

LEGISLATIVE SUMMARY

2019 Oregon Legislative Session



Executive Summary

After a tumultuous Session with twists and turns, and plenty of partisan animosity, the Legislature was able to pass final budget bills and move the Session to a close hours before the constitutionally mandated sine die of June 30 at 11:59pm.

A number of ambitious bills were passed, including a gross receipts tax on corporations for education funding ([HB 3427](#)), modest Public Employees Retirement System (PERS) reform ([SB 1049](#)), paid family leave ([HB 2005](#)), a tobacco tax being sent to voters in 2020 ([HB 2270](#)), an increase in the 9-1-1 tax ([HB 2449](#)), a first-in-the-nation statewide rent control ([SB 608](#)), limitations on single-family zoning ([HB 2001](#)), and drivers licenses for undocumented immigrants ([HB 2015](#)). And, of course, one bill that didn't pass, cap and trade ([HB 2020](#)), died after the Senate Republicans left the state to protest the vote, but will undoubtedly return in the short session (or even potentially as an executive order from Governor Brown).

For counties, this was a hit-and-miss session. There were many successful outcomes, whether it was funding for new courthouses, increased land use opportunities in Eastern Oregon, election reforms, the last-minute death of a bad court fee bill, and stopping dozens of truly bad bills, among many others. At the same time, there were also some disappointments. Budgets for community corrections and community mental health were on the low side, the Regional Infrastructure Fund within Regional Solutions received no funding at all, and priority bills on video lottery, rural Accessory Dwelling Units (ADUs), building codes, and housing technical assistance did not make it to the finish line.

As with any session, the legislature mostly moves incrementally, and AOC staff will be engaged in continuous education on services and needs of counties for new and incumbent legislators. We will continue to strengthen the state-county partnership and hope to see outcomes improve in 2020 and beyond.

In the pages that follow, please find an overview of the key policy the AOC legislative affairs team tracked and engaged on for the 2019 Session. The summaries encompass AOC priorities, wins, and other key policy that and budgetary items of note that will impact AOC members.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	0
2019 PRIORITIES	9
General Government	9
Priority: Support Public Employee Retirement System (PERS) Reforms	9
Health and Human Services	10
Priority: Fund Public Health Modernization	10
Priority: Ensure CCO 2.0 Contracts Strengthen Behavioral Health-Physical Health-Housing Integration Efforts	11
Priority: Fund a Behavioral Health Justice Reinvestment Initiative	13
Public Safety	14
Priority: Support Full Funding for Justice Reinvestment Initiative (JRI) and Community Corrections	14
Priority: Support Funding for Courthouse Replacement/Improvement Projects and Courthouse Security	15
Transportation and Community Development	16
Priority: Increase County Land Use Options and Authority	16
ADDITIONAL WINS FOR AOC	18
County Solutions	18
Tide Gates	18
Sudden Oak Death	18
General Government	18
Drug Take Back	18
Health and Human Services	19
Medicaid	19
Natural Resources	19
Funding for Critical Programs	19
Place-Based Integrated Water Strategies	20
OSU Statewide, Ag Experiment Stations and Forest Research Lab	20
Veterans	20
Funding for Critical Programs	20
Public Safety	21
9-1-1 Tax	21
Grand Jury Recordation	21
Transportation and Community Development	21
Prevailing Wage in Enterprise Zones	21
Clean Diesel	22

2019 OVERALL POLICY	23
COMMUNITY DEVELOPMENT	24
Budget/Incentives.....	24
Modifications to the New Industrial Property in Rural Areas Program.....	24
New Funding for Rural Broadband	24
Video Lottery Receipts	25
Brownfields Incentives	26
Eastern Oregon Boarder Development Board Legislation.....	27
Contracting	28
Third Party Contracting	28
Third Party Contracting	29
Zoning	29
Urban Renewal Process Change.....	29
ENERGY AND ENVIRONMENT	30
Green Jobs.....	30
Green Energy and Job Creation	30
Renewable Energy Mandate Fix	31
Renewable Energy Certificates.....	31
Renewable Energy Development	32
Efficiency	33
Energy Efficiency	33
Renewable Energy Mandates in Public Buildings.....	34
Siting Flexibility.....	34
Simplifying the Land Use Process for Siting Utilities	34
Solar Project Tax Efficiencies	35
Support for Closed-loop Pump Storage Energy Projects	36
Environment	36
Addressing Rollbacks in Federal Environmental Laws.....	36
Renewable Energy Certificates for Covanta (.....	37
FINANCE AND REVENUE	38
Tax Exemption Bills.....	38
Prompt Payment Property Discount.....	38
Omnibus Tax Bill	39
Taxable Property: Agricultural Producers	40
Enabling Revenue Resources in Curry County	41
Gigabit Repeal.....	41

Broadband Support	42
State Centralized TLT Collection Pilot	43
Transient Lodging Tax	43
Department of Revenue Budget.....	44
Resource Land Tax Exemption.....	45
Permissive Property Tax Exemption Extensions for Housing.....	46
GENERAL GOVERNMENT	46
Fix Bills	46
Technical Fixes to Pay Equity	46
IGAs.....	47
Law Library Intergovernmental Agreements	47
Liability.....	48
Mass Gathering Liability Fix	48
Creation of Private Attorney General	48
Shooting Range Liability	49
Litigation	50
MERS Protection.....	50
Marijuana	51
Federal Farm Bill Hemp Regulation.....	51
Shared State Marijuana Revenue	51
Temporary Marijuana Licensing Moratorium	52
Attack on Local Control: SDCs.....	52
Preparation for Interstate Commerce.....	53
Public Records	54
Public Records Advisory Council Continuation.....	54
HEALTH CARE AND HUMAN SERVICES	54
Drugs.....	54
Opioid Epidemic Solutions	54
Access to Pseudoephedrine	55
Statewide Drug Takeback Program	56
Intellectual and Developmental Disabilities.....	57
Department of Human Services (DHS) Budget Bill.....	57
Developmental Disabilities Services	58
Mental Health.....	59
Creation of Four Peer Run Regional Respite Centers for Mental Health	59
Fund for Student Success: 2019 Revenue Bill	59

Lottery Allocations and Oregon Marijuana Account.....	60
Children's Mental Health Funding	62
Fitness to Proceed Mental Health Hearings Process	63
Creation of the IMPACTS Program.....	64
Public Health.....	65
Hospital Assessments and Insurance Premium Assessments to Provide Oregon Health Plan Funding	65
Coordination of Local Public Health Planning Efforts Among Counties, CCOs, and Hospitals.....	65
Increased Tobacco Tax and Creation of New Taxes on E-Cigarettes	66
Removal of Religious and Personal Exemptions for Vaccination	67
Public Drinking Water Systems	68
Transfer of Local Public Health Authority Function Between Counties and the State.....	69
Voluntary Statewide Newborn Nurse Home Visiting Program.....	69
Shift in CCO Regulatory Oversight	70
Oregon Health Authority (OHA) Budget Bill	71
Opioid Assistance: Medicated Treatment	72
HOUSING.....	73
Statewide Zoning Change to Allow 'Middle Housing' Development	73
Housing Technical Assistance for Local Government	74
Capital Expenditure Limitation Bill.....	75
Issuance of Lottery Revenue Bonds	76
Increased Local Control for Use of Transient Lodging Tax for Housing	77
Statewide Renter Protection Bill.....	77
Oregon Housing and Community Services (OHCS) Budget Bill.....	78
LAND USE	80
Housing.....	80
Extension for Farm and Forest Dwellings	80
Changes to Template Dwelling Process	80
Removing Cranberries from High-Value Farm Crop Test.....	81
Permitting of Rural Accessory Dwelling Units.....	82
Land Use Flexibility.....	82
Small-Scale Farm Product Processing	82
Eastern Oregon Land Use	83
Permits	84
Outdoor Mass Gatherings Requiring Land Use Permits	84
NATURAL RESOURCES	85
Budgets and Fees.....	85

CAFO Fee Increases	85
Department of Agriculture Budget.....	85
Fire	86
Fire Accountability	86
Fire Fighting Liability Protection.....	87
Land Management.....	87
Wildlife Safety Corridor	87
Land Owner Tax.....	88
Notification to Landowners.....	89
Chlorpyrifos Ban.....	89
Crop Land Fire Protection	90
Forest	91
Cap and Trade	91
GNA Reporting	92
Predation.....	92
Cougar Bills	92
Wolf Bills.....	93
Consideration of Elk in Oregon Landowner Damage Program.....	93
State Agencies.....	94
Oregon Fish and Wildlife Commission Restructure	94
Water	95
Place-Based Resource Planning	95
Recreational Boating Safety.....	96
Water Project Funding	96
Clean Water Act	97
Farm Land Drainage Maintenance.....	98
Public Access Site.....	99
Stream and Habitat Restoration Pilot Project	99
Levee Maintenance & Improvement	100
Harney County Ground Water Study	101
PUBLIC SAFETY	101
Budget.....	101
Criminal Filing Fees	101
Law Enforcement Funding Option	102
9-1-1 Tax Increase	103
Justice Reinvestment Program Reform	104

Sentencing/Crime	104
License Suspension	104
Unauthorized Use of Vehicle Loophole Fix	105
Expunction of Old Marijuana Convictions	106
Sentencing Reduction in Old Marijuana Convictions	106
Workforce	107
Trooper Staffing	107
Juvenile Department Employee Protections	108
Mandatory Psychological Screening for Law Enforcement Officers	108
Wellness Policies for Law Enforcement Agencies	109
Post-Traumatic Stress Disorder Presumption for Public Safety	110
Justice of the Peace Undertaking Repeal	110
Juvenile Measure 11 Reform	111
TRANSPORTATION	112
Diesel.....	112
Diesel Regulation	112
Grants.....	113
Safe Routes to School Grant Accessibility	113
Prevailing Wage and General Contracting Mandates	113
Prevailing Wage District Reduction	113
Prevailing Wage in Enterprise Zones	114
Collective Bargaining and Prevailing Wage	115
Contract Retainage Mandates	115
QBS Contracting	116
TNC Regulation	117
Road Fund	118
Cap and Trade	118
OReGO Expansion	119
Safety	120
Safety Corridors	120
Speed Limit Changes and Basic Rule	121
Autonomous Vehicles	121
VETERANS	122
Increase in Disabled Veterans Property Tax Exemption	125
Agency Budget for Oregon Department of Veterans Affairs (ODVA)	126
WORKFORCE.....	127

Labor and Employment.....	127
Paid Family and Medical Leave	127
Janus Implementation I	128
Undue Delay in Responding to Public Records Requests.....	129
Janus Implementation II	129
Unemployment Benefit Exemption Modification	130
Workers Compensation Reform.....	131
Non-Discrimination for Off-Duty Employee Marijuana Use.....	131
Officer Discipline	132
Public Employer Workplace Harassment Prevention	133
Workers Compensation and PTSD	133
Workplace Harassment Generally	134
PERS	135
PERS Police and Fire Increase.....	135
PERS Reform Light.....	136
LEGISLATIVE AFFAIRS STAFF	137

2019 Priorities

GENERAL GOVERNMENT

PRIORITY:

Support Public Employee Retirement System (PERS) Reforms

AOC POSITION:

AOC supports legislation to further address the Public Employee Retirement System (PERS) and its Unfunded Actuarial Liability (UAL), including, but not limited to, prospective employee cost sharing, benefit equalization between Tier 1/2 and Oregon Public Service Retirement (OPSRP), more local options, and a new Tier 4 defined contribution plan.

OUTCOME:

Moderate Reforms to PERS, Burden to Local Government Reduced

HIGHLIGHTS:

- Some Employee Cost Sharing
- Contributions to Employer Incentive Fund (EIF) for PERS Side Accounts
 - \$100 million -General Funds- one-time contribution
 - Dedication of new lottery sports betting revenues for PERS side accounts
- Retiree Work-Back Plan
 - Options for PERS retirees to continue working
- Cap on Final Average Salary
- Reduction in Employer Rates
 - Extends the amortization period for the PERS UAL

Employee Cost Sharing

The bill redirects a portion of employee contributions to support their pension benefits. Oregon was one of only two states that did not require public employees to contribute to their own pension benefits. This was arguably the most divisive and controversial issue in the bill and will likely lead to litigation.

The bill also directs net proceeds of sports betting games to the EIF. Impact of this allocation is yet to be determined, as sports betting has yet to be formally approved and implemented by the Lottery Commission.

Contributions to Incentive Fund for PERS Side Accounts

\$100 million was allocated from the general fund to the EIF to be used for state matching funds to support employer side accounts in softening the impact of rising PERS rates due to the UAL. The EIF will be used to match up to 25 percent of employer contributions to their own side accounts.

Retiree Work-Back Plan

[SB 1049](#) allows retirees to continue to work through retirement for a five-year period, where the workers are granted an exemption on hours requirements, and employers are granted an exemption from paying contributions to the retired member's payroll. A retiree cannot accrue additional PERS retirement benefits while participating in the work-back plan - offering an affordable method to be staffed during a time of record-low unemployment and provide a method for retirees to bring in additional income, without adding extreme cost to the already overburdened pension system.

Cap on Final Average Salary

[SB 1049](#) places a limit on the final average salary of \$195,000 for Tier 1, Tier 2, and OPSRP employees retiring under formula plus annuity and full formula benefit plans. The \$195,000 cap is indexed to inflation on an annual basis.

Reduction in Employer Rates

The overall cost savings of the PERS reform passed in [SB 1049](#) reduces the 2021-2023 biennium employer net rate that was scheduled to increase from 18.31 percent to 24.07 percent, a 5.76 percent total increase. Through the policy in SB 1049, the anticipated reduction in cost to employers is 5.43 percent. For some counties, immediate cost relief will be achieved through the extension of the amortization period for the PERS UAL.

HEALTH AND HUMAN SERVICES

PRIORITY:

Fund Public Health Modernization

AOC POSITION:

This Session, AOC advocated for funding \$47.7 million in the 2019-2021 Oregon Health Authority (OHA) budget to implement public health initiatives needed to achieve sustainable and measurable improvements in population health as well as strengthen and expand our local public health system, focusing on communicable disease control and environmental health programs.

OUTCOME:

Total Public Health Related Investments \$25.2 million

HIGHLIGHTS:

- \$15 million- OHA General Fund- Public Health Modernization
- \$5.5 million- OHA General Fund- to Offset Local Public Health Authority Revenue Declines from Medical Marijuana Sales
- \$4.7 million- Combined General Fund and Federal Funds- Universal Home Visiting

Public Health Modernization

The 2019-2021 OHA budget ([SB 5525](#)) was approved with \$10 million of additional general fund allocation to support Public Health Modernization. Current funding is \$5 million. The total OHA allocation of **\$15 million** for Public Health Modernization will be utilized to expand communicable disease prevention and response activities, support efforts to improve health equity, increase emergency response planning, and help develop tribal modernization plans, among other key modernization priorities, a previously underfunded priority of the Legislature.

Offset Local Public Health Authority Revenue Declines from Medical Marijuana Sales

[SB 5525](#) also provided a critical infusion of **\$5.5 million** of general fund dollars to offset a decline in medical marijuana revenue that would have otherwise been a funding cut for local public health authorities. This investment will be used to sustain several core local public health programs, including, drinking water and emergency medical services. Laws passed during the 2015, 2016, and 2017 sessions related to recreational marijuana have significantly reduced medical marijuana program revenue.

Universal Home Visiting

[SB 526](#) directs OHA to design, implement, and maintain a voluntary, statewide, evidence-based, universal newborn nurse home visiting program with services provided by registered nurses licensed in Oregon. The bill requires OHA to collaborate with health benefit plan insurers, hospitals, local public health authorities, the Early Learning Division, existing early childhood home visiting programs, community-based organizations, and social service providers in designing the program. This investment totals **\$4.7 million**, including \$2.9 million in general fund dollars, that will be used to administer services in partnership with commercial health insurance carriers and Coordinated Care Organizations (CCOs) without any cost-sharing for families who choose to participate in the program.

PRIORITY:

Ensure CCO 2.0 Contracts Strengthen Behavioral Health-Physical Health-Housing Integration Efforts

AOC POSITION:

AOC supported the original vision of Oregon CCOs as community-based, locally governed entities. CCO 2.0 contracts need to incentivize and promote more extensive behavioral health-physical health-supported housing collaboration between CCOs, Local Mental Health Authorities (LMHAs), housing developers, and local public safety system partners. Behavioral Health Justice Reinvestment Initiative (BHJRI) will provide a key opportunity to launch efforts to divert mentally ill individuals from county jails and to align healthcare and housing initiatives (i.e. the governor's \$406 million 2019-21 Housing Plan, including \$54.5 million for "supported housing" and \$22.5 for veterans housing).

