



### **FWAA Interim Legislative Update – January**

This week the Legislature convened for the last batch of interim hearings in advance of the 2018 Session, which convenes Feb. 5<sup>th</sup>. Committees provided a sneak-peak of issues for 2018 and a handful of Committee bills were introduced. We anticipate bills being released the week of Jan. 22<sup>nd</sup> for a more complete review and will identify those of interest accordingly.

#### **Dates of Interest:**

- Jan. 23rd – Special Election: Ballot Measure 101 Vote
- Feb. 5<sup>th</sup> – Mar. 9<sup>th</sup> – Legislative Session
- Feb. 9th – 1st Chamber Deadline to Post Work Sessions
- Feb. 15th – 1st Chamber Deadline to Hold Work Sessions
- Feb. 16th – Revenue Forecast
- Feb. 22nd – 2nd Chamber Deadline to Post Work Sessions
- Feb. 27th – 2nd Chamber Deadline to Hold Work Sessions
- March 6th – Filing Day for all Candidates
- March 11th – Constitutional Sine Die

#### **Paid Family Leave Work Group**

Chair of the Senate Workforce Committee, Sen. Kathleen Taylor-D and House Democrat Leader, Rep. Jennifer Williamson convened a new paid family leave workgroup during interim days. Rep. John Lively-D, Sen. Tim Knopp-R, and a House Republican member to-be-named will be participating along with 3 employer representatives and 3 worker representatives. Amanda Dalton, on behalf of our ag employer clients, will be serving on this workgroup. The workgroup will meet weekly during interim days then monthly in the interim with a goal of drafting a proposal for consideration before the 2019 Session. Other members include: OR Farm Bureau, OBI, AFL-CIO, Family Forward, PCUN, DCBS, BOLI and the League of Oregon Cities.

#### **SAIF Reserve Raid**

As part of the Governor's Work Group to pay down the PERS UAL, a raid of SAIF reserve funds was recommended. Business groups organized around this effort and has spent the last few months educating key Legislators and Governor's staff on the risk and concern around including SAIF funds as part of the buy down. During interim days, the Governor's office committed that SAIF funds will NOT be part of any revenue source to buy down the PERS unfunded liability for 2018. We should note that this commitment is only through 2018. The bill to be introduced this Session is expected to generate about \$500 million towards the \$25 billion unfunded actuarial liability.

### **Cap & Trade/Green Jobs**

Representative Helm (Chair - House Energy) and Senator Dembrow (Chair - Senate Energy) presented their two bill proposals that would implement a Cap & Trade program in Oregon. Legislative Counsel gave a detailed presentation of the two bills and presented an index for the two bills.

View Ag Coalition

Letter: <https://www.docdroid.net/view/access/id/YP631Sa/token/tH4lDQhpBfzMoMV5FeQb1DnpN>

View Program Overview:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139230>

And Key Policy Decisions:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139233>

View House version – LC 176:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139354>

LC 76 Index:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139375>

View Senate version - LC 44:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139346>

LC 44 Index:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/139374>

### **Hands Free Fix Bill**

Rep. Noble discussed his bill which will address the “hands free” cell phone revision passed in 2017. That bill, HB 2597, eliminated the exemption for farming and agricultural operations to use a mobile device while driving. Rep Ron Noble (R-McMinnville) is sponsoring a bill to create an agricultural exemption.

### **Rural Broadband Access**

Rep. Pam Marsh (D-Ashland) is sponsoring LC 81, the “Rural Broadband Mentor Program,” which would request Business Oregon to establish a program to enable them to assist broadband startups. The primary goals are (1) to leverage the state’s collective purchasing power and improve bandwidth to end sites across Oregon, and (2) implement OregonFIBER, an intergovernmental agreement between the state, OSCIO and OSU to implement a core, high-speed research network to connect research universities, Oregon, Washington, California, and Idaho, and collecting traffic from distributed government and education at 10Gbps.

### **Finance Committee Update**

All financial discussions during interim days are prefaced with the words ‘it depends what happens Jan. 23<sup>rd</sup>.’ This is the date of the Special Election to determine the fate of Measure 101, the provider tax referral.

The Senate and House Finance and Revenue Committees did hear a presentation from the Legislative Revenue Office on the impact of federal tax policy. Highlights included:

- Estimate that Oregon taxpayers will save \$1.5 billion with the federal plan
- Some Oregonians will actually see tax increases
  - In part, this is because Oregonians are allowed to deduct their federal taxes on their state taxes, so as federal taxes decrease, Oregonians will write off smaller portions on their state taxes.
- Additionally, the new tax plan may result in Oregon losing \$100 million that would fund local services and maintain federal tax breaks for Oregonians. Legislators are considering legislation that would replace this money.

Read the Oregonian's comprehensive report [here](#).

The House Committee on Revenue and the Senate Committee on Finance and Revenue also introduced several committee bills:

- [LC 194](#): deals with gross receipts. Extends sunset for modified method of apportionment of business income of interstate broadcaster for purposes of corporate excise taxation. Eliminates general rule that sale made to state where taxpayer is not taxable is considered sale in Oregon for apportionment of business income for corporate excise tax purposes.
- [LC 197](#): Updates connection date to federal Internal Revenue Code and other provisions of federal tax law.
- [LC 226](#): solar tax credit. Allows residents in control of a solar project in counties of a certain size to be exempt from property tax and instead subject to a fee.
- [LC 228](#): Modifies disposition of certain estimated excess corporate excise tax revenues by dividing estimated excess between Education Stability Fund and Oregon Rainy Day Fund.

### **New Faces in the Oregon Legislature for 2018**

Senate District 30 has selected Representative Cliff Bentz-R to replace Sen. Ted Ferrioli. Senator Bentz was sworn in and will serve on the Senate Judiciary Committee and Senate Environment and Natural Resources Committee. Learn more: <https://www.oregonlegislature.gov/bentz/>

Rep Daniel Bonham, Republican from District 59 (The Dalles) is a new member on the House Committee on Agriculture and Natural Resources. Bonham, a businessman from The Dalles, and was appointed to the legislature by commissioners of several central Oregon counties to replace John Huffman, who was appointed to a position with the US Dept of Agriculture.

### **Additional Confirmed Retirees - Not Yet Replaced:**

House District 19: Salem—Jodi Hack (R)

Senate District 19—Richard Devlin (D) (Commissioners meeting final week of January) \*\*Nominee appointed to Senate Judiciary and Human Services