



## Dalton Advocacy INC

### **FWAA Update – Week 2**

Committee's began holding Public Hearings this week and a handful of technical/clean up bills were advanced out of Committee. Floor Sessions have yet to begin in earnest. To-date, 1,769 bills have been introduced for consideration before the 2019 Legislature.

### **LC 894 - Cap & Trade**

The long-awaited draft of the Cap & Trade proposal was released this week. The 98-page LC 894 provides the first glimpse of specifics on the proposal since the 2018 Session. Key program elements:

- Statewide GHG Goals:
  - 2035 – 45% below 1990 emission levels
  - 2050 – 80% below 1990 emission levels
  - The cap on regulated entities will decline each year by a constant tonnage amount to achieve the 45% reduction
- Sectors covered:
  - Greenhouse gases
  - Fossil Fuels – natural gas, gas, diesel and propane
  - Electricity
  - Industrial processes – landfills, manufacturing – cement, pulp and paper, iron and steel and certain chemicals
- Exemptions:
  - Public universities and OHSU
  - Landfills closed before the effective date of bill
  - Consumer owned utility or entity importing electricity averaging less than 25,000 tons/year over past 3 years
  - Methane emissions from landfill captured and used to create renewable energy
  - GHG emissions from combustion of municipal solid waste to create renewable energy
  - GHG emissions from generation of electricity – delivered to another state
  - GHG emissions from aviation, watercraft or locomotives
  - Temporary exemption for fluorinated gases generated from semiconductor manufacturing through 1/1/2026 (Intel)
- Allowances (direct allocation)
  - IOUs – 100% of allowances through 2030; decline annually 2031-2050
  - Public Power – 2021 100% of allowances; 2022-2025 declines annually
  - Natural Gas - allowances needed to cover low-income residential customers
  - Emissions Intensive, Trade Exposed (EITE) – 100% of allowances required in 2021 then decline annually
- Market Design

- Will include minimum price for allowances and maximum (floor and ceiling)
- Entities allowed to bank for future compliance
- Compliance on a 3-year cycle
- Oregon Off-sets
  - State will develop offset protocols for natural and working lands
  - Advisory Committee: ODA, Board of Forestry Environmental Justice Task Force and OR Watershed Enhancement Board

View the draft bill:

<https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/155934>

The Governor shared the below statement in support of the proposal:

"Climate change threatens our communities, our economy, and our way of life in Oregon," said Governor Kate Brown. "This is why I support a comprehensive market-based program to reduce our emissions and transition to a clean energy economy. It is encouraging to have reached this important milestone with a bill that reflects significant work on the part of legislators, advocates, and businesses across Oregon. I look forward to further refinements through the legislative process to ensure the program achieves our climate goals while growing our economy."

Tentative Timeline:

February 4<sup>th</sup> – No Hearing

February 8<sup>th</sup> – The BEAR economic report is expected to be released and the Committee will hear invited testimony in response to LC 894

February 11<sup>th</sup> – Additional invited testimony

February 15<sup>th</sup> – Public Hearing

### **SB 726/LC 1170 – Sexual Harassment in the Workplace**

LC 1170 was officially printed this week as SB 726. It was referred to the Senate Workforce Committee and included Chief Sponsors Sen. Taylor, Sen. Knopp, Rep. Salinas and Rep. Williamson. 22 other Democrats signed on to sponsor the bill. Sen. Knopp is the only Republican sponsor. View the coalition's 1-pager urging Legislators to slow down and engage in further conversation on this sweeping employment policy:

<https://www.docdroid.net/IJoSdkm/sb-726-one-pager-w-logos.pdf>

Proponents have indicated a willingness to narrow the application of the bill to discrimination claims only but have not agreed to narrowing only to sexual harassment. As introduced the bill:

- Extends Statute of Limitations for discrimination in employment situations to seven years
- Creates Individual Liability for owners, president and corporate officer when sexual harassment has occurred and goes unaddressed
- Prevents employers from asking for nondisclosure agreements that relate to discrimination at the time of hiring, and during settlement and severance negotiations
- Prevents employers from requesting provisions that prevent the rehiring of previously discriminated against employees during settlement agreements
- Ensures that where employers have made a good faith determination that harassment has occurred, any severance given to the harasser, if an executive, is rendered unenforceable

- Directs BOLI to create policies and procedures for employers/employees that relate to sexual harassment

**ACTION: No action scheduled.**

### **SB 571 – 10 New Jobs Tax Credit**

The Senate Committee on Business and General Government held a public hearing on SB 571, which creates a tax credit against income tax for taxpayers with not more than 100 employees that create 10 or more new jobs during tax year. Sen Knopp was the only person to provide testimony on this, noting that the bill encourages smaller businesses to continue to add employees, and it requires a significant bump to the business and the income tax collections in order to access the benefits. Committee members were generally supportive of the idea. Sen. Dembrow also mentioned the need for sideboards to ensure that cyclical industries are not rewarded for adding jobs that they would add anyways. Senator Knopp agreed, mentioning that he would consider any amendments that the committee sees fit.