OUTCOME:

\$55.2 million for Supported Housing and \$16.8 million for Veterans Housing and Services

HIGHLIGHTS:

- \$50.7 million- General Obligation Bonds- Permanent Supportive Housing
- \$4.5 million- General Funds- Rental Assistance
- \$14.7 million- Dedicated Document Recording Fees-Veterans Housing, Critical Needs, and Technical Assistance
- \$1,070,900- Lottery Funds- Veterans' Services Fund
- \$1,000,000- Lottery Funds- Veterans Affordable Housing

Permanent Supportive Housing/Rental Assistance

As part of [HB 5005](#), the Legislature approved **\$50.7 million** of Article XI-Q bonds for the creation of permanent supportive housing units across the state. This investment was made in tandem with [SB 5525](#), which will provide **\$4.5 million** of general funds of rental assistance for the individuals who will live in these new supportive housing units. This investment will yield approximately 500 additional supportive housing units, largely targeted at serving people with mental health and/or substance needs.

In addition, as part of [SB 973](#) and the new “IMPACTS” program, AOC will be collaborating with state agencies for coordinated housing strategies to better serve mentally ill individuals involved our local justice systems.

Veterans Housing, Critical Needs, and Technical Assistance

Approximately **\$14.7 million** of document recording fees for veterans housing was left intact by the Legislature. Under ORS 458.665, 25 percent of all document recording fees are deposited into Oregon Housing and Community Services (OHCS) General Housing Account and must be dedicated “for expenditure to meet the critical housing needs of veterans in this state.” This resource continues to grow, and AOC will work with OHCS to ensure these dollars can be accessed by all counties, especially smaller and rural counties that will likely need technical assistance.

Veterans' Services Fund

\$1,070,900 of lottery fund dollars were allocated Veterans' Services Fund in [SB 5538](#) (the Oregon Department of Veterans Affairs budget). Eligible recipients of these grants include nonprofits; National Service Organizations; and state, county, local, and tribal governmental agencies. In addition to housing security, grants are awarded for services and programs that benefit veterans, housing supports, including mental and physical health care, employment opportunities, education, and transportation accessibility.

Veterans Affordable Housing

\$1,000,000 of lottery fund dollars were allocated through the support for the Christmas tree bill, [HB 5050](#), as a grant to the Family YMCA of Marion and Polk Counties to construct veterans affordable housing in Salem.

PRIORITY:

Fund a Behavioral Health Justice Reinvestment Initiative

AOC POSITION:

AOC supports an evidence-based approach to reduce the number of mentally ill individuals who currently cycle in and out of local county jails for low level offenses, often because of co-occurring substance abuse disorders. Focusing on the health (physical and behavioral), housing, and social support needs of these individuals, local system partners can improve public safety outcomes and better meet the needs of mentally ill individuals at the same time. This integrative, problem-solving approach should leverage existing Local Public Safety Coordinating Council (LPSCC) work by expanding community-based partnerships with CCOs, housing authorities, Local Mental Health Authorities (LMHAs), and the public safety-judicial system. AOC supports funding and encourages Behavioral Health Justice Reinvestment Initiative (BHJRI) to be closely aligned with the governor's \$54.5 million "Supported Housing" initiative to maximize the opportunity to address homelessness among the justice-involved, mentally ill population. AOC also supported BHJRI funding that is in addition to existing levels of Justice Reinvestment Initiative funding.

OUTCOME:

\$12.35 million for Behavioral Health Justice Reinvestment through New Program "IMPACTS" and Aid and Assist

HIGHLIGHTS:

- \$10.6 million -General Funds- IMPACTS Community Grants
- \$1.75 million- General Funds- IMPACTS and Aid and Assist Implementation

IMPACTS Program

The Legislature passed [SB 973](#), what was formerly known as the Behavioral Health Justice Reinvestment Initiative (BHJRI) renamed "Improving People's Access to Community-based Treatment, Supports, and Services" (IMPACTS). This program is closely modeled after the successful Justice Reinvestment Initiative (JRI), passed in 2013 to invest locally in cost-efficient and effective county programs that reduce recidivism and reduce costs to the overall justice system. IMPACTS, like JRI, will be housed in the Criminal Justice Commission (CJC). Grants will be administered under the direction of a 19-member grant review committee and provide counties, tribal nations, and regional consortiums with resources to build a stronger and more comprehensive system of community supports and services for individuals with mental health and/or substance use disorders who are at risk of involvement with the criminal justice system (jails), emergency rooms, and institutions, including the Oregon State Hospital. This program is not in competition with the current aid and assist program, but rather, it creates an additional support to help fully utilize community resources and make targeted investments in critical areas.

Under SB 973, counties can apply for grants individually or regionally. This will be a competitive process and likely be limited to a handful of grant recipients. While an official grant timeline has not been released, the application process is likely to begin later this summer or early fall.

IMPACTS/Aid and Assist Funding

This Session's Christmas tree bill, [HB 5050](#), contains **\$1.75 million** to help implement two mental health-public safety bills, [SB 973](#) and [SB 24](#). SB 24 creates more options for community-based treatment of mentally ill individuals who are not competent to "aid and assist" in their own criminal case proceedings and who often end up the Oregon State Hospital for treatment. **\$10.6 million** of general funds are directly allocated under SB 973 to the CJC to fund community-based grants; the additional Christmas tree bill funding of \$1.75 million of general funds is allocated to the Judicial Department to help with the implementation of both SB 973 and SB 24.

PUBLIC SAFETY

PRIORITY:

Support Full Funding for Justice Reinvestment Initiative (JRI) and Community Corrections

AOC POSITION:

AOC has supported efforts from House Bill 3194 (2013), which reduced some property and drug crime sentences and provided funding to local county programs for recidivism reduction and reentry programs with the goal of avoiding the construction of a new prison. Since 2013, JRI funding has been remarkably successful and has enabled the state to avoid significant new general fund and capital costs with a new prison. AOC supported current service level funding of \$49.5 million for JRI. AOC also supported fully funding community corrections, the foundation to which JRI is built on. A recent two-year cost study was conducted by the state and counties and determined that community corrections should be funded at \$319 million.

OUTCOME:

\$50.1 million for the Justice Reinvestment Initiative; Modifications to Grant Review

HIGHLIGHTS:

- \$50.1 million- General Fund- JRI
- \$110,000- General Fund- Strengthening Grant Process

Justice Reinvestment Initiative

While cuts were made to the Oregon Department of Corrections budget ([SB 5504](#)), hitting community corrections particularly hard, counties were able to see full funding for JRI at **\$50.1 million** in the Oregon Criminal Justice Commission (CJC) budget ([SB 5506](#)), a slight increase above current service level.

Strengthening Grant Process

Additional policy changes were made in [HB 3064](#) to strengthen the justice reinvestment grant review process, requiring applicants to commit to decreasing county use of prison beds and adding measures of accountability and transparency. A one-time allocation of **\$110,000** was made to the CJC to conduct a required assessment of county use of prison capacity, a component of the updated grant process. AOC worked to gather consensus on the bill from the sheriffs, district attorneys, and community corrections directors.

PRIORITY:

Support Funding for Courthouse Replacement/Improvement Projects and Courthouse Security

AOC POSITION:

AOC works in strategic partnership with the Oregon Judicial Department to prioritize courthouse improvement and replacement projects for funding by the Legislature. New courthouses for Multnomah and Jefferson counties were successfully funded under bond funds authorized by the Legislature. Lane and Clackamas counties have received planning funds. The AOC Court Facilities Task Force prioritized Lane, Clackamas, Benton, and Linn counties for \$137 million in replacement funds. The task force also prioritized approximately \$3.5 million in funding for improvement projects in Benton, Grant, Coos, Polk, Tillamook, Umatilla, Lake, and Morrow counties. AOC advocated for support from the Legislature to approve the work of the task force. In addition, stable and adequate funding for court security in courthouses is also a priority for counties.

OUTCOME:

\$138.7 million for County Courthouses

HIGHLIGHTS:

- \$2 million-General Fund- Benton County Courthouse
- \$136.7 million- General Obligation Bonds- Courthouse Projects

County Courthouses

Through the Christmas tree bill, [HB 5050](#), allocations were made to support the planning associated with the replacement of the Benton County Courthouse in the amount of **\$2 million**; and the Judicial Department in issuing of general obligation bonds for county courthouse projects in the amount of **\$136,695,000**.

TRANSPORTATION AND COMMUNITY DEVELOPMENT

PRIORITY:

Increase County Land Use Options and Authority

AOC POSITION:

Counties work extremely hard to implement the state land use system. However, counties need additional authority to make the system work better locally. AOC advocated to increase the authority for Oregon counties with diminishing populations to plan for additional development that may be best suited outside the Urban Growth Boundary (UGB). AOC also developed legislation to allow counties to permit an Accessory Dwelling Unit's (ADUs) in rural residential zones and to clarify renewable energy siting laws to increase the county role in the siting of necessary renewable energy projects.

OUTCOME:

\$500,000 for UGB Planning Grants and Modification to Land Use

HIGHLIGHTS:

- \$500,000- General Funds- to AOC for Eastern Oregon Land Use Planning
- Dwelling Permit Extensions (HB 2106)
- Energy Siting Flexibility (HB 2379)

Eastern Oregon Land Use Planning

Through the Christmas tree bill, [HB 5050](#), **\$500,000** was allocated to AOC to award Eastern Oregon counties grants for implementation of new land use success, [SB 2](#). SB 2 allows 10 rural Eastern Oregon counties with low growth rates the ability to conduct an economic opportunity analysis (EOA) outside of the UGB and immediately utilize up to 50 acres for commercial and industrial purposes without going through the cumbersome and hurdle-filled exceptions process to Oregon's land use system. Counties impacted by this legislation include: Baker, Gilliam, Grant, Harney, Lake, Malheur, Sherman, Union, Wallowa, and Wheeler. Unfortunately, this \$500,000 appropriation ended up on the chopping block as one of two line-item veto's issued by Governor Brown late in the summer.

Dwelling Permit Extensions

[HB 2106](#) creates an extension period for permits to build dwellings on agricultural or forest lands outside of urban growth boundaries, allowing counties to approve up to five additional one-year extensions for a proposed residential development.

Energy Siting Flexibility

Collaborative work between the counties and Renewable Northwest to streamline the energy siting process for renewable energy resulted in [HB 2329](#), which allows developers to work with counties to permit larger, mid-range scale solar/wind renewable energy projects under local land use authority. Oregon counties were limited by statute to permitting only smaller scale

renewable energy projects; the state's Energy Facility Siting Council served as the sole authority for larger projects. This change will allow the siting process to move mid-range projects more expediently, efficiently, and at significant cost reductions.

Additional Wins

This session, counties were able to secure funding for critical programs and services, find additional policy solutions to help empower counties, and defeat detrimental policy.

COUNTY SOLUTIONS

Tide Gates

Through [HB 5029](#), the Legislature allocated **\$6 million** to Business Oregon for the repair and replacement of tide gates on the coast. Funds will be released according to a program presented by Business Oregon with assistance from the Oregon Watershed Enhancement Board. AOC County Solutions staffs the tide gate steering committee and partnership, which requested legislative investment this session for a permit ombudsman and support for technical assistance to ensure investments in tide gates are well spent. The \$6 million investment exceeds that request and will provide funds to do the work identified by stakeholders, plus provide grants for projects on the ground.

Sudden Oak Death

The Sudden Oak Death (SOD) task force, convened by AOC County Solutions, was awarded **\$1.7 million** through the Department of Forestry in [HB 5050](#) (Christmas tree bill) to aid in slowing the spread of the pathogen Phytophthora ramorum, the cause of SOD in Curry County. Co-conveners of the task force, Representative David Brock Smith and Representative Caddy McKeown, wrote the State Forester after adjournment of the Legislative Session to request that **\$50,000** be allocated to staffing the ongoing work of the task force through AOC County Solutions.

GENERAL GOVERNMENT

Drug Take Back

Heavily negotiated between legislators, counties, pharmaceutical companies, and other key stakeholders, this Session's "drug take back" legislation, [HB 3273](#) requires pharmaceutical manufacturers to develop and implement a program allowing for consumers to safely return unused over-the-counter and prescription medications for proper disposal. In the heat of negotiation and associated uncertainty, several counties including, Clackamas, Lane, Multnomah, and Washington began working on programs for their own communities. Washington County was the first in the state to enact a countywide drug take back ordinance, and the final bill preempts local programs, including the newly enacted Washington County program.

HEALTH AND HUMAN SERVICES

Medicaid

The Oregon Health Plan (OHP) serves nearly 1,000,000 Oregonians, a significant increase since the 2014 Medicaid Expansion. During the first three years of Medicaid Expansion under the Affordable Care Act, the federal government paid 100 percent of the costs. Beginning in 2017, this amount began to slowly ratchet down. In 2020, a permanent 90 percent federal funds-10 percent state funds formula will be in effect. The ratchet down of federal funds means the state must pick up the slack. This biennium, the impact was an \$800+ million budget gap. Proposed solutions included 1. an insurance premium + stop loss assessment ([HB 2010](#)- passed); 2. increase in the tobacco tax ([HB 2270](#)- passed); 3. employer penalty ([HB 2269](#)- failed); and an increase in the reimbursable hospital tax from 5.3 percent to the max reimbursable rate of 6 percent ([HB 2010](#)- passed).

AOC supported HB 2270 and was neutral on HB 2010 and HB 2269. By raising the tobacco tax and also creating an e-cigarette tax, Oregon would gain an estimated \$95 million of revenues in the current biennium and an estimated \$346 million in the 2021-23 biennium to create funding needed to make the 10 percent state match for the Medicaid Expansion population. HB 2270 is part of a six-year funding plan for OHP, where the program would in effect, be self-sustaining until approximately 2025.

HB 2270 will provide very important funding to maintain the stability of OHP. The percentage of citizens in each county who are served by Medicaid is over 30 percent in 11 of Oregon's 36 counties. This number is 35 percent for Malheur County, 36 percent for Josephine County, and 38 percent for Jefferson County.

NATURAL RESOURCES

Funding for Critical Programs

Wins for counties in natural resources were numerous through [HB 5050](#), the Christmas Tree bill. Key allocations include:

- **\$2,270,000** allocation to Oregon State University (OSU) Agricultural Experiment Station and the branch extension stations of OSU for an integrated river basin water quality and quantity program. Additionally, funding for OSU Extension Service increased by **\$410,000** for an integrated river basin water quality and quantity program.
- **\$30,000** allocation from the general fund to Klamath County to acquire and install stream gauges in Klamath Basin. The Department of Agriculture received **\$100,000** to conduct water quality monitoring of Klamath Lake.
- **\$1,352,102** allocation to the Oregon Department of Fish and Wildlife for the operation of the Leaburg Hatchery.
- Oregon Water Resources Department received the ability to bond Water Supply Development grants and loans to a max of **\$15,000,000**; bond for the Deschutes Basin

Board of Control piping project for **\$10,000,000**; and bond **\$14,000,000** to the Wallowa Lake Irrigation District for rehabilitation of the Wallowa Lake Dam.

- **\$452,930** allocation for Douglas Timber Rogue River Sediment Study, and **\$1,000,000** for Umatilla County Surface Water Pumping.

Place-Based Integrated Water Strategies

[HB 2084](#) extends the sunset for the place-based integrated water resources planning program to 2023. Current and continuing planning projects: the Gilliam Soil and Water Conservation District in the Lower John Day Sub-Basin; Union County in the Upper Grande Ronde Sub-Basin; Harney County Watershed Council in the Malheur Lake Basin; and City of Newport in the Mid-Coast Basin. Funding for the program in the 2019-21 biennium is included in the budget bill for the Water Resources Department.

OSU Statewide, Ag Experiment Stations and Forest Research Lab

[SB 254](#) provides a **\$73,788,861** allocation of general fund dollars to Agricultural Experiment Stations, an 11 percent increase from the 2017-19 budget and a 5.8 percent increase above current service level. The bill also increases general fund allocations to OSU Extension Service by **\$2,875,543** to cover inflation, maintain existing personnel and programs, and fill vacant positions. The Forest Research Lab received **\$11,424,041** general fund dollars, an 11.7 percent increase over the 2017-19 legislatively approved budget, and a 5.9 percent increase over current service level.

VETERANS

Funding for Critical Programs

- **\$9,040,692** allocation of general funds and lottery funds for County Veterans Service Officers (CVSOs). These are pass-through dollars that go directly to counties; this represents a 4 percent increase from the 2017-19 budget for CVSOs.
- **\$2.5 million** allocation of lottery funds via the Christmas tree bill ([HB 5050](#)) to support mental health programs and services for veterans administered by OHA.
- **\$1 million** allocation of lottery funds for the Campus Veteran Grant Program dedicated to Oregon community colleges and public universities. Campus Veteran Grants are awarded to expand and enhance existing veteran programs on college campuses that help veterans successfully transition from military service to college life, succeed in college, complete educational goals, and transition from college to the workforce and community.
- **\$500,000** allocation of lottery funds to create a new Veterans Health Care Transportation Grant Program to provide veterans with access to health and behavioral health care transportation, including point-to-point transportation services. Department of Veterans' Affairs (ODVA) currently receives an annual federal Highly Rural Transportation Grant (HRTG) from the USDVA, which provides **\$50,000** per year for each of Oregon's highly rural counties. Funding for the new state grant program will allow ODVA to serve rural counties that do not qualify for the federal HRTG.

