



Dates of Interest:

- Sept. 24-26 – Interim Days
- Sept. 28th – Bill Concepts Due
- Dec. 5th – Bill Concepts Returned
- Dec. 12-14 - Interim Days

FWAA Legislative Update – June 2018

OregonSaves – Statewide Retirement Program: Wave 2 Rollout

May 15, 2018 was the deadline for employers with 50-99 employees in Oregon to either register to facilitate OregonSaves or certify that they are exempt from the program. If you fall into this category and did not register or file an exemption, contact the OregonSaves client services team at (844) 661-1256 or clientservices@oregonsaves.com. As of June 1, 2018, 954 employers have registered to facilitate OregonSaves for their employees. 73% of the 51,993 eligible employees have enrolled in the program. On average, employees continue to contribute about \$100 per month, and assets in the program now exceed \$3.5 million.

Special Session & May Interim Days

Oregon Legislators convened in Special Session on May 21st. The Special Session lasted one day where both Chambers passed out a modification to Oregon’s preferential tax rates for sole proprietors, a priority for Governor Brown. Upon adjournment, Interim Committees convened to discuss interim priorities and major issues of interest anticipated to be on the table during the 2019 Session. Below is a brief highlight of some of those discussions:

The **House Interim Committee on Energy & Environment** received a presentation on Irrigation Modernization from April Snell, Oregon Water Resources Congress, Jed Jorgensen, Energy Trust of Oregon and Julie Davies O’Shea, Farmers Conservation Alliance. Overall members felt that modernization, while still very expensive, will decrease in cost in the future as advances in technology and continued cross sector integration occur. The Farmers Conservation Alliance works in partnership with districts and their stakeholders to help modernize the regions. The long-term goal of this project is to develop a network of support, that will help to facilitate irrigation modernization throughout Oregon. View committee materials:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/148869>

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/148828>

The **House Interim Committee on Revenue** reviewed tax credits as part of the Legislative Revenue Office’s 6-year review cycle. If a credit did not specifically state an expiration date, then a 6-year sunset is placed on the credit. There are 9 legislative tax credits that will sunset in 2020 and set to be reviewed by the 2019 Legislature (21-23FY): Employer Provided Scholarships

\$0.0 – never funded; Earned Income Credit - \$124.7M; Volunteer Rural EMT's - \$.02M; Ag Workforce Housing Construction - \$3.2M; Mobile Home Park Closure - \$0.0; Crop Donations - \$.04M; Political Tax Credit Contributions - \$10.8M; Oregon Cultural Trust - \$9.6M; Certain Retirement Credit - \$2.0M.

The **Joint Interim Committee on Carbon Reduction** opened with comments from Co-Chair Tina Kotek. She noted that this committee will “build” upon the work done during the 2018 Session. While new members on the Committee, she noted the expectation is to close the knowledge gap and then move forward on making policy recommendations to develop a program that will reduce greenhouse gas emissions. The Committee will meet 6 times during the interim. She noted that the Governor’s office will be convening several stakeholder groups and they are not necessarily for Committee members, rather recommendations will be presented to the legislative committee. The Committee then heard informational presentations from: Phil Mote, Oregon Climate Change Research Institute, Richard Whitman, Oregon Department of Environmental Quality and Dallas Burtraw, with Resources for the Future.

[View timeline of ‘What has Oregon’ done on carbon policies:](https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/148950)

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/148950>

View materials provided by Sen. Bentz - ‘The Role of Carbon Pricing in a Low-Carbon Transition’:

<https://olis.leg.state.or.us/liz/201711/Downloads/CommitteeMeetingDocument/148681>

Future meeting dates (subject to change):

June 26, 2018, 1:00-4:00 PM

July 24, 2018, 1:00-4:00 PM

August 28, 2018, 1:00-4:00 PM

September 24-26, 2018 (Legislative Days, day and time TBA) November 8, 2018, 1:00-4:00 PM December 12-14, 2018 (Legislative Days, day and time TBA)

May 2018 Revenue Forecast

Oregon Legislators received the May 2018 Revenue Forecast today. Overall, the economy is strong, and the State is no longer looking at a deficit headed into the 2019-21 Fiscal Year (FY). In fact, early projections received today include a personal income kicker of \$555 million to Oregon taxpayers. Economists credited the strong economy and the new federal and state laws that boosted the revenue outlook.

What legislative leaders said:

Senate President Peter Courtney-D:

Senate President Peter Courtney said today that the increased revenue projection included in the latest forecast from the Office of Economic Analysis presents a tremendous opportunity for Oregon.

The latest forecast significantly reduces the anticipated deficit for the 2019-21 biennium and sets the stage for comprehensive revenue reform, providing additional investment in Oregon’s K-12 schools that will provide every child in Oregon a fair shot at success. Revenue reform no longer has to be about catching up and filling holes, Courtney said.

Senate Majority Leader, Sen. Ginny Burdick-D:

The forecast this morning would erase the projected deficit for next biennium, allowing us to make groundbreaking investments to reform our education and child welfare systems. It also will allow us to put funds away for a rainy day. That said, this is emblematic of an unstable boom and bust revenue cycle. We are experiencing a boom now, but another bust is inevitable. Now is the time to focus on real revenue reform that will be fairer for everyday Oregonians and small businesses, while providing stable funding for public services.”

Senate Republican Leader, Sen. Jackie Winters-R:

"Today's forecast is good news for Oregon's strong economy. Revenue continues to climb, and as predicted, the kicker is going to kick. It remains clear that Oregon does not have a revenue problem, Oregon has a spending problem."

House Majority Leader, Rep. Jennifer Williamson-D:

“During this time of growth, we have a prime opportunity to make the reforms that will allow the game-changing investments in the things Oregonians care about – and to protect those investments from the next downturn.

“We are fortunate to be on the good side of Oregon’s boom and bust system today, but without structural reform, the good times will not last forever. It is more important than ever for us to work toward stabilizing our state budget so that we can make those much-needed and long overdue investments in public schools, health care, public safety, and other critical services Oregonians depend on.”

House Republican Leader, Rep. Mike McLane-R:

“In their haste to pass SB 1528 earlier this year, Governor Brown and legislative Democrats apparently failed to recognize that by requiring small business to pay \$245 million more in state income taxes it could trigger the income tax kicker. That scenario now appears more likely than not. If current projections hold, Oregonians are in line to receive \$555 million of their money back from their state government. The irony escapes no one.

“Of course, credit for our state government having record revenues goes to those who work hard every day in Oregon businesses. Thank you! Credit for the positive economic activity also goes to the federal Tax Cuts and Jobs Act, which is expected to contribute to an increase in tax receipts in the current and future budget cycles. That’s great news for our state government.”