**ACTION: No action scheduled.**

### **HB 2341 – New Pregnancy Accommodations**

HB 2341 makes it an unlawful employment practice for an employer to deny reasonable accommodation to known limitations related to pregnancy, childbirth or related medical conditions. It requires an employer to make reasonable accommodations unless an undue hardship would result. The bill provides a private right of action and requires BOLI to adopt rules regarding training and education for employers and employees. Introduced by Rep. Power, she committed to convene an informal workgroup with employers and employee advocates to address concerns raised at the hearing by employer representatives.

**ACTION: No action scheduled.**

### **HB 2593 – Conforming Breastfeeding Laws**

Current Oregon law requires employers with 25 or more employees to allow an employee a 30-minute rest period to express milk during each four-hour period to be taken approximately in the middle of the work period. The employee is required, if feasible, to time the rest periods to express milk to coincide with rest periods and meal periods otherwise provided. The Fair Labor Standards Act does not place limits on the frequency and duration of rest periods to express milk. The federal provisions are limited to the first year after the child's birth; Oregon law extends the provisions to 18 months. There is no requirement that the rest periods to express milk be paid when they extend beyond the time the employer is required to provide paid rest periods. HB 2593 requires all employers to provide reasonable rest periods for employees to express milk as often and as long as needed for the child's first 18 months. The measure removes the exemption for employers who claim providing such rest periods would impose an undue hardship on business operations.

**ACTION: No action scheduled.**

### **HB 2058 – ODA Pesticide Applicator Testing Fee**

The House Agriculture and Land Use Committee held a hearing on HB 2058, which eliminates the reexamination administration fee for pesticide applicators and pesticide consultants. Pesticide applicators and consultants are required to obtain a license in Oregon for pesticide application on public or private land not owned by the applicator or their employer, or for the purchase, application, supervision of use, or advising on use of Restricted Use Pesticides. ODA licenses pesticide applicators and consultants after they successfully pass examinations, pay a

licensure fee, and fulfill other requirements. When an applicant fails an examination, they currently pay a \$5 fee to ODA for reimbursement of administrative costs for each reexamination. In recent years, ODA has switched from ODA staff-administered paper exams to online examinations administered through outsider service providers in partnership with community colleges and universities. There is currently minimal cost to ODA for reexamination administration.

**ACTION: No action scheduled.**

### **HCR 9 - Closed Loop Pump Storage Resolution**

The House Committee on Energy & Environment held a hearing on HCR 9, the companion resolution to SCR 1, which declares legislative support for closed loop pump storage products to diversify energy source resource mixes to meet future capacity needs. The resolution was sponsored by Rep. Werner Reschke, who testified in support of the bill and declared that while he is still neutral on solar energy, he is supportive of pump storage. Rep. Reschke noted that there are two regional projects: Swan Lake Storage in Klamath County, which uses existing water rights and doesn't interfere with the Klamath Basin Watershed. It takes 2000-acre feet of water to fill one pump and 400-acre feet per year in addition to account for evaporative losses. Another project is near The Dalles in Klickitat County, WA (Goldendale).

**ACTION: No action scheduled.**

### **HB 2772 - Household Hazardous Waste Program**

The House Committee on Energy & Environment held a public hearing on HB 2772. The bill is sponsored by Rep. Susan McLain and creates a household hazardous waste stewardship program paid for by manufacturers. Her aim is to take unwanted waste out of homes to reduce the risk of poisoning and fires and also protects waste and landfill workers. These wastes are diverted from improper disposal (drains, yards, etc.). She referenced similar product stewardship bills that have passed including e-waste and paint disposal. Rep. Keny Guyer also testified in favor of the bill. She estimated that we spend \$1 billion each year on remedying the effects of toxics on kids alone. Rep. Reschke requested a list of products that would be covered by this program and he also asked for details on program cost and staff needs. Additional testimony was carried over until next week.