- **\$500,000** allocation of lottery funds to support Tribal Veteran Representative programs and partnerships through the addition of a Tribal Veteran Coordinator position and pass-through funding to Tribal Veteran Offices.
- **\$500,000** allocation of lottery funds under [HB 2201](#) to create a Veteran Educational Bridge Grant Program within ODVA. Grants of up to **\$5,000** may be awarded to veterans who are pursuing and enrolled in an approved course of study that qualifies for U.S. Department of Veterans Affairs education benefits.
- **\$250,000** allocation of lottery funds under [HB 2202](#) for the Bureau of Labor and Industries to develop and administer a program to conduct or offer grants for outreach to Oregon veterans to inform them about trade careers and connect them to available apprenticeship opportunities.

PUBLIC SAFETY

9-1-1 Tax

For the last 24 years, the 9-1-1 tax has remained stagnant at 75 cents, resulting in significant reductions to budgets in other programs and services for Oregon counties and cities as the costs of providing services have skyrocketed. [HB 2449](#) increases the rate of the 9-1-1 tax to \$1.00 per month of service and per retail transaction in the bill's first operative year, and \$1.25 per month in second operative year. It also reduces administrative allocations of the tax revenues.

Grand Jury Recordation

Included in [HB 5050](#), was an allocation of **\$3 million** for implementation of grand jury recordation. Grand jury recordation was mandated by the 2017 Legislature's passage of [SB 505](#). The 2017 bill included an initial one-time funding was to pay for staff and equipment needs of Deschutes, Jackson, and Multnomah counties, each of which participated in a pilot program to jumpstart grand jury recordation. This bill allows the remaining 33 counties to receive the resources needed to support equipment, staff, and training needs during implementation.

TRANSPORTATION AND COMMUNITY DEVELOPMENT

Prevailing Wage in Enterprise Zones

Enterprise zones serve as major economic development tools, and at the local level have proven an effective way to attract new business investments and create jobs by offering a means of lowering the initial cost of investment. Imposing prevailing wage requirements to enterprise zones would significantly boost the cost of projects. [HB 2408](#), sought to seize local control expanding the definition of 'public works' in relation to prevailing wage to include projects in enterprise zones if the project costs reached a certain cost threshold, threatening economic

development opportunities for Oregon counties. Fortunately, the bill died in committee, preserving this option for counties.

Clean Diesel

[HB 2007](#) regulates diesel engine emission standards in Washington, Multnomah, and Clackamas counties. The bill prohibits the Department of Transportation from titling any heavy-duty diesel vehicles older than 2006, or medium-duty, diesel vehicles older than 2009 after January 1, 2025 in each of the counties. This policy is reflective of collaborative work between counties and the Legislature to craft a meaningful policy that is not a one-size-fits all mandate. Originally, the bill spanned statewide, and contained more stringent requirements that would have had a devastating impact on counties without resources to upgrade fleets.

2019 Overall Policy

In the pages to follow, please find summaries of policy AOC spearheaded, monitored, and advocated for or against by AOC staff and members that had significance to Oregon counties. The summaries below are complete with status, fiscal and revenue impacts, and overall implications for counties across the state.

(+) **A green plus signifies AOC support for a bill.**

(-) **A red minus signifies AOC opposition to a bill.**

(Neutral) *The italicized word “neutral” signifies AOC either had a position of support or opposition for a bill, or general concerns, but through negotiation, the concerns were reduced.*

(No Position) *The italicized words “no position” signify AOC did not take a position on the bill due to a variety of opinions among membership, or the bill was highlighted because it was of significance, but AOC simply tracked the legislation due to the potential impact the bill could have on counties or county programs.*

Community Development

BUDGET/INCENTIVES

Modifications to the New Industrial Property in Rural Areas Program [\(+\)](#) [HB 2053](#)

Passed

SUMMARY

HB 2053 began as a Business Oregon statutory cleanup bill. The bill was used in the House Revenue Committee as a vehicle to address other technical issues. Through the bill, Marion County sought changes to the New Industrial Property in Rural Areas program passed in 2016. This program provides a property tax abatement similar to an enterprise zone but for a specific property. This economic incentive was modified to make more flexible timelines and clarify that only new locations for a company would be subject to employment requirements under the tax program.

AOC ENGAGEMENT

AOC Interim Executive Director testified in favor of the bill in the Senate Finance and Revenue Committee.

MESSAGING

HB 2053 provides necessary changes to an economic development resource that has been key in rural counties in the state.

FISCAL IMPACT

Short term loss of property tax revenue.

REVENUE IMPACT

Potential long-term net positive.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 60

Senate Floor: 27-0-1-1

New Funding for Rural Broadband [\(+\)](#) [HB 2184](#)

Died in Senate Committee

SUMMARY

This bill was introduced as an ambitious attempt to bring wireless service providers into Oregon's Universal Service Fund (USF). As the bill moved along through the Session it narrowed in scope. The C-engrossed version of the bill, which ultimately died in the Senate on the final day of the Session, would have brought wireless providers into the USF, while lowering the current 8.5 percent rate to 6 percent across all providers and transferring \$5 million per year into the state Broadband Fund. Nevertheless, the bill was opposed by Senate Republicans and was sacrificed in order to finish the Session by its Constitutional deadline of Sunday night June 30.

AOC ENGAGEMENT

AOC testified in support; the bill passed House and died on last day of Session on the Senate floor when Senate Republicans would not grant rules suspension.

MESSAGING

This bill would have provided resources to assist Oregon counties and other entities with development of broadband service infrastructure to create more connected communities. It would have also ensured more adequate funding for the original purpose of the USF, to help rural communities gain access to telecommunication services.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

By broadening the base of the surcharge, revenue would have been increased in the first two biennia. However, in the years to follow, as the bill lowered the assessment, revenues would have decreased.

EFFECTIVE DATE

N/A

VOTES

House Floor: 37-22-1

Senate Floor: N/A

Video Lottery Receipts (+) [HB 2320](#)

Died in Joint Committee

SUMMARY

Under Oregon law, counties are supposed to receive 2.5 percent of net video lottery proceeds. Unfortunately, since 2011, this allocation has been modified to a fixed appropriation based on estimated revenue. While this calculation may be more simplistic for the state, there is not currently a process in place to "true-up" or "true-down" the allocations when revenue is above or below projected estimates. This missing piece has resulted in at least a \$5.1 million shortfall in allocation to counties before the current biennium, based on statutory intent.

In order to address this issue, and ensure counties are fully equipped to create jobs, stimulate economic growth, and benefit communities, AOC worked with legislators to move HB 2320, a bill that creates a mechanism for counties to gain full access to the statutory 2.5 percent allocation of lottery revenues when they are up. The process outlined in the bill would have allowed for a fixed amount to be appropriated followed by a "true up" or "true down" at the tail end of a biennium. Although a budget note was added in the 2018 Session to allow this process to take place for the 2017-2019 biennium, 2HB 2320 did not survive the Ways and Means Committee and ultimately died.

AOC ENGAGEMENT

AOC membership set this bill as priority in the association's legislative agenda. AOC staff advocated for the bill in the building. The bill ultimately failed.

MESSAGING

Lottery revenue distributions to counties support economic development opportunities and make Oregon communities vibrant and prosperous. HB 2320 would have provided a mechanism to ensure fair distribution of lottery funds and would have allowed to have a better opportunity to maximize economic development.

FISCAL IMPACT

Indeterminate

REVENUE IMPACT

Could have been positive or negative, depending on the biennium.

EFFECTIVE DATE

N/A

VOTES

N/A

Brownfields Incentives (+) [HB 2699](#)

Passed

SUMMARY

HB 2699 was introduced by the Oregon Brownfields Coalition, which AOC is part of, and modifies the brownfields property tax incentive to specify that a brownfield that is afforded property tax benefits under the law may also be granted other property tax exemptions or partial assessments for which the property is eligible. It also specifies the combination of incentives cannot reduce property tax liability below zero. This bill passed unanimously in both chambers.

AOC ENGAGEMENT

AOC serves on the Oregon Brownfields Coalition and supported the bill.

MESSAGING

The brownfields property tax incentive helps Oregon counties in cleaning up potentially contaminated properties, bringing business to communities, and providing stable jobs for residents. This bill strengthens the program creating further incentive opportunities.

FISCAL IMPACT

Because the impact is a local option there is no immediate fiscal impact to counties. If a county decides to adopt the exemption, the fiscal impact is indeterminate because the number of applicants for the exemption is unknown. Marion County is the only county to date to have adopted the exemption.

REVENUE IMPACT

The revenue impact will be negative as the bill provides a property tax exemption which is currently not offered.

EFFECTIVE DATE

91 days after adjournment.

VOTES

House Floor: 57-0-1-2

Senate Floor: 29

Eastern Oregon Boarder Development Board Legislation (No

Position) [HB 2933](#)

Passed

SUMMARY

HB 2933 adds workforce housing to the list of "workforce development" items that are part of the Eastern Oregon Border Economic Development Board. The explicit authority was needed to execute the intent of the Board, which was created by HB 2012 during the 2017 Legislative Session. The bill also authorizes Business Oregon to enter into intergovernmental agreements to administer funds.

AOC ENGAGEMENT

AOC staff monitored this legislation.

MESSAGING

Eastern Oregon counties, most specifically Malheur, are faced with unique challenges due to the state and local structures and policies across the Oregon-Idaho border. A one-size-fits-all approach to governance creates complexities for eastern Oregon counties as they compete with their neighboring state Idaho, where tax structure and land use laws are viewed as more business friendly.

The Eastern Oregon Boarder Economic Development Board was created to inform and recommend improvements in education, workforce development, land use, and other regulations through loans and a grant program and was awarded \$5,000,000 to undertake these

endeavors. This bill clarifies the board's ability to support and improve workforce development along the border, a key priority for eastern Oregon counties.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

05/06/2019

VOTES

House Floor: 59-0-1

Senate Floor: 29-0-1

CONTRACTING

Third Party Contracting (-) [HB 2420](#)

Died in Senate Committee

SUMMARY

HB 2420 would have revised the local building code program laws. The bill limits contracting for third-party services.

AOC ENGAGEMENT

Following the Attorney General and Legislative Counsel opinions, this bill was introduced primarily for the industry and the trades and would restrict some third party contracting. See also SB 1047.

MESSAGING

We need a fix to the statutes, but the stakeholders disagree on what that fix should encompass. The issue got punted to the 2020 Legislative Session.

FISCAL IMPACT

Possible fiscal impact, if cities start bailing on their building code permit programs, defaulting them to counties.

REVENUE IMPACT

Little to none.

EFFECTIVE DATE

N/A

VOTES

House Floor: 35-23-1-1

Senate Floor: N/A

Third Party Contracting (+) [SB 1047](#)

Died in Senate Committee

SUMMARY

SB 1047 would have revised the local building code program laws. The bill permits contracting for third party services within constitutional limits.

AOC ENGAGEMENT

Following the Attorney General and Legislative Counsel, LOC and AOC introduced this bill as a counterpoint to HB 2420, which would restrict some third party contracting.

MESSAGING

We need a fix to the statutes, but the stakeholders disagree on what that fix should encompass. The issue got punted to the 2020 Legislative Session.

FISCAL IMPACT

Possible fiscal impact, if cities start bailing on their building code permit programs, defaulting them to counties.

REVENUE IMPACT

Little to none.

EFFECTIVE DATE

N/A

VOTES

N/A

ZONING

Urban Renewal Process Change (+) [HB 2174](#)

Passed

SUMMARY

This legislation was developed as a result of interim workgroup spearheaded by the Special Districts Association of Oregon (SDAO), which has had specific concerns over the years about urban renewal funds being used for the construction of public buildings. SDAO and other stakeholders have felt that cities, in particular, have used these funds when they should instead have been going out for local option levies or utilized other bonding tools. HB 2174 requires concurrence of three of the four largest taxing districts within the urban renewal zone in order for funds to be utilized for a public building. The bill also makes numerous other technical changes.

AOC ENGAGEMENT

AOC Interim Executive Director participated in the interim workgroup that developed the bill and AOC supported.

MESSAGING

Strengthening the approval process for this resource creates transparency within the process.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 58-1-1

Senate Floor: 26-1-2-1

Energy and Environment

GREEN JOBS

Green Energy and Job Creation (+) [HB 2322](#)

Died in Joint Committee

SUMMARY

HB 2322 requires the Department of Land Conservation and Development (DLCD) to develop a process for amending statewide planning goals related to energy to incorporate development of renewable energy facilities and reduction of greenhouse gas emissions to align state energy policy with land use planning, this policy targets Oregon's Statewide Land Use Planning [Goal XIII](#).

AOC ENGAGEMENT

AOC and Renewable Northwest collaborated and worked through Representatives Marsh (D-Ashland) and Helm (D- Beaverton) to draft the concept.

MESSAGING

This bill was an economic development priority for AOC as it would have given flexibility to counties to bring green energy to their communities and open up job creation opportunities.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

VOTES

N/A

Renewable Energy Mandate Fix (+) [HB 3274](#)

Died in House Committee

SUMMARY

HB 3274 amends the eight percent requirement for electricity sold in Oregon by investor-owned utilities (Portland General Electric and Pacific Power) to be generated by small-scale renewable energy facilities including certain biomass; reverts current statutory language (of peak-load sales) to the original intent of CREA and AOC when bill was sponsored in previous sessions.

AOC ENGAGEMENT

Sponsored and supported by CREA counties

MESSAGING

This bill would have enabled the eight percent requirement more meaningful for developing more small-scale projects in Oregon, including creating jobs and investment.

FISCAL IMPACT

N/A

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Renewable Energy Certificates (+) [SB 451](#)

Died in House Committee

SUMMARY

SB 451 would allow certain solid waste burning plants in example, Covanta in Marion County to be eligible for necessary renewable energy certificates under the Renewable Portfolio Standard (RPS); assisting the county and citizens.

AOC ENGAGEMENT

Supported Marion County's position.

MESSAGING

There are many forms of renewable energy that are not included for energy certificates under the RPS. This bill would allow an economic driver in Marion County to qualify under the RPS, promoting renewable, green energy and benefiting the county.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: 18-11

Renewable Energy Development (+) [HB 2329](#)

Passed

SUMMARY

HB 2329 gives counties responsibility for land use approval for mid-size solar and wind projects, leaving responsibility for siting larger projects with the Energy Facility Siting Council (EFSC). The bill requires counties to follow all state and federal agency laws and rules as specified in the bill. It permits counties and developers to choose to have the approval of the project at EFSC rather than by the county.

AOC ENGAGEMENT

AOC worked with Renewable Northwest and collaborated with Representative John Helm (D-Beaverton) and Senator Cliff Bentz (R-Ontario).

MESSAGING

This bill will allow the siting process to move mid-range projects more expediently, efficiently, and at significant cost reductions. This should help the state achieve carbon reduction goals while helping local economies with expected new investments.

FISCAL IMPACT

Counties have little additional impact since developer fees are collected to pay for siting costs. Ordinances and codes will likely need amendment (with some additional fiscal impact), but county planners can work together on models for use.

REVENUE IMPACT

Little to no impact.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 52-7-1

Senate Floor: 25-2-2-1

EFFICIENCY

Energy Efficiency (+) [HB 2458](#)

Passed

SUMMARY

HB 2458 exempts from ad valorum property taxation property owned or used by a cooperative for the purpose of providing steam or hot water heat by combustion of biomass. The legislation only applies to a cooperative whose property is subject to central assessment. This bill was pushed forward as a result of a specific cooperative in Harney County, a co-op formed by a local elementary school and the county courthouse.

AOC ENGAGEMENT

AOC supported Harney County efforts on this bill.

MESSAGING

The bill provides opportunity to reduce costs for public and private entity to generate electricity more efficiently and effectively.

FISCAL IMPACT

Minimal impact.

REVENUE IMPACT

Little to no impact.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 58-0-2
Senate Floor: 28-0-2

Renewable Energy Mandates in Public Buildings (+) [HB 2496](#)

Passed

SUMMARY

Current statutes mandates on public buildings constructed by local and state government with a value of \$5 million or more, 1.5 percent of public building construction expenditures be used for green energy technologies. HB 2496 adds 'battery storage' and 'efficiency technologies' to the green energy technology definition. The current statute only allows the use of solar or geothermal resources to meet requirements.

AOC ENGAGEMENT

AOC participated in negotiations on this bill with cities.

