



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

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2020 Legislative Session

The Oregon Legislature will convene the 2020 session on Monday, Feb. 3. Below are several retail-related proposals that may be addressed in the short session. Watch for a full list of proposed legislation in next week's Capitol Central newsletter.

[LC 75](#) aims to reduce the maximum term of noncompete agreements from 18 months to six months. It also may make some noncompete agreements void and replace minimum salary requirements with a minimum salary amount adjusted annually for inflation.

[LC 175](#) aims to prohibit retailers, restaurants and other stores from refusing to accept cash-based payments. Certain exceptions are allowed for online transactions and other provisions.

[LC 180](#) proposes making striking workers eligible to receive unemployment benefits.

Initiative Petitions

Automated Checkout Stands

The Oregon Supreme Court has certified a [ballot title](#) for [IP 41](#), the [proposed initiative petition](#) that would limit to two the number of self-check-out stands in a grocery store. OBI had challenged the ballot title language for the proposed initiative and achieved some changes in how the measure will be worded if it makes it to the ballot. As with all proposed statutory statewide initiatives, proponents have until July 2 to submit 112,020 verified signatures to get a place on the November 2020 general election ballot.

Employer Assessment

The Oregon Supreme Court also has approved [ballot title](#) language for [IP 28](#), the “[Public Assistance Protection Act](#),” which seeks to impose a new tax on employers with workers receiving public assistance. OBI had joined partners to challenge the ballot title for this measure. OBI opposed proposals similar to IP 28 during the 2019 legislative session and successfully negotiated an agreement that stopped the proposal from moving forward in the Legislature.

2.5% Gross Receipts Tax

Appeals continue on the ballot title for [IP 51](#), the so-called [Oregon People’s Rebate](#). OBI has led this challenge. The Oregon attorney general issued a [certified ballot title](#) on Jan. 7, and appeals are due this week in the Oregon Supreme Court. OBI [submitted comments](#) to the draft ballot title in December. This proposed initiative would impose a Measure 97-like 2.5% gross receipts tax on a business’ annual sales above \$25 million and the resulting revenues would be redistributed to individual income taxpayers as “rebates.”

Regulatory Issues

OBI continues to participate in the Attorney General’s Consumer Privacy Task Force, which is developing legislation for the 2021 session. The task force is taking a methodical approach to working through issues ranging from what a consumer should be able to know about how their personal data is being used, to potential requirements for businesses to delete or de-identify personal consumer data in their possession at a consumer’s request.

OBI is also continuing work on the Oregon Health Authority’s [Toxic Free Kids Act](#) Rulemaking Advisory Committee, which meets for the final time on Jan. 24. The Toxic Free Kids Act regulates items marketed to children by requiring manufacturers to report products containing “chemicals of concern.”

OBI [submitted comments](#) on the Department of Justice’s proposed rule on the health benefits of goods. The rule would require a business to produce “competent and reliable scientific evidence” before advertising that a product has a health benefit.

Corporate Activity Tax

OBI continues to advocate for businesses as the Oregon Department of Revenue drafts rules for the new Corporate Activity Tax or CAT. The department recently [posted its first group of temporary administrative rules](#). You can [click here to read](#) OBI’s summary of the rules.

The [CAT website](#) includes a Q&A section, recently updated. A few questions focus on a concern OBI advocated be addressed: whether businesses can include an estimated amount of the tax on a receipt or invoice provided to a customer.

Q: Can I pass the CAT on to my customers?

A: The laws establishing the CAT (Oregon Laws 2019, chapters 122 and 579) do not prohibit any business from recovering a business expense when setting the total price for the sale, lease, or license of an item or the sale of a service. The CAT is imposed on the entity doing business in Oregon and is considered part of the business’ expenses. A business may include the CAT with other business expenses when setting the total price charged to customers. However, the total price charged (including any amount estimated to be attributable to the CAT) is included in the business’ commercial activity.

Q: How do I estimate the amount of CAT attributable to a sale?

A: The Oregon Department of Revenue does not provide guidance on how businesses may estimate the amount of CAT attributable to a specific transaction. Businesses should confer with their own legal advisers or tax professionals.

As a reminder, the CAT was part of the Student Success Act and requires any business with more than \$750,000 in Oregon commercial activity to register with the department. The tax is \$250 plus 0.57% of Oregon commercial activity greater than \$1 million. 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.

Plastic Bag Ban Started Jan. 1

Oregon's new plastic bag ban went into effect on New Year's Day. [HB 2509](#), passed in the 2019 legislative session, prohibits plastic bags at checkout at retail stores and restaurants, and requires at least a 5-cent fee for using recycled bags (most often paper). The Oregon Department of Environmental Quality has a [webpage](#) for the new law, and a [FAQ sheet](#) for many of the common questions.

What types of bags require fees?

	✓ No fee required	\$ Fee required	⊘ Prohibited
 Retail stores	Reusable fabric bags, if offered as a promotion (no more than 12 days per year)	Recycled paper bags* Reusable plastic bags* Reusable fabric bags	Single-use bags
 Restaurants		Reusable plastic bags*	Single-use bags

*Some exceptions apply



Did your store(s) do well during the 2019 holiday shopping season?

Yes

Select

No

Select

NRF: The State of Retail Heading Into 2020

On the [National Retail Federation's Retail Gets Real](#) podcast, they take a look back at 2019 and a look forward at 2020.

Looking at the 2019 holiday season, NRF president and CEO Matthew Shay said consumer activity has an extraordinary level of momentum. On Thanksgiving, things kicked off with nearly 190 million Americans shopping, almost 15% more than last year. The amount spent on gift giving was up almost 18%. There was growth

both online and in-store.

“That all signals the overall strength and health of the industry and also of the economy,” Shay said.

What will 2020 bring? When it comes to policy work for the NRF, Shay expects trade, sustainability and data regulation and consumer privacy to be big topics this year. On the business side, he said retailers need to continue to promote the growing economy through tools like machine learning, diversifying in both brick-and-mortar stores and online stores, and keep appealing to all generations who engage in all types of shopping. He added, there will likely be something coming in 2020 he can't predict.

Click the image to hear the full podcast.

Retail Gets Real podcast



CONNECTED COMMERCE

The state of retail heading into 2020

Retail Gets Real episode 150: Where we've been and where we're going.



Upcoming Events

OBI Annual Meeting

Are you confused about what's going on in Washington, D.C.? Who Isn't! Join us at the 2020 OBI Annual Meeting to find out what's really happening in our nation's capital. Keynote speaker A.B. Stoddard, of RealClearPolitics, will fill us in.

[Click here to register!](#)

OBI's Annual Meeting is on Thursday, Feb. 13, at 7:30 a.m. We will also celebrate the 2020 Jobs Champion Awardees: Reps. Jeff Barker, D-Aloha, and Shelly Boshart Davis, R-Albany.

The event is a key time to meet with other members, get up to speed with the 2020 legislative session and hear speakers address issues that matter to your business.

The 2020 Annual Meeting is sponsored by

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Retail News

[Stores Around the State Begin to Prepare for Oregon's Plastic Bag Ban](#)

[Oregon's Economy Remains Strong Heading Into the Holiday Season](#)

[Unwrapping Holiday Hiring: From Bricks to Clicks](#)



Resources



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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 free legal consultation each month through the LegalPlus program. Contact Bob Blackmore at Innova Legal Advisors: Phone: 503-479-7175; email:

Bob.Blackmore@innovalegaladvisors.com or [click here](#) for more information.



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.

To find out how to save on your fuel cost, contact [Nancy Marquay](#) for more information.



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