**Action: Public Hearing and Possible Work Session Scheduled 2/5**

### **Joint Student Success Committee Subcommittee on Revenue**

This subcommittee is charged with examining possible revenue frameworks for increased school funding. Chair Mark Hass kicked off Tuesday's hearing by stating that all education funding revenue options will be considered with the help of the Legislative Revenue Office and that there is no preconceived notion of what this revenue structure should look like.

LRO staff Chris Allanach presented several possible revenue frameworks for school funding based on four principles: (1) A broad based business tax with low rates; (2) A destination-based tax (3) Balanced treatment across business structures and (4) Adding stability to the revenue system. Staff walked through eight different tax scenarios that the committee could consider this session:

- Ohio Commercial Activities Tax: .26 percent time taxable gross receipts over \$1 million
- Washington B&O Tax: Variable rate tax base based on value of products, gross proceeds of sale, or gross income of business
- Nevada Commerce Tax: Imposed on businesses with gross revenue over \$4 million

- Texas Franchise Tax: Hybrid tax on gross receipts over \$350,000
- New Hampshire Business Enterprise Tax: .675 percent on gross receipts over \$217,000 and enterprise value tax base over \$108,000
- Michigan Single Business Tax: Value-added tax on gross receipts over \$350,000

The committee also explored modifications to existing Oregon business taxes and to the Oregon personal income tax. Additional details found

here: <https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/155418>

### **HB 2242 – PUC Modernization Bill**

The House Committee on Energy & Environment held a public hearing on HB 2242, a bill sponsored by Rep. Holvey and Rep. Helm that authorizes the Public Utility Commission to consider the differential energy burden and other customer inequities in the affordability of their rates. It also establishes the Office of the Low Income and Environmental Justice Advocate at the PUC and directs the Commission to establish a public process to investigate how to address and mitigate differential energy burdens on varying customers and other inequities. Julie Peacock, Director of Public Policy at the PUC, presented on HB 2242, first linking its connection to SB 978 (2017), which asked the PUC to host a public process to investigate developing trends impacting electricity utility space. The biggest trend they noted was climate change, but that's outside of 2772's scope. The next biggest trend was social equity and environmental justice, which resulted in a recommendation that the legislature should consider ways to ensure equitable and affordable energy access. Several energy advocacy organizations testified in support of the bill including: NW Energy Coalition, Verde, Spark NW, and the OR Environmental Council.

**ACTION: No action scheduled.**

### **Hearings of Interest – Week 3\***

*\*As posted 2/3/19*

**Monday, Feb. 4<sup>th</sup>**

### **HB 5002/HB 5003 – Dept of Ag Fee/Budget Bill**

Hearings begin in the Natural Resources Subcommittee and continue throughout the week.

### **HB 2444 – FFA in Classroom Funding Bill**

Directs Department of Education to coordinate with Oregon FFA Association to increase student achievement and improve college preparation and career placement for students enrolled in agricultural education courses.

### **SB 608 – Tenant No-Cause Eviction Protection Bill**

Prohibits landlord from terminating month-to-month tenancy without cause after 12 months of occupancy.

**Tuesday, Feb. 5<sup>th</sup>**

### **SB 164 – OregonSaves Enforcement Bill**

Makes employer's failure to comply with requirements of Oregon Retirement Savings Plan unlawful practice. \*We are working with the State Treasurers Office to draft amendments to this bill that will delay enforcement for small businesses required to come into compliance and a cap on the civil penalties.

**HB 2084 – Place-Based Integrated Water Resources**

Extends sunset date for Water Resources Department grant program for place-based integrated water resources strategies.

**HB 2250 – Less Protective Federal Environmental Laws**

Requires certain state agencies to regularly assess proposed and final changes to federal environment laws to determine whether changes are significantly less protective of public health, environment or natural resources than standards and requirements contained in those federal environmental laws, as in effect on January 19, 2017.

**HB 2272 – Household Hazardous Waste Product Stewardship Program**

Establishes product stewardship program for household hazardous waste.

**SB 241 - Extends sunset for tax credit for crop donation.**

**HB 202 - Extends sunset for tax credits for owner or operator of agriculture workforce housing.**

**Thursday, Feb. 7<sup>th</sup>**

**SB 505 – Broadband Capacity**

Directs Oregon Broadband Advisory Council to study issues related to expansion of broadband capacity and access.

**SB 379 – Marijuana in Workplace**

Provides that conditioning employment on refraining from using any substance that is lawful to use in this state is unlawful employment practice.

**HB 2458 – Co-op Biomass Eligibility**

Exempts from ad valorem property taxation property that is owned or used by cooperative for purpose of providing steam or hot water heat by combustion of biomass.



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