MESSAGING

The bill makes the renewable energy mandates in construction buildings more effective.

FISCAL IMPACT

Minimal impact.

REVENUE IMPACT

Little to no impact.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 44-14-2
Senate Floor: 22-6

SITING FLEXIBILITY

Simplifying the Land Use Process for Siting Utilities (+) [SB 408](#)

Passed

SUMMARY

SB 408 allows counties to approve the division and purchase of limited exclusive farm use land for the purpose of siting utilities facilities necessary for public service, simplifying the current awkward process where land is leased by a utility, then tax amounts are reimbursed to the landowner.

AOC ENGAGEMENT

AOC staff worked with legislators on this bill and testified in committee.

MESSAGING

SB 408 is a small step forward in simplifying the land use process.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 55-5

Senate Floor: 22-6-2

Solar Project Tax Efficiencies (+) [SB 769](#)

Passed

SUMMARY

SB 769 makes efficiency changes for county assessors and solar developers in processing the tax payments for solar development projects using the Payment-in-Lieu-of Taxes (PILT) program.

AOC ENGAGEMENT

The bill was supported by industry and assessors.

MESSAGING

The bill improves the county assessor process for taxing solar facilities.

FISCAL IMPACT

Little to none.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 56-1-2-1

Senate Floor: 27-2-1

Support for Closed-loop Pump Storage Energy Projects (+)

[SCR 1](#)

Passed

SUMMARY

SCR 1 supports development of two major closed-loop pump storage projects to help integrate renewable energy production with base energy such as hydropower.

AOC ENGAGEMENT

This concept was supported at the Federal Energy Regulatory Commission and in legislative committees by AOC, specifically for Klamath County, a site of one of the projects.

MESSAGING

The closed-loop pump energy process will transform use of renewable energy with other traditional forms of energy, by extending the effectiveness of renewable energy.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: 54-3-1-2

Senate Floor: 27-3

ENVIRONMENT

Addressing Rollbacks in Federal Environmental Laws (No

Position) [HB 2250](#)

Passed

SUMMARY

HB 2250 requires the Department of Environmental Quality (DEQ) and the Oregon Health Authority (OHA) to regularly assess changes in federal environmental law to determine if they become less stringent than regulations that were in effect as of January 19, 2017, setting a federal baseline standard. In essence, this bill was designed to protect President Obama-era environmental standards and directs DEQ and OHA to make changes as necessary to maintain federal baseline standards should the Trump administration take steps to weaken those standards.

AOC ENGAGEMENT

AOC monitored this legislation.

MESSAGING

None.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/20/2019

VOTES

House Floor: 39-20-1

Senate Floor: 16-12-2

Renewable Energy Certificates for Covanta (+) [SB 451](#)

Died in House Committee

SUMMARY

SB 451 would have allowed Renewable Energy Certificates to be granted to Covanta, which partners with Marion County to provide solid waste and recycling services. While the Legislature has previously deemed energy-from-waste a renewable energy, via the Renewable Portfolio Standard (RPS), Covanta has not been able to sell Renewable Energy Credits it has accrued without a statutory fix. Due to heavy pressure from environmental advocacy groups, this bill ultimately died in the House after passing in the Senate.

AOC ENGAGEMENT

AOC has continually supported Marion County's effort to allow Covanta to sell power into the grid from burning of our solid waste.

MESSAGING

There are many forms of renewable energy that are not included for energy certificates under the RPS. SB 451 would have allowed an economic driver in Marion County to qualify under the RPS, promoting renewable, green energy and benefiting the county.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

Senate Floor: 18-11

Finance and Revenue

Tax Exemption Bills (+) [HB 2130](#)

Passed

SUMMARY

HB 2130 extends (to 2029) the property tax exemption for land owned by nonprofits for the purpose of building low income housing for sale. The property tax exemption on cargo containers that are held for overseas shipping was extended to 2026. The bill also makes permissive the homestead property tax exemption for surviving spouses of fallen public safety officers and extends it to 2025. Finally, there is a cap on the intangible taxable value for centrally assessed companies (in example: broadband providers). These entities are centrally assessed by the Oregon Department of Revenue, rather than individual counties.

AOC ENGAGEMENT

Staff attended hearings and work groups.

MESSAGING

Property taxes are important for funding county services. AOC is cautious about exempting property owners from taxes, however, HB 2130 continues existing exemptions and adds a permissive clause to the exemption for spouses of fallen officers, so counties are empowered with options to provide stability to their residents.

FISCAL IMPACT

None.

REVENUE IMPACT

These are currently existing property tax exemptions. The bill extends the sunset dates.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 58-0-2-0

Senate Floor: 27-0-1-2

Prompt Payment Property Discount (No Position) [HB 2157](#)

Died in House Committee

SUMMARY

HB 2157 redirects one percent of the prompt payment property tax discount to increased property assessment capacity in counties and at the Department of Revenue (DOR), to bring assessments rolls up to date and keep them current.

AOC ENGAGEMENT

DOR staff briefed commissioners at AOC Day. AOC staff involved in numerous meetings around the bill.

MESSAGING

AOC commissioners expressed strong support for identifying counties that needed increased funding to bring their tax rolls current, and to support additional funding for those counties. Decreasing the prompt payment discount that taxpayers receive to fund the program was not a popular concept with county commissioners.

FISCAL IMPACT

None.

REVENUE IMPACT

Could have resulted in additional funding for county assessment.

EFFECTIVE DATE

N/A

VOTES

N/A

Omnibus Tax Bill (No Position) [HB 2164](#)

Passed

SUMMARY

HB 2164 is the omnibus tax credit extension bill. It also contains fixes to Corporate Activity Tax (CAT) and income tax credits. The bill extends sunsets on the following tax credits: property tax for low income property rental through 2030; historic property special assessment through 2020; and food processing equipment through 2025. Food processing was amended to add a county option to adopt an ordinance to adjust the amount and duration of the tax credit.

AOC ENGAGEMENT

The bill emerged in the closing days of the session and was an amalgamation of many separate tax credit extension bills. AOC participated in discussions relating to low income property rental and food processing equipment.

MESSAGING

This bill provides an extension in tax credit to food processing equipment and gives counties ability to adopt ordinance to tailor the exemption. AOC supports policy that allows counties to have the tools like this, but also the ability implement in a way that respects the unique qualities of each county.

FISCAL IMPACT

Potential fiscal impact. There may be a cost associated with implementing the ordinance for food processing equipment.

REVENUE IMPACT

Potential fiscal impact. There may be a change depending on implementation of the food processing equipment ordinance. All other exemptions are pre-existing and only extended in time.

EFFECTIVE DATE

91 days after adjournment.

VOTES

House Floor: 47-12-1

Senate Floor: 24-4-0-2

Taxable Property: Agricultural Producers (+) [HB 2264](#)

Died in House Committee

SUMMARY

HB 2264 clarified the difference between real (taxable) and personal (not taxable) property for agricultural producers and assessors.

AOC ENGAGEMENT

Marion County commissioners testified in favor of the bill in committee. AOC staff participated in a workgroup held at the request of the Oregon Farm Bureau. The workgroup will continue into the 2020 Legislative Session to resolve further issues.

MESSAGING

Agriculture is a high economic driver in many rural Oregon counties, and often agricultural businesses are land and equipment rich, but cash poor. The industry has evolved greatly since the statute was written that governs eligibility for personal property, and equipment that is currently being used in agricultural production was not anticipated by the current language. This bill will provide clarity to agricultural producers and county assessors about how agricultural production equipment should be taxed. This will give certainty to farmers, nurseries, and counties for property tax values, and help continue to sustain critical jobs and resources in rural communities.

FISCAL IMPACT

None.

REVENUE IMPACT

Not known at this time.

EFFECTIVE DATE

N/A

VOTES

N/A

Enabling Revenue Resources in Curry County (+) [HB 2383](#)

Died in Joint Committee

SUMMARY

HB 2383 appropriates money to Curry County to add capacity in the assessor's office to update their property tax rolls. Curry County is especially challenged in being able to allocate enough funding to their assessor's office to keep the property tax rolls current. They found that unpermitted property upgrades were not reflected on their rolls. The bill would have allowed Curry to add one position to their assessment staff to deal with this issue. The county and special districts in Curry were willing to fund their portion of the cost of the position. The appropriation would have covered the school districts' share of the cost

AOC ENGAGEMENT

AOC participated in a workgroup on this issue. The Curry County Assessor testified on and advocated for the bill.

MESSAGING

Many rural counties are having difficulty maintaining staffing levels to keep pace with property inspections and are hoping that Curry will serve as a test to understand better the effect on property tax revenue of being able to seek out non-permitted development. Curry County's study indicates that the property tax revenue from the added value would more than offset the cost of the additional position.

FISCAL IMPACT

Curry County has a very low permanent property rate, so the cost would be minimal.

REVENUE IMPACT

Curry County's study indicates that the property tax revenue from the added value would more than offset the cost of the additional position. The schools and special districts would receive the majority of the revenue.

EFFECTIVE DATE

N/A

VOTES

N/A

Gigabit Repeal (+) [HB 2684](#)

Passed

SUMMARY

As part of an incentive to attract high speed internet to the state, the legislature passed SB 611 in 2015. The property tax exemption created exempts the intangible personal property of broadband companies providing symmetrical gigabit service that qualified with statute. Originally Google, Comcast, and Frontier applied for the exemption. Google never developed gigabit infrastructure here, and as part of a settlement with the Department of Revenue, Comcast agreed not to pursue the exemption. Frontier remained as the sole qualifying applicant. HB 2684 repeals the gigabit property tax exemption. It allows Frontier to have one more year (2019-20) of property tax exemption for investments they made in conformance with gigabit statute.

AOC ENGAGEMENT

AOC testified in favor of the repeal.

MESSAGING

This bill will effectively end the gigabit property tax exemption, restoring a revenue source to counties.

FISCAL IMPACT

None

REVENUE IMPACT

Will continue to impact counties that have exemption in place with Frontier Communications for one year.

EFFECTIVE DATE

91 days after adjournment.

VOTES

House Floor: 59-0-1

Senate Floor: 26-2-2

Broadband Support (+) [HB 3061](#)

Passed

SUMMARY

HB 3061 allows county to convey tax foreclosed real property for the purpose of providing broadband service under certain circumstances, and with deed restrictions.

AOC ENGAGEMENT

AOC was the active proponent for the bill on behalf of Klamath County.

MESSAGING

This carve-out bill was vital for economic development for a particular area within Klamath County.

FISCAL IMPACT

Little to none.

REVENUE IMPACT

Little to none (although tax revenues possible from the development allowed).

EFFECTIVE DATE

05/13/2019

VOTES

House Floor: 57-1-2

Senate Floor: 28-0-2

State Centralized TLT Collection Pilot (*No Position*) [HB 3136](#)

Passed

SUMMARY

HB 3136 sets up a pilot program in the Department of Revenue (DOR) to collect Transient Lodging Taxes (TLT) on behalf of local governments.

AOC ENGAGEMENT

AOC staff provided a presentation to the Legislature on county TLTs.

MESSAGING

This bill was part of a suite of bills that were worked on this Session. Of the counties that currently collect TLT, mixed reviews on whether or not a centralized collection system would be beneficial were voiced.

FISCAL IMPACT

Possible fiscal impact. Some counties may benefit from state collection in reducing cost of county administrative efforts.

REVENUE IMPACT

Possible revenue impact. Some counties may net out more revenue by having DOR do collections.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 57-2-1

Senate Floor: 27-0-1-2

Transient Lodging Tax (*No Position*) [HB 3137](#)

Passed

SUMMARY

HB 3137 clarifies that the Transient Lodging Tax (TLT) is due at the time the lodging period ends.

AOC ENGAGEMENT

AOC staff provided an overview of county use of TLT to the Legislature, including collection of the tax.

MESSAGING

This bill provides certainty to counties that collect TLT when the remittance is due to the county. Intermediaries, like Airbnb, were inconsistent in their payments, so HB 3137 is a statutory definition of when TLT payments are due and payable.

FISCAL IMPACT

None

REVENUE IMPACT

Clarifies TLT due date for collection and remittance purposes.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 59-1

Senate Floor: 29-0

Department of Revenue Budget (No Position) [HB 5033](#)

Passed

SUMMARY

This bill is the Department of Revenue (DOR) budget. Importantly to counties, the property tax division budget synopsis is:

- The Property Valuation System information technology project will be reinstated. The DOR stopped work on this project in 17-19 biennium due to the lack of legislatively approved funding and vendor responses to a request for proposal (RFP) whose costs greatly exceeded project estimates.
- The bill increases position funding by 2.57 Full-time Employees. With the funding approved in this package, the legislative expectation is that DOR will hire for all currently vacant positions in the Property Tax Division.

AOC ENGAGEMENT

AOC Staff lobbied for the bill

MESSAGING

Property tax is a major revenue source for county governments. County Assessors work hand-in-hand with the Department of Revenue. DOR centrally assesses large utilities, transportation

facilities and high value industrial properties on behalf of counties. Improving an obsolete property valuation system will increase the efficiency and accuracy of a very complex system. Staffing up the Property Tax Division will increase responsiveness to counties.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 58-0-2

Senate Floor: 26-1-1-2

Resource Land Tax Exemption (No Position) [SB 146](#)

Died in Senate Committee

SUMMARY

SB 146 provides that additional taxes may not be imposed upon disqualification of land from special assessment if land has been acquired by soil and water conservation district or transferred by nonprofit land trust to tax-exempt government transferee.

AOC ENGAGEMENT

AOC participated in a pre-session workgroup on this bill.

MESSAGING

The bill would create a new property tax exemption. Currently, land that is in agricultural or timber property tax deferral pays a much-reduced property tax rate while it is in production. The purpose of the deferral is to keep ag and timberland productive and discourage developing other uses on the land. If the land is taken out of production a substantial property tax penalty is assessed and distributed to counties, schools and taxing districts. The bill would allow resource land to be transferred to SWCD's and nonprofit land trusts without penalty.

FISCAL IMPACT

None.

REVENUE IMPACT

Indeterminate.

EFFECTIVE DATE

N/A

VOTES

N/A

Permissive Property Tax Exemption Extensions for Housing

(No Position) [SB 262](#)

Passed

SUMMARY

SB 262 extends to January 1, 2032, the sunset on a program currently in statute ORS 307.603 which permits cities and counties to grant a property tax exemption for multiple unit rental housing, affecting two different programs, low income, multi-unit rental housing and multi-unit, rental housing in designated areas such as light rail or mass transit areas.

AOC ENGAGEMENT

AOC staff participated in workgroup discussions.

MESSAGING

This permissive program will leave counties with the option to decide whether to provide property tax exemptions to certain housing developments, retaining a resource for counties to assist in creating affordable housing for their residents.

FISCAL IMPACT

None.

REVENUE IMPACT

There are currently existing property tax exemptions. The bill extends the sunset dates.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 57-0-3

Senate Floor: 26-0-4-0

General Government

FIX BILLS

Technical Fixes to Pay Equity [\(+\)](#) [SB 123](#)

Passed

SUMMARY

Technical and other improvements to Oregon's new pay equity law.

AOC ENGAGEMENT

AOC Legal Counsel served on the Rules Advisory Committee (RAC) at the Bureau of Labor and Industries (BOLI) for implementation of the new law. A number of clarifications and fixes have

been addressed by administrative rules. However, some technical issues required statutory fixes, which this bill largely accomplished. There will likely be more fixes needed as implementation proceeds.

MESSAGING

Technical changes made to Oregon's pay equity law through SB 123 will help employers implement the intent of the law.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 59-0-1

Senate Floor: 27-2-1

IGAs

Law Library Intergovernmental Agreements [\(+\)](#) [SB 858](#)

Died in Senate Committee

SUMMARY

AOC supported the effort to allow counties to contract with the Oregon Judicial Department to provide law library services, similar to an effort that Multnomah County passed last session for the new courthouse. The bill drew opposition from the Oregon Library Association. A workgroup will be formed during the interim to bring back a consensus bill in 2021.

AOC ENGAGEMENT

AOC supported the bill. AOC legislative affairs manager testified in committee and will assist with leading a workgroup during the interim.

MESSAGING

Counties have generally attempted to push the Legislature to allow flexibility in the use of county law library funds, however, this attempt did not have agreement from all counties due to other non-related political factors.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

LIABILITY

Mass Gathering Liability Fix (+) [SB 696](#)

Passed

SUMMARY

SB 696 ties the maximum insurance requirements for outdoor mass gathering permits to the limits of the Oregon Tort Claims Act.

AOC ENGAGEMENT

This bill was drafted and introduced at the request of AOC, after the statutory deficiency was pointed out to AOC by Jackson County.

MESSAGING

This fixes an oversight from over a decade ago, which created a growing delta of potential liability to counties. The bill eliminated that growing delta.

