2017 Legislative Report - Week 8

Dear OSCC Members and Colleagues -

To date, the 2017 legislative session has been one of the slowest moving sessions in recent history. Discussions on solving the state's budget deficit and funding a comprehensive transportation plan have seemingly utilized nearly all of the legislature's bandwidth. Very little else is moving.

We have long felt that in light of the aggressive anti-business push in 2015 and 2016, this is a good outcome for OSCC members.

A couple of key things for OSCC members to know. First, probably 99% of all legislation has now been introduced. The playing field is set. There will be very few additional bills introduced from this point forward. Second, we are approaching our first major deadlines that will eliminate many bills from future consideration.

All bills must be scheduled for a vote in their original committee by April 7th, and all bills must pass their original committee by April 18th. Historically, this has been the most meaningful set of deadlines as most legislation will fall by the wayside. But gamesmanship will also keep many bad bills alive until the very end. OSCC will keep you fully apprised.

Here's what we know from the past week:

OSCC continues to believe that there are not enough votes to pass any sort of tax increases - with the exception of a gas tax (for a transportation package) and a health care provider tax (to fund state Medicaid). We are very hard pressed to believe that Republicans will provide votes for any tax increases beyond these two taxes.

Where will the new revenue come from? The budget deficit is over $1.5 billion, and we see no compelling evidence that there will be either significant revenue or significant cost savings coming out of the 2017 session. At this stage, OSCC is recommending that members pay attention to **SJR 41** or any other proposal that aims to establish a gross receipts tax. We believe that legislators don't think they can raise enough money without turning to a completely different source of revenue - most likely something based on gross receipts. We believe that the legislative leadership will give serious consideration to putting a gross receipts tax on the ballot, perhaps as soon as November of this year.

Business was given its opportunity to rebut a 'Cap and Trade' proposal. Prior to last week, the House and Senate Environment Committees had only given time to the DEQ and environmental activists seeking to implement a 'Cap and Trade' scheme to tax carbon emissions. But the business community unified and commissioned its own modeling and economic impact study of a 'Cap and Trade' proposal that looks significantly different than those of the proponents and the DEQ. Unlike the modeling performed by the state, the business community modeling - performed by FTI - performed actual economic modeling that shows reduced economic activity, higher costs and job losses - primarily in the manufacturing sector - as a result of 'Cap and Trade.' You can see the FTI report here.

Paid Family Leave proposal was heard in committee last week. House Bill 3087 implements a 0.5% income tax on employees and 0.5% payroll tax on employers to fund a 12-week paid family leave program on *business of all sizes*. Because the program is funded with a tax, the legislation requires a 3/5th supermajority of legislators to approve it. This gives business considerable leverage in defeating the proposal. OSCC anticipates that this legislation will be kept alive for the duration of the session, but at this point, the likelihood of passage is slim.

The House Business & Labor Committee finally passed a 'pay equity' bill that has garnered serious business opposition. HB 2005 would mandate 'pay equity' for all protected classes, would switch the burden of proof from plaintiff to employer, and would make each paycheck in which a disparity is claimed as a cause for remedy. Although business offered a generous compromise, it was rebuffed by House democratic leadership. It sets up a floor fight on this legislation in the House as early as this week.

Here's what's coming up this week:

Senate Bill 984 would overturn BOLI's recent interpretation that manufacturing employers are subject to both the state's 10-hour daily overtime rate and the federal 40-hour weekly overtime rate. BOLI's new interpretation means that daily and weekly overtime hours are double counted. **SB 984** will get its first hearing in the Senate Workforce Committee this week. OSCC hopes that **SB 984** gains traction, but it will be difficult. Just two weeks ago, the Multnomah County Circuit Court ruled in favor of employers on this matter.

Senate Bill 997 would penalize employers with 50 or more employees if any employees working 20 or more hours per week are not privately covered with employer-sponsored health insurance. We do not expect this bill to advance, but it will receive a hearing in the Senate Health Care committee.

Senate Bill 487 is scheduled for a work session this week. This bill increases non-economic damage awards in personal injury and wrongful death lawsuits. It will have major repercussions on health care providers as well as the commercial liability market. OSCC is unclear why the work session is scheduled as there does not appear to be sufficient votes to pass the bill.

The House Environment & Energy Committee will hear a slew of bills this week with major impacts on food producers. House Bill 2020 abolishes the Department of Energy and replaces it with Oregon Department of Energy and Climate. **HB 2236** requires the Oregon DEQ to study and develop recommendations for updating the regulation of emissions of air contaminants from industrial sources. Finally, **HB 2269** levies additional Title V air permit fees on manufacturers, giving DEQ more money to create an emissions regulatory program that would devastate Oregon's manufacturers and rural communities. OSCC will oppose.

Of particular interest to OSCC members:

The public record is being held open on **Senate Bill 828** - predictive scheduling - until April 4th. OSCC members are strongly urged to submit testimony in opposition to the legislation. Talking points for you and your members are included here. OSCC has submitted the included testimony.

SB 828 would be devastating for OSCC members by mandating compensation when employee shifts are changed or shortened through no fault of the employer. For OSCC members with retail, hospitality or food service establishments, it would require an interactive schedule-setting process by which employers must accommodate schedule demands of employees. Any changes to those schedules within 14 days of a shift would result in additional compensation.

Your voice has an impact. Please take the time to send testimony from your Chamber and ask your members to do the same by April 4th.

Submit your comments on **SB 828** to: swf.exhibits@oregonlegislature.gov

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