes several changes to the CAT, which was passed last year. OBI's Mike Stober spoke against one provision of the bill that would have the effect of decreasing the value of the 35% of cost of goods sold or 35% of labor costs subtraction for some OBI members. The subtraction helps mitigate the impact of this new tax – and in particular, the pyramiding effects of the new tax – on Oregon businesses. The proposed change, along with a [proposed rule from the Department of Revenue](#), could disproportionately affect businesses that only sell in Oregon.

HB 4009 also includes provisions:

- Clarifying that registration fees collected by out-of-state auto dealers selling in Oregon are not subject to the CAT
- Allowing a taxpayer to use returns and allowances to offset their CAT liability
- Removing a requirement that businesses register for the CAT every year

The Department of Revenue also posted new temporary rules on the CAT. [Click here](#) to read OBI's summary, or go to the department's [rules website](#). The department announced a series of meetings throughout the state, happening in March. You can see a full list of those meetings by [clicking here](#).

As a reminder, the CAT was part of the Student Success Act passed in the 2019 legislative session. Any business with more than \$750,000 in Oregon commercial activity must register. The tax is \$250 plus 0.57% of Oregon commercial activity over \$1 million, and impacted businesses will have the ability to subtract 35% of their cost of goods sold or 35% of their labor costs, whichever is higher, from their taxable Oregon commercial activity.

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## Legislative Updates

The 2020 legislative session started on Monday. Senate President Peter Courtney oversaw opening procedures – a welcome surprise as he had been in the hospital for most of January. The session is constitutionally limited to 35 days, which results in a tight schedule for the movement of legislation. OBI is following several bills. Here's a summary.

### Employment

OBI's Paloma Sparks testified on [HB 4087](#) before the House Committee on Business and Labor on Monday. The bill would dedicate funding for technical assistance, resources and training for employers by using funds from civil penalties from violations of employment laws. OBI expressed concern about the precedent of using those funds for state agency operations but agreed there is a need for funding to help employers across the state. The next hearing before the same committee is at 8 a.m. on Monday.

Paloma testified in support [SB 1525](#), a bill related to enterprise zones, before the Senate Committee on Labor and Business on Tuesday. She participated in the work group that produced the bill, which would change requirements around construction projects in enterprise zones. The committee voted to move it to the Senate floor with a do-pass recommendation and it had a second reading on Thursday.

And Paloma testified before the same committee on [SB 1527](#), which makes changes to noncompete agreements, including reducing the time allowed to enforce noncompete agreements. Originally it proposed reducing the time from 18 months to six, but [a proposed amendment](#) OBI helped negotiate changes the allowed time to 12 months. Paloma said OBI has continuing concerns about some aspects of the bill and would continue to work with lawmakers to address them.

OBI is watching [HB 4007](#), which has a hearing before the House Committee on Business and Labor on Monday, Feb. 10. This bill proposes making striking workers eligible for unemployment insurance. OBI will testify in opposition to the bill and urges our members to do the same. You can send comments to [hbl.exhibits@oregonlegislature.gov](mailto:hbl.exhibits@oregonlegislature.gov).

## Tax and Fiscal

OBI submitted testimony on [HB 4010](#) to the House Revenue Committee on Tuesday. HB 4010 would eliminate the Oregon state tax benefits for investing in opportunity zones. Currently, the opportunity zone program allows investors to defer capital gains taxes by investing in low-income communities designated by the Governor. OBI's testimony warned changes proposed by the bill could discourage Oregonians from investing in opportunity zones, which could prevent projects from moving forward. [Click here](#) to read the full comments.

## Environment

OBI submitted testimony on [HB 4024](#), which affects businesses using refrigeration and some air conditioning. The testimony noted the House Energy and Environment Committee had addressed concerns OBI raised with amendments. [Click here](#) to read the details of OBI's testimony.

## Health Care

OBI submitted testimony on [SB 1535](#), which aims to expand the Department of Consumer and Business Services' authority to investigate price increases in the pharmaceutical supply chain, during a hearing before the Senate Committee on Health Care on Tuesday. OBI said the bill sets a concerning precedent about the scope of an agency's power. [Click here](#) to read the comments. The bill has a work session before the same committee on Tuesday, Feb. 11.

Two bills to ban types of vaping had hearings on Thursday. [HB 4078](#) before the House Committee on Health Care and [SB 1577](#) before the Senate Committee on Health Care. The senate bill is scheduled for a work session on Tuesday, Feb. 11.

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## 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](#)

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## Oregon Legislature in the News

[Timber Unity Members Protest Cap-and-Trade Climate Bill With Convoy, Rally in Salem](#)

[Timber Unity: 1,000-Truck Convoy Starts Protest](#)

[Oregon Stores Could Soon be Required to Accept Cash](#)

[Oregon Would Protect People from Discrimination Based on Hairstyle if Bill Passes](#)

[Sen. Kim Thatcher to Run for Oregon Secretary of State](#)

[Legislators Consider Throttling Back Ambition to Fix Wildfire Issues in Short Session](#)

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## 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



Smart Oregon  
Businesses Choose  
OBI CompSAFE

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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 [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](mailto:Bob.Blackmore@innovalegaladvisors.com)