FISCAL IMPACT

None, other than potential avoided liability.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 57-3

Senate Floor: 30

Creation of Private Attorney General (-) [SB 750](#)

Died in Joint Committee

SUMMARY

The bill would have allowed private attorneys to bring action in the name of the state to recover civil penalties for violation of Bureau of Labor and Industries (BOLI) laws and rules (i.e., private attorney general).

AOC ENGAGEMENT

AOC actively opposed the bill.

MESSAGING

This bill would have created a feeding frenzy among private trial lawyers in search of causes of action and deep pockets.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Shooting Range Liability (*Neutral*) [SB 1040](#)

Died in House Committee

SUMMARY

This bill attempted to address concerns raised by citizens of Keizer about stray bullets crossing the Willamette River from an ad hoc shooting range in a quarry in Polk County. In its original form, this bill would have, among other things, imposed liability on counties for failing to adequately regulate that which state law prohibits counties from regulating, and, in doing so, carving out an exemption from discretionary immunity in the Oregon Tort Claims Act. As amended, the bill narrowed its focus to enhancing liability for shooters, and for landowners with knowledge of stray bullets that fail to act.

AOC ENGAGEMENT

AOC Legal Counsel crafted the amended bill, which removed county liability. The amended bill passed the Senate but failed in the House.

MESSAGING

Carving out any exception to discretionary immunity is a very dangerous precedent and will be opposed by AOC.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

None.

VOTES

House Floor: N/A

Senate Floor: 24-4-2

LITIGATION

MERS Protection ~~(-)~~ [SB 380](#)

Died in House Committee

SUMMARY

SB 380 would have prohibited counties from suing for damages and injunctive relief due to the Mortgage Electronic Registration System, better known as MERS.

AOC ENGAGEMENT

AOC was actively engaged in opposing this bill, through testimony and otherwise.

MESSAGING

Created in 1995 by the mortgage banking industry, MERS served to process trust deeds sold on a secondary market, creating a process to circumvent county recording legal requirements and fees. In 2012, Multnomah County filed a lawsuit against MERS for failed recording of transfer of trust deeds. This lawsuit was settled Multnomah County's favor in 2017. In 2016, following in Multnomah County's footsteps, 11 Oregon Counties filed an additional lawsuit over unpaid recording fees. Two additional counties later joined the lawsuit. This bill was meant to keep counties from recouping the costs that have been taken from them in the recording process through creation of MERS.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: 28-0-2

MARIJUANA

Federal Farm Bill Hemp Regulation (-) [HB 2740](#)

Died in Joint Committee

SUMMARY

This bill purported to amend the Oregon hemp law to comply with the 2018 federal Farm Bill. However, the bill would have done just the opposite. It would have put Oregon out of compliance with the 2014 federal Farm Bill and exacerbated the problem of leakage- a term used to describe illegal interstate transport of marijuana in high tetrahydrocannabinol (often abbreviated as THC) hemp products.

AOC ENGAGEMENT

AOC Legal Counsel worked with other stakeholders to craft amendments to the bill. Ultimately, it was an example of the cart before the horse. A better bill in 2020 is likely, after the Food and Drug Administration issues its rules under the 2018 federal Farm Bill, AOC will be involved in development of the language to ensure a positive impact for counties.

MESSAGING

AOC is involved in drug policy and advocates for compliance with the federal government. This bill would have put Oregon out of compliance with the federal Farm Bill and perpetuated a large challenge, AOC is working on solutions for.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Shared State Marijuana Revenue (+) [HB 3067](#)

Passed

SUMMARY

Permits cities and counties to annually certify that they are eligible for shared state marijuana tax revenues, rather than quarterly, removing additional administrative burdens from counties.

AOC ENGAGEMENT

AOC Legal Counsel testified on the bill on behalf of AOC members in both chambers.

MESSAGING

This simple legislative fix relieves counties of additional administrative burdens in order to receive shared state marijuana tax revenues.

FISCAL IMPACT

None.

REVENUE IMPACT

None, but should save time.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 59-0-1

Senate Floor: 27-2-1

Temporary Marijuana Licensing Moratorium (+) [SB 218](#)

Passed

SUMMARY

In the face of massive overproduction of marijuana, SB 218 bill authorizes the Oregon Liquor Control Commission to stop issuing new licenses for marijuana production. This law will sunset in 2022.

AOC ENGAGEMENT

AOC was one of the primary entities to assist the governor's office in getting the bill enacted.

MESSAGING

This is an important, but temporary piece, in addressing the massive overproduction of marijuana in Oregon, which poses the greatest threat of federal intervention.

FISCAL IMPACT

Little to none.

REVENUE IMPACT

Little to none.

EFFECTIVE DATE

06/17/2019

VOTES

House Floor: 39-18-3

Senate Floor: 18-10-1

Attack on Local Control: SDCs (-) [SB 365](#)

Passed

SUMMARY

Prohibits counties from imposing transportation systems development charges (SDCs) on new marijuana production facilities in exclusive farm use (EFU) zones.

AOC ENGAGEMENT

This bill was primarily introduced on behalf of the Oregon Farm Bureau, and targeted Deschutes County. AOC and Deschutes County were the primary opponents.

MESSAGING

This bill was an assault on local control options for marijuana production facilities in EFU zones.

FISCAL IMPACT

Only to Deschutes County.

REVENUE IMPACT

None

EFFECTIVE DATE

06/7/2019

VOTES

House Floor: 40-19-1

Preparation for Interstate Commerce (+) [SB 582](#)

Passed

SUMMARY

SB 582 permits the Governor to enter into compacts with other states for interstate commerce in marijuana items, once the federal government paves the way for such interstate commerce.

AOC ENGAGEMENT

The bill was a work group product and was crafted by AOC Legal Counsel.

MESSAGING

This is an important avenue to divert marijuana items from the black market but requires federal permission as a prerequisite.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 43-16-1

Senate Floor: 19-9-2

PUBLIC RECORDS

Public Records Advisory Council Continuation (+) [HB 2430](#)

Passed

SUMMARY

HB 2430 repeals the sunset date of the Public Records Advisory Council.

AOC ENGAGEMENT

AOC was directly involved in supporting this bill.

MESSAGING

The Council has proven to be a great resource in resolving differences among stakeholders regarding public records legislation and other related issues.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 59-1

Senate Floor: 28-0

Health Care and Human Services

DRUGS

Opioid Epidemic Solutions (+) [HB 2257](#)

Passed

SUMMARY

This is the primary bill introduced on behalf of the Governor's Opioid Epidemic Task Force. Among other things, HB 2257 declares substance abuse as a chronic illness, directs the study of continuity of care for inmates, begins the process of requiring accreditation for treatment providers, prohibits public insurance from requiring prior authorization for first 30 days of treatment, and targets additional funding for treatment access for pregnant persons in pilot counties. See also SB 910.

AOC ENGAGEMENT

The policies in this bill were supported by the Governor's Opioid Epidemic Task Force, upon which AOC Legal Counsel serves. See also SB 910.

MESSAGING

The opioid epidemic is strong in Oregon, and counties have made it a priority to help with the statewide effort to combat opioid abuse and dependency. This bill takes a step toward just that by providing safeguards and sideboards to help those in need of treatment.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

07/23/2019

VOTES

House Floor: 45-12-3

Senate Floor: 27-2-1

Access to Pseudoephedrine (+) [HB 2303](#)

Died on House Floor

SUMMARY

This bill was designed to expand consumer access to the nasal decongestant pseudoephedrine, which is also the prime ingredient used in local toxic meth labs. As introduced and passed by the House, this bill would have posed unacceptable risks of a resurgence of local toxic meth labs. As modified and passed by the Senate, the bill would have expanded access without posing such risks, by making pseudoephedrine a formulary drug that could be prescribed and dispensed by any pharmacist. However, the bill died on the House floor at the end of session due to lack of concurrence.

AOC ENGAGEMENT

AOC Legal Counsel was one of the primary witnesses to testify in opposition to the House version of the bill. AOC Legal Counsel crafted amendments to modify the bill in the Senate to a version AOC members supported.

MESSAGING

AOC supports reasonable policy around access to prescription drugs. The amended version of this bill would have carefully positioned pseudoephedrine to be more accessible, with sideboards to protect Oregon communities.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: NA **voted on a different version of the bill.

Senate Floor: 25-5

Statewide Drug Takeback Program [\(+\)](#) [HB 3273](#)

Passed

SUMMARY

HB 3273 creates a statewide drug takeback program, including kiosks in pharmacies, as well as a mail-in option. DEQ will administer the program, paid for by the pharmaceutical industry. See also HB 3273 in “legislative wins” section for more details.

AOC ENGAGEMENT

AOC Legal Counsel worked with Representative Schouten and others for a number of years on the bill. AOC Legal Counsel was the primary drafter of the bill

MESSAGING

This bill provided a mechanism for a statewide drug takeback program to occur, while protecting individual county ordinances, and keeping residents safe.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days after adjournment.

VOTES

House Floor: 56-3-1

Senate Floor: 27-2-1

INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

Department of Human Services (DHS) Budget Bill **(+)** [HB 5026](#)

Passed

SUMMARY

HB 5026 is the budget bill for the Department of Human Services (DHS). DHS's budget can be divided into five distinct programs areas; Child Welfare (CW), Self Sufficiency Programs (SS), Vocational Rehabilitation (VR), Aging and People with Disabilities (APD), and Intellectual and Developmental Disabilities (IDD). The DHS budget is comprised of \$12.4 billion total funds (\$3.8 billion general fund) and includes 9,284 full-time equivalent (FTE). This is a 6.1 percent total funds increase from the 2017-19 Legislatively Approved Budget and a 0.3 percent increase from the current service level. For general fund, this budget is a 19.7 percent increase from the 2017-19 Legislatively Approved Budget and a 3.2 percent increase from the current service level. With respect to FTE, the budget represents a 7.8 percent increase from the 2017-19 Legislatively Approved Budget and a 2.2 percent increase from current service level.

For IDD, there is a \$3.1 billion total funds budget, which is 13.5 percent higher than the 2017-19 Legislatively Approved Budget.

Highlights of the DHS budget related to housing, behavioral health and IDD include:

- \$10.5 million to the Housing and Community Services Department (OHCS) for a Temporary Assistance to Needy Families (TANF) housing pilot. Organizations will apply for grant funds through a competitive process and pair those dollars with funds from similar programs toward extending the time for families receiving TANF to receive housing assistance under HB 2032.
- \$7.5 million of behavioral health investments connected to SB 1 and recommendations made by the workgroup on children and youth with specialized needs. The first investment is a \$4 million general fund appropriation to the emergency board to help increase capacity for non-Medicaid, in-home services under Family First Prevention Services Act (FFPSA). The second investment is a \$3.5 million general fund appropriation (\$8.5 million total funds) to pay for therapeutic foster care home recruitment, training, and support.
- \$13 million general fund for Community Developmental Disabilities Program (CDDPs) and Support Services Brokerages (\$22.9 million total funds), to add 149.55 FTE under a newly updated workload model that captures complex case management activities and efforts required to use a new assessment tool, the Oregon Needs Assessment. While the funding package is \$10 million general fund below the agency's request for model funding, the new budget level does represent a 20 percent increase over the current biennium.
- \$4.9 million general fund investment (\$10.5 million total funds) to enhance foster care services, including development of small group home settings for foster youth. This package is related to SB 1, which contains recommendations made by the interim workgroup on children and youth with specialized needs.

AOC ENGAGEMENT

AOC staff worked for improvements in IDD case rate funding and long-term financial investments in IDD workforce. AOC partnered with AOCMHP to align advocacy efforts for IDD funding.

MESSAGING

This budget package provides stable funding for services critical to Oregon's most vulnerable populations.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 50-5-5

Senate Floor: 28-0-2-1

Developmental Disabilities Services (+) [SB 20](#)

Passed

SUMMARY

SB 20 consolidates eligibility for services to children and adults with developmental disabilities and provides a more uniform access by eliminating the definition of 'adult' and referring, instead to 'individuals.' It also modifies other definitions, including definitions of 'self-determination' and 'community living setting.' Finally, it requires DHS to use case management entities and to contract with support service brokerages and with each community developmental disabilities program concerning the provision of services.

AOC ENGAGEMENT

AOC coordinated efforts with Association of Oregon Community Mental Health Programs to support the bill.

MESSAGING

There is an important ongoing effort for County Developmental Disabilities Programs (CDDPs) to be aligned with non-county IDD Brokerage programs that serve similar populations. This bill supports that process.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 58-0-2

Senate Floor: 29-0-1

MENTAL HEALTH

Creation of Four Peer Run Regional Respite Centers for Mental Health [\(+\)](#) [HB 2831](#)

Died in Ways and Means

SUMMARY

HB 2831 would have provided funding for peer-run mental health organizations in four regions across the state: the Portland metropolitan area, southern Oregon, eastern Oregon, and central Oregon. These respite centers would provide services to individuals with mental illness who experience acute distress, anxiety, or emotional pain.

AOC ENGAGEMENT

AOC testified in favor of the bill as an important new approach to the delivery of mental health services. AOC worked on promoting more awareness among legislators about the proven track record of peer services in the arenas of mental health and addictions.

MESSAGING

Peer-run centers offer an effective resource for local law enforcement and judges who are currently strapped for resources. This approach can serve as an alternate to the dysfunctional cycle of arrest, incarceration, and/or short-term treatment at the Oregon State Hospital.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: N/A

Fund for Student Success: 2019 Revenue Bill *(No Position)* [HB 3427](#)

Passed

SUMMARY

HB 3427 establishes the Fund for Student Success (FSS) and would raise \$1.6 billion of new funds in 2019-21 biennium. Under the bill, three separate accounts are established within the FSS: 1. the Student Investment Account (SIA); 2. the Early Learning Account (ELA), and 3. the Statewide Education Initiatives Account (SEIA).

SIA grants will be distributed to school districts and eligible charter schools to improve academic achievement, including specific allocations for mental health services. The estimated new revenue that will be deposited into the SIA is approximately \$475 million.

AOC ENGAGEMENT

AOC did not take a position on the bill.

MESSAGING

HB 3427 dedicates significant new revenue in the SIA fund that can be used by local school districts (if they choose) for mental health services. AOC supports local collaboration between school districts and community mental health programs to align and build upon existing mental health services to better serve children's needs.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

91 days after adjournment.

VOTES

House Floor: 37-21-2

Senate Floor: 18-11-1

Lottery Allocations and Oregon Marijuana Account (+) [HB 5029](#)

Passed

Summary

HB 5029 allocates net lottery revenue dollars.

- \$14.6 million for the 2019-21 biennium Gambling Addiction Prevention and Treatment (the 1999 Legislature statutorily dedicated one percent of net lottery proceeds to be transferred to the Oregon Health Authority (OHA) to fund gambling addiction programs in the state).
- \$3.8 million for the 2019-21 biennium for county fair programs.
- \$20.6 million lottery funds from the Veterans' Services Fund; the Oregon Constitution requires that 1.5 percent of net lottery proceeds be distributed to the Veterans' Services Fund, to be administered by the Oregon Department of Veterans Affairs (ODVA); This total includes \$11.9 million for veterans' services provided by ODVA, \$7.2 million for county

veteran service officers, \$477,354 for National Service Organizations, and \$1 million for a veterans' affordable housing project in Salem.

- \$3.9 million Lottery Funds for the Regional Solutions Program. Half of this funding will come from a reduction in the net video lottery proceeds that are distributed to counties for economic development.
- \$250,000 from the Veterans' Services Fund for BOLI to develop and administer an outreach program to inform National Guard and reserve members and veterans about trade careers and apprenticeship opportunities.
- \$555,000 for the Criminal Justice Commission from the Veterans' Services Fund for veterans' specialty courts.
- \$2.5 million for OHA from the Veterans' Services Fund for veterans' behavioral health services.
- \$50.2 million for county economic development under ORS 461.547; this amount is equal to 2.5 percent of the amount of net video lottery proceeds projected in the May 2019 revenue forecast, minus one-half of the allocation to the Office of the Governor for the Regional Solutions Program.

HB 5029 also makes Oregon Marijuana Account allocations. Net revenues from state Marijuana taxes, after payment of administrative and enforcement expenses, are deposited into the Oregon Marijuana Account. This account is split as follows:

- 10 percent to cities;
- 10 percent to counties;
- 40 percent to the State School Fund;
- 20 percent to the Mental Health Alcoholism and Drug Services Account;
- 15 percent to the State Police Account; and
- Five percent to alcohol and drug abuse prevention, early intervention and treatment services.

The revenue forecast for the Oregon Marijuana Account for the 2019-21 biennium totals \$252.2 million. This amount is equal to the amount in the May 2019 revenue forecast from the DAS Office of Economic Analysis. Based on this forecast, the Department of Revenue will distribute:

- \$44.7 million to cities and counties (\$22.35 million each);
- \$103.7 million to the State School Fund;
- \$51.9 million to the Mental Health Alcoholism and Drug Services Account;
- \$38.9 million to the State Police Account; and
- \$13 million to alcohol and drug abuse prevention, early intervention and treatment services.

AOC ENGAGEMENT

AOC worked on a variety of funding components in the bill, including efforts to ensure that there would be stable funding for County Veterans Services Officers using lottery dollars. A panel comprised of a County Commissioners and County Veteran Service Officers testified in favor of maintaining the increased level of state funding for CVSOs that were made in the 2017 Session.

AOC also supported funding provisions in the bill for veterans' specialty treatment courts, stable funding for mental health programs connected to Marijuana tax revenue and veterans' behavioral health investments within OHA.

MESSAGING

HB 5029 provides funding for services critical to counties.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 56-4

Senate Floor: 28-2

Children's Mental Health Funding (+) [SB 1](#)

Passed

SUMMARY

SB 1 is a product of the workgroup on children and youth with specialized needs, formed in January of 2018 by the Governor, the President of the Senate, and the Chief Justice of the Supreme Court. This workgroup was focused on addressing the unique challenges faced by children with distinctive mental or behavioral health needs. SB 1 establishes a System of Care Advisory Council to improve the effectiveness and efficacy of state and local systems of care that provide services to youth. The measure directs the council to develop and maintain a comprehensive, long-range plan for a coordinated system of care that encompasses public health, health systems, child welfare, education, juvenile justice, and services and supports for mental and behavioral health and people with intellectual or developmental disabilities. Funding set at \$8.5 of general funds and \$1.9 million federal funds for the 2019-21 biennium.

AOC ENGAGEMENT

AOC worked with key leaders of workgroup effort to help align future investments as part of a comprehensive system of youth and young adult mental health services including Local Mental Health Authorities, CCO, and the provider community.

MESSAGING

It is important to track how the new investments of SB 1 will align and expand existing funding levels for Community Mental Health Programs (CMHPs). With possible cuts to the CMHPs related to the civil commitment caseload model approach as part of the OHA budget (\$9 million of funding still in jeopardy), the new investments of SB 1 could result in a "funding shift" that yields little new funding for mental health services.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 52-7

Senate Floor: 27-1-1

Fitness to Proceed Mental Health Hearings Process (+) [SB 24](#)

Passed

SUMMARY

SB 24 makes changes to the fitness to proceed processes delineated in ORS 161.365 and ORS 161.370. It requires courts to consider ordering rehabilitation services in the least restrictive setting possible or, when appropriate, finding of an alternative disposition for a defendant who does not require a hospital level of care. It also prohibits the commitment to the Oregon State Hospital (OSH) of persons charged with violations and only allows for the commitment to the OSH of persons who have committed misdemeanors when a hospital level of care is found to be necessary by the court. Finally, it requires review hearings where the court must consider alternative placements and dispositions at seven-day intervals for any individual found to be unfit and placed in custody while awaiting services at the OSH or in the community.

AOC ENGAGEMENT

AOC was part of workgroup that created numerous amendments to the bill during the Session.

MESSAGING

The challenge of a quickly growing aid and assist population at the OSH must be addressed in a systematic fashion, and not by simply increasing the number of available OSH beds. With a cost of approximately \$30,000 per month at OSH and the reality that these are all general fund dollars, the state must help expand new community-based aid and assist treatment options that can be matched with federal Medicaid dollars (approximate a 60-40 match rate).

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/15/2019

VOTES

House Floor: 58-0-2

Senate Floor: 26-1-3

Creation of the IMPACTS Program (+) [SB 973](#)

Passed

SUMMARY

SB 973 creates the Improving People's Access to Community-based Treatment, Supports, and Services (IMPACTS) program. This program is closely modeled after the successful Justice Reinvestment Initiative (JRI), passed in 2013 to invest locally in cost-efficient and effective county programs that reduce recidivism and reduce costs to the overall justice system.

IMPACTS, like JRI, will be housed in the Criminal Justice Commission (CJC). Grants will be administered under the direction of a 19-member grant review committee and be provided to a small selection of counties, tribal nations, and regional consortiums. The grant resources must be used to build a stronger and more comprehensive system of community supports and services for individuals with mental health and/or substance use disorders who are at risk of involvement with the criminal justice system (jails), emergency rooms, and institutions, including the Oregon State Hospital. This program is designed as a separate and additional resource from the original Justice Reinvestment program. \$10.6 million is allocated under the bill for this grant program.

AOC ENGAGEMENT

Two Commissioners were part of a six-month behavioral health justice reinvestment steering committee that worked to help draft the bill. This 28-member taskforce was chaired by the director of the Oregon Health Authority and the Marion County Sheriff.

AOC staff and Commissioners worked closely with the Criminal Justice Commission, staff from Council of State Government and a co chair of Ways and Means.

MESSAGING

IMPACTS allows for local investments in cost-efficient and effective local programs that support stronger and more comprehensive system of community services for individuals with mental health and/or substance use disorders who are at risk of involvement with the criminal justice system (jails), emergency rooms, and institutions.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/15/2019

VOTES

House Floor: 56-1-3
Senate Floor: 28-0-1

PUBLIC HEALTH

Hospital Assessments and Insurance Premium Assessments to Provide Oregon Health Plan Funding *(No Position)* [HB 2010](#)

Passed

SUMMARY

HB 2010 extends the sunset on the Oregon Reinsurance Program (ORP) administered by the Department of Consumer and Business Services (DCBS) from January 2, 2024 to January 2, 2028; increases the assessment paid by commercial insurers, the Oregon Public Employees' Benefits Board (PEBB), and coordinated care organizations (CCO) from 1.5 percent to two percent for the period from January 1, 2020 to December 31, 2026; expands the two percent assessment on premiums to include stop-loss insurance; specifies that the two percent assessment paid by PEBB shall be excluded in determining the 3.4 percent annual increase in per-member expenditures for health services; and extends the sunset on hospital assessments from September 30, 2021 to September 30, 2025.

AOC ENGAGEMENT

AOC tracked this bill but did not take a formal position.

MESSAGING

While AOC did not weigh in on HB 2010, it did take a position on another bill to achieve sustainable funding for the Oregon Health Plan, HB 2270.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 44-15-1
Senate Floor: 23-7

Coordination of Local Public Health Planning Efforts Among Counties, CCOs, and Hospitals *(+)* [HB 2267](#)

Passed

SUMMARY

HB 2267 makes significant legislative changes reflective of the policy recommendations from the Oregon Health Policy Board (OHPB) in advance of the new Coordinated Care Organization (CCO) contracts. Awards for the CCO contracts are expected to be announced in July 2019.

For counties, the bill will create better alignment between local public health planning efforts and the work of CCOs, specifically requiring a community health assessment and adoption of a community health plan created collaboratively by CCOs, local public health authorities, and hospitals within the CCO region.

The bill also authorizes Oregon Health Authority (OHA) to administer the reinsurance program for CCOs; strengthens engagement between CCOs and tribes by creating a Tribal Advisory Council and requiring CCOs to have a tribal liaison; and expands the role of consumers on CCO consumer advisory councils.

AOC ENGAGEMENT

Prior to and during the Session, AOC staff has advocated for more collaboration among state, county, and local partners on integrated community planning efforts for both public health and mental health. HB 2267 was a significant step forward to align and integrate public health planning. AOC was unsuccessful in adding similar language to guide the planning efforts of Local Mental Health Authorities (LMHAs) and Coordinated Care Organizations (CCOs).

MESSAGING

Statute requires LMHAs and CCOs to adopt written agreements to address key aspects of local mental health system delivery. HB 2267 provides a pathway for OHA to support stronger and more collaborative planning efforts between counties and their individual CCOs.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 56-3-1

Senate Floor: 28-1

Increased Tobacco Tax and Creation of New Taxes on E-Cigarettes (+) [HB 2270](#)

Passed

SUMMARY

HB 2270 refers a proposed statutory change to the voters in November 2020 election to increase the cigarette distribution tax, impose a cigarette floor tax, increase the cap on the cigar

tax, and impose a tax on inhalant delivery systems. The bill would increase the current retail tobacco taxes by \$2.00 per pack (from \$1.33 to \$3.33) and also create new taxes for e-cigarettes. New revenue under the measure would be dedicated to funding the Oregon Health Plan (OHP) and tobacco prevention and cessation programs. Estimated revenue in the 2019-21 biennium is approximately \$112 million. In 2021-23, the new estimated revenue is approximately \$340 million that will help support six years of stable funding for OHP, and in particular, the provision of health insurance for the 400,000 Oregonians who have gone on OHP since 2014.

AOC ENGAGEMENT

AOC provided testimony in support of the bill in both the Joint Committee on Ways and Means Human Services Subcommittee and the House Revenue Committee.

MESSAGING

The bill advances an important public health policy effort to reduce tobacco consumption (especially for youth) and is also critically important for providing a new revenue source to stabilize long term funding for OHP. Approximately one million Oregonians rely on Medicaid and the percentage of the population on OHP is especially high in much of rural Oregon, where 11 counties have percentages exceeding 30 percent. For example, this number is 35 percent for Malheur County, 36 percent for Josephine County, and 38 percent for Jefferson County.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

Referred to November 2020 ballot; if passed by voters the effective date will be December 3, 2020.

VOTES

House Floor: 39-21

Senate Floor: 18-8-2-2

Removal of Religious and Personal Exemptions for Vaccination (+) [HB 3063](#)

Died in Senate Health Care

SUMMARY

HB 3063 eliminates the nonmedical exemption from Oregon's school immunization law and will no longer allow for philosophical or religious exemptions. The bill would still allow a medical exemption, if documented by a medical provider.

AOC ENGAGEMENT

AOC testified on multiple occasions in support of the bill and also signed onto floor letters in support of the bill.

MESSAGING

In Oregon, 7.5 percent of children in kindergarten are unvaccinated or not fully vaccinated. Oregon has pockets of severely undervaccinated communities in Josephine, Jackson, and Multnomah Counties. This bill would have provided broader coverage of vaccines to Oregonians, decreasing chance of infectious disease outbreaks.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor: 35-25

Senate Floor: N/A

Public Drinking Water Systems (+) [SB 27](#)

Passed

SUMMARY

SB 27 authorizes the Oregon Health Authority (OHA) to adopt by rule a schedule of regulatory fees assessed on water suppliers to defray the costs of surveying, inspecting, and regulating public drinking water systems in Oregon. The bill requires that fee schedules be graduated based on the size and type of water system and also limits fee increases to no more than once per calendar year.

AOC ENGAGEMENT

AOC was part of discussions with the state public health division staff and other stakeholders about the best way to allocate costs.

MESSAGING

With ongoing population growth and aging infrastructure for water systems, Oregon will need to make investments in water quality monitoring and testing capacity.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 39-20-1

Senate Floor: 18-11

Transfer of Local Public Health Authority Function Between Counties and the State **(+)** [SB 253](#)

Passed

SUMMARY

SB 253 details the process by which a Local Public Health Authority (LPHA) can relinquish and later regain its role under statute. When a county decides to rescind its LPHA function, the state will step into this role until a county seeks transfer of the LPHA back from the state. A county can seek to regain its LPHA role after a minimum period of four years after it has relinquished this role, unless the Oregon Health Authority (OHA) agrees to a shorter timeline.

AOC ENGAGEMENT

AOC staff worked on amendments to ensure that both the initial transfer of a LPHA to the state and the likely transfer back to a county are clear and well-designed processes in the statute.

MESSAGING

In the long term, both OHA and AOC have agreed that the LPHA function is best administered by counties and not the state. While there are situations where a county might choose to relinquish its role as a LPHA, there should always be a clear and straightforward way for counties to regain their LPHA, and SB 253 allows for that process to occur.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

06/11/2019

VOTES

House Floor: 53-3-4

Senate Floor: 24-5-1

Voluntary Statewide Newborn Nurse Home Visiting Program

(+) [SB 526](#)

Passed

SUMMARY

SB 526 directs the Oregon Health Authority (OHA) to design, implement, and maintain a voluntary statewide program to provide universal newborn nurse home visiting services to all families with newborns residing in Oregon. It requires OHA to consult, coordinate, and collaborate with health benefit plan insurers, hospitals, local public health authorities, the Early Learning Division, existing early childhood home visiting programs, community-based organizations, and social service providers in designing the program. The bill also requires OHA to collect and analyze data to assess the effectiveness of the program and mandates that health benefit plans reimburse the costs of universal newborn nurse home visiting services.

AOC ENGAGEMENT

SB 526 is part of AOC's priority list of legislation. AOC advocated for the bill as an important and core function of public health.

MESSAGING

There is clear evidence of improved public health tied to this program. It is also important to note that the program is designed to be universally available to all newborn mothers; it is not a mandatory program and a mother can decide not to receive these services.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 48-11-1

Senate Floor: 22-5-2

Shift in CCO Regulatory Oversight (No Position) [SB 1041](#)

Passed

SUMMARY

SB 1041 authorizes the Oregon Health Authority (OHA) to regulate the financial condition of Coordinated Care Organizations (CCOs) in alignment with the Department of Consumer and Business Services' (DCBS) authority to regulate health insurers. The bill requires OHA to examine every CCO at least once every five years, including a financial audit.

AOC ENGAGEMENT

AOC did not take a position on the bill but is monitoring implementation.

MESSAGING

With the evolution of CCO 2.0 and the award of new long-term contracts between the state and CCOs, a key aspect of improving behavioral health services will be the alignment and coordination

of critical services between CCOs and Local Mental Health Authorities (LMHAs). This includes financing and paying for residential care in the community, Oregon State Hospital services, crisis care, housing, and services provided in county jails. SB 1041 can serve to help align and promote sufficient and efficient funding for these services.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 48-9-3

Senate Floor: 24-5

Oregon Health Authority (OHA) Budget Bill [\(+\)](#) [SB 5525](#)

Passed

SUMMARY

SB 5525 is the budget bill for the Oregon Health Authority (OHA). The OHA budget consists of \$2.7 billion of general funds, \$17.1 million lottery funds, \$7.6 billion of other funds, and \$12.6 billion of federal funds for a total funds budget of \$23.1 billion and 4,200 FTE. The 2019-21 budget represents an increase of 25.4 percent general fund and a total funds increase of 6.0 percent, compared to the 2017-19 Legislatively Approved Budget as of June 2019.

This budget includes:

- \$4.5 million general fund to provide partial biennium support for individuals living in permanent supportive housing units. This funding will help to provide wrap-around supports for people experiencing chronic homelessness, with the remainder transferred to Oregon Housing and Community Services (OHCS) to provide rental assistance. This investment corresponds to the planned construction of 500 new permanent supportive housing units, which are not expected to be completed until the last six months of the 2019-21 biennium.
- \$10 million general fund support public health modernization, in addition to the current funding level of \$5 million, for a total of \$15 million for the 2019-21 biennium. These investments are needed to achieve sustainable and measurable improvements in population health, as well as to strengthen and expand our local public health system, including a focus on communicable disease control and environmental health programs.
- \$4 million to implement SB 526, a voluntary statewide program to provide universal newborn nurse home visiting services to all families with newborns residing in Oregon.
- \$5.5 million of general funds to support local communicable disease outbreak surveillance programs at the current service level. These general funds replace Oregon Medical Marijuana Program (OMMP) revenues which are no longer available to support other public health programs.

- \$16 million general funds to continue mental health funding by restoring dollars previously backfilled by marijuana revenue.
- \$7.6 million general funds for community-based services for aid and assist clients to alleviate the caseload pressure on the Oregon State Hospital,
- \$1.5 million general fund to support the initial stage of OHA's non-Medicaid behavioral health IT system replacement project. The intent of this project is to have a reporting system for behavioral health services which, among other things, will increase the agency's ability to gather data from providers, improve collaboration between agency programs and providers, improve caseload forecasting, and bring the agency current on required state and federal reporting
- \$9.1 million general funds to backfill declining Tobacco Tax and Tobacco Master Settlement Agreement funding to continue community mental health and substance abuse disorder services at their current service level.

AOC ENGAGEMENT

AOC successfully secured funding for public health modernization, newborn home visiting, supportive housing, and additional resources for programs such as aid and assist.

MESSAGING

The key to AOC's successful advocacy was the coordination and alignment of budget priorities of the Association of Oregon Community Mental Health Programs (AOCMHP) in the mental health arena and with CLHO in the public health arena. Various Commissioners helped support this advocacy with both written and in-person testimony.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 41-10-8

Senate Floor: 25-2-3

Opioid Assistance: Medicated Treatment (+) [SB 910](#)

Passed

SUMMARY

Initially introduced at the request of Multnomah County, this bill became the vehicle for additional opioid epidemic priorities, including expanding the availability of naloxone (which reverses opioid overdoses), medication assisted treatment, and use of the prescription drug monitoring program for prescription medications that are not controlled substances, among other things. See also HB 2257.

AOC ENGAGEMENT

Many of the policies in this bill were supported by the Governor's Opioid Epidemic Task Force, upon which AOC Legal Counsel serves. See also HB 2257.

MESSAGING

The opioid epidemic is strong in Oregon, and counties have made it a priority to help with the statewide effort to combat opioid abuse and dependency. This bill takes a step toward just that by providing safeguards and sideboards to help those in need of treatment.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 36-21-3

Senate Floor: 26-3

Housing

Statewide Zoning Change to Allow 'Middle Housing' Development *(No Position)* [HB 2001](#)

Passed

SUMMARY

HB 2001 requires cities with more than 10,000 residents to allow for the development of at least one type of middle housing per lot, in areas zoned for single-family dwellings within their Urban

Growth Boundary (UGB). The term "middle housing" refers to a variety of housing designed to accommodate more occupants than single-family homes, but less than large multifamily complexes, such as duplexes, row houses, cottage clusters, stacked flats, and accessory dwelling units. HB 2001 appropriates \$3.5 million of general funds to the Department of Land Conservation and Development (DLCD) for the purpose of providing technical assistance to local governments to implement middle housing regulations and provide urban services.

AOC ENGAGEMENT

AOC tracked this bill but did not take a formal position.

MESSAGING

This was a controversial bill and there was not a consensus position among Commissioners.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

08/09/2019

VOTES

House Floor: 43-16-1

Senate Floor: 17-9-4

Housing Technical Assistance for Local Government (+) [HB 2228](#)

Died in Ways and Means

SUMMARY

HB 2228 establishes the Local Government Technical Assistance Program within Oregon Housing and Community Services Department (OHCS). The bill appropriates \$2.5 million of the general fund to OHCS and directs OHCS and the Department of Land Conservation and Development (DLCD) to enter into an intergovernmental agreement with AOC and League of Oregon Cities (LOC) for implementation of the program. Aspects of technical assistance to be provided include help with completing a housing needs analysis and a buildable lands inventory; evaluation of financial assessment and incentives; support for project development capacity; convening and engaging local partners; and coordination among multiple state agency partners.

AOC ENGAGEMENT

This bill was one of AOC's priority bills for the Session. Staff worked closely with OCHS and a variety of legislators to build consensus for the program. The main challenge was securing dedicated funding amid a long list of other housing bills. Many commissioners were directly engaged in advocacy efforts with the Joint Committee on Ways and Means co chairs.

MESSAGING

Without technical assistance, counties and cities will very likely not succeed in addressing the housing crisis. Many jurisdictions lack the basic capacity to apply for housing grant programs that are administered by the state. AOC will work in the interim with state agency partners to launch a pilot program to demonstrate the unmet need of local governments for housing technical assistance.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: N/A

Capital Expenditure Limitation Bill [\(+\)](#) [HB 5006](#)

Passed

SUMMARY

HB 5006 provides six-year expenditure limitation for capital construction projects. This includes:

- \$202.3 million of Article XI-Q bonds for:
 - Local Innovation and Fast Track (LIFT) Housing -- \$150 million to acquire, construct, remodel, equip, or furnish real property in which the department will take either an ownership or operational interest to provide affordable housing for low income Oregonians, as well as citizens in historically underserved communities and communities of color. This amount is estimated to provide financing for an estimated 2,168 units.
 - Permanent Supportive Housing -- \$50 million to acquire, construct, remodel, repair, equip, or furnish real property in which the department will take an operational or ownership interest to provide affordable housing that will be combined with tenancy supports and other services for low income citizens with high needs, including persons with disabilities and persons coming out of chronic homelessness. This amount is assumed to provide financing for an estimated 500 units.
- \$173.4 million of Article XI-Q bonds for county courthouse replacement projects contained in HB 5005 and renovation of the Supreme Court Building;
- \$121.5 million of Article XI-M and XI-N bonds for seismic rehabilitation grants to schools and emergency services facilities.

AOC ENGAGEMENT

AOC worked throughout the Session with legislators on the House Human Services Committee to raise awareness on the need for more supportive housing. AOC also provided testimony to the Joint Ways and Means Capital Construction Subcommittee in support of the specific \$50 million allocation for permanent supportive housing. Numerous commissioners testified in favor of funding for local courthouse projects.

MESSAGING

Oregon counties are supportive of efforts to allocate dedicated funding to provide supportive housing, safe facilities, and solutions for vulnerable Oregonians. HB 5006 sets an expenditure limitation for capital construction projects and provides critical funds needed across the state.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 50-5-1-4

Senate Floor: 28-0-2

Issuance of Lottery Revenue Bonds (+) [HB 5030](#)

Passed

SUMMARY

HB 5030 authorizes the issuance of lottery revenue bonds for specified projects. A total of \$273,211,872 of net lottery bond proceeds are authorized to be spent on 37 projects included in HB 5030. Projects related to health and human services include:

- Department of Administrative Services (DAS) Projects
 - \$10 million for City of Roseburg - Southern Oregon Medical Workforce Center
 - \$2 million for Curry Health District - Brookings Emergency Room
 - \$4.1 million Jefferson County - Health and Wellness Center
 - \$2.3 million for Multnomah County School District - Reynolds High School Health Center
 - \$1.4 million for Port of Morrow - Early Learning Center Expansion
 - \$1.6 million for Umatilla County Jail - Expansion for Mental Health Services
 - \$2.5 million for Wallowa Valley Center for Wellness
- Oregon Department of Veterans Affairs (ODVA) Projects
 - \$4 million for YMCA of Marion and Polk Counties - Veterans' Affordable Housing
- Oregon Housing and Community Services (OHCS) Projects
 - \$25 million for Affordable Housing Preservation
 - \$15 million for Affordable Market Rate Housing Acquisition Loan Program

AOC ENGAGEMENT

AOC testified in favor of new OHCS bond investments for affordable housing preservation.

MESSAGING

Without preserving existing housing stock, the state's housing crisis will be exacerbated. New housing creation cannot keep up with demand, much less address a decline in the current availability of housing.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 51-5-4

Senate Floor: 28-0-2

Increased Local Control for Use of Transient Lodging Tax for Housing (+) [SB 595](#)

Died in Senate Finance and Revenue

SUMMARY

SB 595 shifts the percentage of net revenue from the Transient Lodging Tax (TLT) that must be used for tourism from at least 70 to at least 40 percent, to allow up to 30 percent to be used for “workforce housing”, defined as for those with incomes at or below 125 percent of the local median income. The TLT is currently imposed on hotels and motels, spaces for recreational vehicles and tents, and other dwelling units that are occupied overnight or on a temporary basis. It is primarily used to promote tourism and may also be used to fund local services. Currently, at least 70 percent of the net revenue from new or increased TLT must be used to support tourism and up to 30 percent may be used for local services.

AOC ENGAGEMENT

AOC coordinated testimony of three Commissioners before the Senate Finance and Revenue Committee who supported the bill as a new tool to help address local housing challenges.

MESSAGING

The most important aspect of AOC’s advocacy was that bill allows for but does not require local communities to determine how to split TLT revenue to address housing needs. Under the bill, 40 percent of local TLT proceeds must still be used for tourism promotion, but it allows for up to 30 percent to be used for workforce housing.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: N/A

Statewide Renter Protection Bill *(No Position)* [SB 608](#)

Passed

SUMMARY

SB 608 would eliminate the potential for many “no cause” evictions on residential tenancies after the first year of tenancy. It would impose a “for cause” standard on any evictions occurring after 12 months, prohibiting landlords from terminating tenancies without cause except for qualifying reasons. Applies only to landlords owning more than four residential units. The measure would also cap rental rate increases by prohibiting landlords from increasing rent on any tenancy (other than week-to-week tenancies) during any 12-month period in an amount greater than seven percent, plus the consumer price index, above the existing rent. Any landlord raising rent beyond the statutory cap (for which no exception applied) would be liable to the tenant for three month’s rent plus actual damages.

AOC ENGAGEMENT

AOC did not take a position on this bill.

MESSAGING

The bill was controversial and there was not a consensus among Commissioners.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

02/28/2019

VOTES

House Floor: 35-25

Senate Floor: 17-11-2

Oregon Housing and Community Services (OHCS) Budget

Bill (+) [SB 5512](#)

Passed

SUMMARY

SB 5512 is the budget bill for Oregon Housing and Community Services (OHCS). Below is a summary of the new investments in OHCS programs, which collectively total \$336.5 million:

- \$206.5 million to increase the supply of affordable housing
 - \$150 million for the Local Innovation and Fast Track (LIFT) Housing program which provides housing to underserved rural communities and communities of color;
 - \$25 million for preserving existing affordable housing;
 - \$15 million for acquisition of attainable rental market housing;
 - \$15 million connected to HB 2896 and SB 586 to provide additional protections and opportunities for residents of manufactured housing; and

- \$1.5 million to support the Oregon Foreclosure Avoidance program and other homeownership counseling.
- \$70.5 million to address homelessness
 - \$45 million for the Emergency Housing Account (EHA) and the State Homeless Assistance Program (SHAP) to provide assistance to Oregonians who are homeless or unstably housed and at risk of becoming homeless; \$5 million dedicated to strengthening shelter capacity;
 - \$14.5 million of federal Temporary Assistance for Needy Families funds to help families avoid or escape homelessness through partnership with the Department of Human Services; and
 - \$6 million for rental market resources so housing insecure families and individuals can access housing.
- \$54.5 million for permanent supportive housing
 - \$50 million for construction of 500 new units;
 - \$4.5 million for rental assistance and social services in the last quarter of biennium, when units start to come online.
- \$5 million for “Greater Oregon Housing Accelerator” program to help spur workforce housing development; this resource will be strengthened by HB 2056, which will provide \$15 million of the housing development guarantees to lessen the risk for housing developers in rural communities.

AOC ENGAGEMENT

County commissioners have been very involved with OHCS leadership both before and during the 2019 Session. While these efforts largely focused on HB 2228 and the need for housing technical assistance initiative for local government, there was a broad effort among commissioners to help expand resources for OHCS. A county commissioner sits on the OHCS governing body, the Housing Stability Council, which meets monthly.

MESSAGING

Commissioners were engaged in various aspects of this agency budget, including specific efforts to gain funding support for AOC’s priority of a technical assistance program (HB 2228), funding for permanent supportive housing, workforce housing programs, and securing capital funds to ensure preservation of existing housing stock and new affordable housing, each item critical to addressing the current housing crisis.

FISCAL IMPACT

N/A

REVENUE IMPACT

N/A

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 48-4-7

Senate Floor: 23-7-3

Land Use

HOUSING

Extension for Farm and Forest Dwellings (+) [HB 2106](#)

Passed

SUMMARY

HB 2106 does several things, but importantly for AOC members, an amendment added late in the Session, created an extension period for permits to build dwellings on agricultural or forest lands outside of urban growth boundaries. It would allow counties to approve up to five additional one-year extensions for a proposed residential development. AOC supported this amendment, and the bill passed easily through both chambers.

AOC ENGAGEMENT

AOC staff monitored this bill.

MESSAGING

Housing is a top priority for AOC members. This bill allows property owners to be in control of their own circumstances when adding a dwelling on farm or forest zoned land.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

06/20/2019

VOTES

House Floor: 59-0-1

Senate Floor: 26-0-3

Changes to Template Dwelling Process (-) [HB 2225](#)

Passed

SUMMARY

HB 2225 addresses forest template dwellings and perceived "gaming" of the template dwelling law by defining the "center of the tract," adding requirements for an allowable forest template dwelling, and staggering the implementation date for counties over three biennia. AOC opposed this bill in its original form, and it was amended significantly at several points during the Session. The final version allows for an additional template dwelling under certain conditions until November 1, 2023. The bill takes effect in Lane, Jackson, Polk, and Clackamas in January

2020. For Columbia, Coos, Curry, Deschutes, Douglas, Josephine, Linn, Marion, Washington, and Yamhill counties, the effective date of the bill is after January 1, 2021.

AOC ENGAGEMENT

AOC staff monitored this bill.

MESSAGING

AOC supports legislation allows counties to have the flexibility to address housing availability.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/20/2019

VOTES

House Floor: 38-21-1

Senate Floor: 17-9-3

Removing Cranberries from High-Value Farm Crop Test (+) [HB 2573](#)

Passed

SUMMARY

Cranberries have experienced a very depressed market over the past decade. In order for a single dwelling to be built on high-value farmland, the farmer must earn \$40,000 in gross annual revenue. HB 2573 removes cranberry bogs from the farm income standard needed to qualify to build a dwelling. As cranberry farms are prevalent in Coos and Curry counties, this bill will have greatest impact in their communities. AOC supported this bill, which easily passed both chambers.

AOC ENGAGEMENT

AOC supported the bill.

MESSAGING

Agriculture is an economic driver in southern Oregon counties. Unfortunately, in a tough market, some farmers are not able to meet the income threshold required to build a dwelling on their land. This bill provides a solution and allows flexibility for cranberry farmers to build dwellings.

FISCAL IMPACT

Minimal

REVENUE IMPACT

Minimal

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 58-0-2

Senate Floor: 28-0-2

Permitting of Rural Accessory Dwelling Units (+) [SB 88](#)

Died in Joint Committee

SUMMARY

SB 88 was the product of a year-long workgroup to develop legislation granting counties the authority to approve Accessory Dwelling Units (ADUs) in rural residential zones. Although the bill successfully passed out of the Senate Environment and Natural Resources Committee, it did not make it through the ways and means process. The main point of opposition came from advocacy groups concerned about adding more structures in high-risk fire areas, particularly without statewide mapping first being done to identify the most extreme fire risk areas. AOC expects to identify any shortcomings in the legislation and reintroduce the bill, as early as the 2020 short session.

AOC ENGAGEMENT

AOC participated in a workgroup on ADUs.

MESSAGING

Allowing ADUs in rural development zones would have provided a helpful tool to rural Oregon counties, where so few are available due to the current land use laws.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

LAND USE FLEXIBILITY

Small-Scale Farm Product Processing (No Position) [HB 2844](#)

Passed

SUMMARY

HB 2844 requires counties to allow processing without siting standards if a farm processing operation uses less than 2,500 square feet for its processing area. Facilities over 2,500 square feet but less than 10,000 square feet still must comply with siting standards, but a county cannot apply the siting standards in a way that result in the facility being denied.

AOC ENGAGEMENT

AOC monitored this legislation.

MESSAGING

Allows landowners additional ability to process farm products on their farm.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

Minimal.

EFFECTIVE DATE

01/01/2019

VOTES

House Floor: 37-22-1

Senate Floor: 26-2-2

Eastern Oregon Land Use (+) SB 2

Passed

SUMMARY

SB 2 was developed via an interim workgroup led by Senate President Courtney's office, all major land use stakeholders participated. The bill allows 10 Eastern Oregon counties to perform an economic opportunity analysis on areas outside of the urban growth boundary and, if areas ripe for industrial or employment be identified, allows those counties to add up to 50 acres and 10 sites without undertaking the Goal III or IV of the exception process. \$500,000 was appropriated to AOC to pass through funds to participating counties; however, the funds were later line-item vetoed by Governor Kate Brown, who said she supports the legislation but wants the Department of Land Conservation and Development to control the money and process.

AOC ENGAGEMENT

This bill was an AOC priority. AOC and Harney County Commissioner Mark Owens testified in support, and AOC received \$500,000 in general fund dollars to help eastern Oregon counties implement.

MESSAGING

While the economic challenges in eastern Oregon are multifaceted, Oregon's cumbersome land use process has posed a true challenge to rural Oregon. SB 2 paves the way to attract business

and employment opportunities that would help bring much needed revenues to the rural Oregon.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/1/2020

VOTES

House Floor: 53-0-5-2

Senate Floor: 26-2-2

PERMITS

Outdoor Mass Gatherings Requiring Land Use Permits *(Neutral)*

HB 2790

Passed

SUMMARY

HB 2790 amends the definition of "outdoor mass gathering" for purposes of land use and public health laws. The bill amends ORS 197.015(10)(d) so that only gatherings fewer than 3,000 people, regardless of duration, are exempted from the Land Use Board of Appeals' land use review. Under the bill, gatherings of over 3,000 people on resource lands are an optional conditional use. This is a permissive bill that allow counties (but does not require them) to treat outdoor mass gatherings as land use decisions which may be useful for certain gatherings, particularly in the Willamette Valley where there has been some controversy over large events.

AOC ENGAGEMENT

AOC opposed in original form; neutral in final form.

MESSAGING

Gives counties permissive authority to address land use concerns related to large concert festivals and other big events.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/1/2020

VOTES

House Floor: 58-1-1

Senate Floor: 25-0-5

Natural Resources

BUDGETS AND FEES

CAFO Fee Increases *(No Position)* [HB 2061](#)

Passed

SUMMARY

HB 2061 increases the statutory cap for the annual permit fees for small, medium, and large Confined Animal Feeding Operations (CAFO) and authorizes the Department of Agriculture to adopt rules to establish size category tiers for the purposes of the annual permit fee assessment.

AOC ENGAGEMENT

Commissioners testified in support of the bill.

MESSAGING

Large dairies, and the jobs they sustain, are important to social and economic stability in rural counties.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 38-22

Senate Floor: 18-10-1

Department of Agriculture Budget [\(+\)](#) [HB 5024](#)

Passed

SUMMARY

The Department of Agriculture budget provides funding for Agricultural Experiment Stations: \$73,788,861 of general funds, an 11 percent increase from the 2017-19 legislatively approved budget (LAB) and 5.8 percent above the current service level (CSL). HB 5024 increases the general fund allocation for Oregon State University Extensions Service by \$2,875,543 to cover inflation, maintain existing personnel and programs, and to fill vacant positions. The Forest Research Lab received \$11,424,041 in general fund dollars, an 11.7 percent increase over the 2017-19 LAB, and a 5.9 percent increase over CSL. Each program is essential in supporting the natural resource economy that lifts rural Oregon counties.

AOC ENGAGEMENT

Commissioners and AOC staff lobbied and lobbied for increased funding.

MESSAGING

Programs funded in this budget support natural resource jobs in rural Oregon. They contribute to economic and social stability in rural counties.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

07/01/2019

VOTES

House Floor: 55-4-1

Senate Floor: 25-2-2-1

FIRE

Fire Accountability (No Position) [HB 2222](#)

Passed

SUMMARY

HB 2222 requires the Oregon Department of Forestry to report the Legislature annually on the implementation and enforcement of property notifications and certifications under the Oregon Forestland-Urban Interface Fire Protection Act. Most Oregon counties have developed land that is outside urban growth boundaries and adjacent to forest land. HB 2222 will chart the progress that counties are making in implementing vegetation management, evacuation routes, access management and other aspects that will minimize the risk of wildfire and enhance notification and evacuation of residents impacted by wildfire.

MESSAGING

Will potentially result in more resources being directed into these areas, as legislative awareness increases.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

05/22/2019

VOTES

House Floor: 58-0-2

Senate Floor: 29-0-1

Fire Fighting Liability Protection (+) [SB 290](#)

Passed

SUMMARY

Provides civil liability protection for injuries to person or property arising from person's voluntary efforts to fight wildfire.

MESSAGING

For unprotected and under protected land, firefighters that work for a department or district that provides them with liability protection are in short supply. This bill ensures that private citizens who use their own equipment to fight wildfire are also protected from civil liability. This legislation grew out of the wheat land fires of the 2018 fire season, and the need to provide tools to property owners who fight those fires.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 55-0-5-0

Senate Floor: 30-0-0-0

LAND MANAGEMENT

Wildlife Safety Corridor (No Position) [HB 2834](#)

Passed

SUMMARY

HB 2834 requires Oregon Department of Fish and Wildlife to develop data showing connectivity of wildlife habitat areas across the state, and the Oregon Department of Transportation to develop a Wildlife Corridor Action Plan to decrease wildlife mortality on roads and enhance habitat connectivity on state road system.

AOC ENGAGEMENT

AOC staff testified in opposition to the initial bill because the language incorporated county roads. Counties were subsequently removed from the legislation.

MESSAGING

With limited revenue, counties cannot sustain unfunded mandates. Complex plans for wildlife paths would take a toll on county resources.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

06/30/2019

VOTES

House Floor: 59-0-1

Senate Floor: 28-0-2

Land Owner Tax (-) HB 2495

Died in House Committee

SUMMARY

HB 2495 makes privilege taxes on merchantable forest products harvested on forestlands permanent. The bill increases the tax levied for fire suppression, placing a burden on rural landowners adding further strain to economically disadvantaged counties.

MESSAGING

The dramatic cost-shift of wildfire fighting from general fund to timber landowners is detrimental to rural Oregon counties, and does not reflect the benefits to all Oregonians of putting out wildfires.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Notification to Landowners (-) [HB 2841](#)

Passed

SUMMARY

Under HB 2841, Oregon Department of Fish and Wildlife (ODFW) would be able to refuse disclosure of information related to habitat, location or population of fish or wildlife species that are listed as threatened or endangered, under consideration for listing, or designated as a sensitive species. As amended, HB 2841 will allow ODFW to disclose data to owners of agricultural or forest land if the data pertains to the land and surrounding area.

AOC ENGAGEMENT

Commissioners and AOC staff testified for the need to have language in the bill that allowed location information to be shared with ranchers to protect their herds, and timberland owners to protect their resources.

MESSAGING

Ranching and timber are economic drivers for many rural counties. AOC objected to the bill and sought language to clarify that ranchers should have access to information to protect their herds against predators like wolves.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

On passage

VOTES

House Floor: 46-13-1

Senate Floor: 18-10-1

Chlorpyrifos Ban (-) [HB 3058](#)

Died in Joint Committee

SUMMARY

HB 3058 requires the Department of Agriculture to review the most current scientific data regarding the safety of current uses within Oregon of pesticide products that contain chlorpyrifos and report to an interim committee of the Legislative Assembly relating to natural resources no later than January 1, 2020 regarding the findings by the department, including

recommendations for legislative action. The bill also requires the department to review data for registered pesticide products containing chlorpyrifos and add additional restrictions as warranted. This was a gut & stuff of a bill that banned chlorpyrifos outright. An outright ban on chlorpyrifos would result in the loss management tool would be harmful to rural Oregon counties who rely heavily on natural resource industries.

AOC ENGAGEMENT

Commissioners and AOC staff testified about the economic and social impacts in rural Oregon of removing these products from use.

MESSAGING

AOC opposes measures that threaten socio-economic well-being of counties. This bill would have hurt rural Oregon counties and their ability to manage natural resources, their economic drivers.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Crop Land Fire Protection (+) [SB 339](#)

SUMMARY

Current statute authorizes the State Forester to enter into cooperative agreements with Rangeland Protection Associations (RPA) to assist with organization, training and acquiring fire fight equipment. SB 399 adds land used primarily for cultivating crops to the definition of "rangeland" to allow crop lands to organize into 'rangeland protection associations' for wildfire protection. This bill is in response to the wheat land fires in Wasco and Sherman Counties and will help local resources organize, train and equip themselves to respond quickly and effectively to wildfire.

AOC ENGAGEMENT

AOC supported the bill.

MESSAGING

N/A

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

FOREST

Cap and Trade (No Position) [HB 2020](#)

Died in Senate Committee

SUMMARY

Catalyst of walk out by Senate Republicans, who left the state, and created a movement "Timber Unity" that staged impressive rallies at the Capitol in opposition to the bill, HB 2020 was the 2019 Legislative Session's cap and trade policy. The bill in its amended form contains a five-year moratorium on sale of carbon credits from forest trust lands. Impactful to Forest Trust Land counties because the original bill had unknown effects on land management, revenue and jobs.

AOC ENGAGEMENT

Trust lands Commissioners testified to the House Natural Resources Committee explaining the connection between trust land harvest revenue and services provided by counties, schools, and special districts that receive the funds. They also testified about the importance of high paying and fully benefited jobs in forests, mills, and trucking that give rural counties a measure of social and economic stability.

MESSAGING

Trust Land Counties depend on family wage and fully benefitted jobs in the woods, mills, and trucking to support social and economic stability. The revenue derived from selling logs is shared by counties, schools, and local taxing districts and provides needed services to citizens.

FISCAL IMPACT

No FIS issued relative to Trust Lands.

REVENUE IMPACT

No RIS issued relative to Trust Lands.

EFFECTIVE DATE

N/A

FLOOR VOTES

House Floor: 36-24;
Senate Floor (Motion to refer to Rules): 17-10-3

GNA Reporting (*No Position*) [HB 2953](#)

Passed

SUMMARY

The Good Neighbor Authority (GNA) is a federal program that seeks to restore health to federal forest lands through thinning projects. Oregon Department of Forestry (DOF) has an agreement to do administrative work on preparing GNA sales. Unfortunately, counties do not receive revenues from GNA sales. This bill requires the DOF to report outcomes from all GNA projects, every even-numbered year beginning in 2020, to an interim committee of the Legislative Assembly relating to economic development.

MESSAGING

Counties do not receive revenue from GNA timber sales. Timber revenues are key for many rural Oregon counties. Tracking the revenue generated through the GNA and use of funds will be critical for counties to understand what economic impact this program has.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/20/2020

VOTES

House Floor: 57-0-3

Senate Floor: 28-0-2

PREDATION

Cougar Bills (+) [HB 2370](#), [HB 2795](#), [HB 3118](#)

Died in House Committee

SUMMARY

All cougar control bills died in the 2019 session.

AOC ENGAGEMENT

AOC supported these bills. None progressed beyond hearings.

MESSAGING

Though predation, cougar population growth and habituation to settled areas continue to be issues that dominate in rural Oregon, and are beginning to impact urban areas, no bills progressed beyond hearings.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Wolf Bills (+) [HB 2746, HB 2943, SB 741](#)

Died in Committee

SUMMARY

No wolf management bills made it through the 2019 Legislative session.

AOC ENGAGEMENT

AOC monitored these bills.

MESSAGING

Wolves continue to increase their range and the impact they are having on ranching in rural areas. No bills progressed beyond hearings,

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Consideration of Elk in Oregon Landowner Damage Program

(+) [SB 301](#)

Passed

SUMMARY

SB 301 requires Oregon Department of Fish and Wildlife to consider elk overpopulation when implementing the Oregon Landowner Damage Program, crucial to counties because large elk herds have been causing damage to land pastures in eastern Oregon. This bill helps remedy some of the challenges caused by elk over population.

AOC ENGAGEMENT

Commissioners testified on the damage that large elk herds were causing to pasture lands in eastern Oregon.

MESSAGING

Consideration of elk overpopulation in the Oregon Landowner Damage Program will provide protection to landowners whose property was damaged by large herds, and secure agricultural jobs and land in eastern Oregon.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 52-4-3-1

Senate Floor: 27-0-3

STATE AGENCIES

Oregon Fish and Wildlife Commission Restructure (+) ([HB 2747](#))

Died in House Committee

SUMMARY

HB 2447 changes the composition of the Oregon Fish and Wildlife (F&W) Commission to include: three members from east of the Cascades, three members from west of the Cascades, and one member appointed at-large. The bill requires that at least one member owns or manages an active agricultural operation, and that one member must have held a hunting or fishing license issued by the state for five years prior to an appointment to the F&W Commission.

AOC ENGAGEMENT

AOC monitored this bill.

MESSAGING

Rural county commissioners are concerned that their constituents' issues are accurately and reasonably represented on the Commission. The vibrancy of the agricultural, timber, and tourism sectors are affected by F&W policy.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

FLOOR VOTES

N/A

WATER

Place-Based Resource Planning (+) [HB 2084](#)

Passed

SUMMARY

HB 2084 extends the sunset for the place-based integrated water resources planning program to 2023. Current and continuing planning projects:

- the Gilliam Soil and Water Conservation District in the Lower John Day Sub-Basin;
- Union County in the Upper Grande Ronde Sub-Basin;
- the Harney County Watershed Council in the Malheur Lake Basin; and
- the City of Newport in the Mid-Coast Basin.

Funding for the program in the 2019-21 biennium is included in the budget bill for the Water Resources Department.

AOC ENGAGEMENT

Commissioners testified in support of the bill. County Commissioners are involved in all the place-based planning projects.

MESSAGING

Looking into the future, the quality and quantity of water that is available to meet our social, economic and ecological needs is foundational to sustainability in urban and rural Oregon. Place-based planning is done by a consensus-based working group of stakeholders who become knowledgeable about local water availability and future needs, as well as their geographic place in the totality of a river drainage. The place-based planning effort will help inform the governor's water quantity and quality initiative that will develop over the next few years. The funding provided in this bill will help complete the work of the current place-based planning projects.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

On passage.

VOTES

House Floor: 56-3-1

Senate Floor: 27-2

Recreational Boating Safety *No Position* [HB 2351](#)

Passed

SUMMARY RECREATIONAL

HB 2351 authorizes Oregon State Marine Board (OSMB) to adopt regulations for boat operation on the Newberg Pool of the Willamette River to limit boat speed, to address recreational safety issues critical to counties around the Newberg Pool. The bill exempts tugboats, towboats, barges, launch vessels, and other commercial vessels from special regulations on Willamette River mile 0 to 26.

MESSAGING

Recreational safety is important to counties. HB 2351 creates guidelines to keep recreational users of all varieties safe in the Newberg Pool.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 50-10

Senate Floor: 21-6-3

Water Project Funding *(No Position)* [HB 2377](#)

Passed

SUMMARY

HB 2377 is an omnibus clean-up bill that covers a multitude of topics. Among the contents are funding allocations to water projects that impact Oregon counties. The bill allocates \$452,390 to the first phase of a sediment study of the lower Rogue River, and \$1,000,000 to Umatilla County to reimburse water right holders for the increased pumping costs of surface water that is used in lieu of ground water.

AOC ENGAGEMENT

AOC monitored the issue.

MESSAGING

Water is a resource that is particularly valuable in southern and eastern counties. This bill provides the tools needed to remedy injured parties for the state's misdeed and sets the stage to prepare southern Oregon counties for water needs along the Rogue River.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

Upon adjournment.

VOTES

House Floor: 51-4-4

Senate Floor: 24-2-2-2

Clean Water Act (*No Position*) [HB 2436](#)

Passed

SUMMARY

The State of Oregon has had a regulatory program for removal and fill activities within waters of the state since 1967. It is statutorily established as Oregon's removal-fill law (ORS 196.600 to 196.905) and is administered by the Department of State Lands (DSL). The Federal government also has a program that regulates removal and fill activities. Having the two programs run independently adds significant cost and time delays to projects that involve wetlands. The federal program allows states to assume the regulatory authority for the federal program.

HB 2436 directs DSL to report to the 2020 legislature on how the state program would change in order to accomplish assumption of the federal program. It further specifies that assumption would apply only within urban growth boundaries, and not apply to farming, ranching or forestry activities, or activities related to diverse water-related districts. Additionally, HB 2436 allows that credits may be purchased from the Oregon Removal-Fill Mitigation Fund even when mitigation bank credits are available in the region.

AOC ENGAGEMENT

AOC staff participated in interim workgroup relating to increasing affordable housing options. This was one of a suite of bills that emerged from the workgroup focused on creating sites for housing.

MESSAGING

The bill has the potential to reduce time and cost of permitting and increase certainty around outcomes related to building within UGBs. This bill aligns with AOC's housing platform, and could increase, in an expedited manner, land for affordable housing.

FISCAL IMPACT

None

REVENUE IMPACT

Potential increase in property tax from new developments.

EFFECTIVE DATE

Effective on passage

VOTES

House Floor: 45-9

Senate Floor: 25-3

Farm Land Drainage Maintenance (*No Position*) [**HB 2437**](#)

SUMMARY

HB 2437 provides an exception to permitting by the Department of State Lands for activities related to maintenance of drainage ditches on agricultural land. The bill was the result of an interim workgroup that included representatives from a broad stakeholder base, who sought to design a less onerous permitting process that maintained protections for water quality and species habitat. The bill requires the Department of Agriculture and Department of Fish and Wildlife to be involved in the design and implementation of projects. It also requires Oregon State University to conduct a study of impacts of maintenance activities on traditionally maintained dry channels (drainage ditches). This is a success for counties as the agricultural sector, an economic driver of rural Oregon, would have more workable pathways to maintain dry drainage ditches. The Governor threatened to veto this bill, but, after reviewing additional information, signed it into law.

AOC ENGAGEMENT

AOC staff participated in interim workgroup under the House Agriculture and Land Use Committee focused on making wetlands regulatory processes work more efficiently.

MESSAGING

Agriculture is important to economic and social stability in rural Oregon counties. The bill will give the agricultural sector a more efficient process to maintain the functionality of agricultural land through creation of additional pathways for maintenance of dry ditches.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

Upon passage.

VOTES

House Floor: 47-17-1

Senate Floor: 18-9-1-2

Public Access Site (-) [HB 2835](#)

Passed

SUMMARY

HB 2835 defines a "public access site" as a site on state public lands that give access to recreational use of a floatable natural waterway. The bill requires state agencies to post a notice on their respective website 30 days prior to restricting or closing access to a public access site. Provisions of the original bill would have applied to counties but were removed after counties objected.

AOC ENGAGEMENT

AOC staff testified in opposition to the initial bill. Counties were subsequently removed from the legislation, and language changing navigability statutes was removed. Navigability statutes limit access to privately owned land from navigable rivers.

MESSAGING

The original inclusion of county recreation sites and changes to navigability statutes would have created a costly, unfunded mandate for counties. On principle counties oppose unfunded mandates.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 52-7-1

Senate Floor: 20-8-2

Stream and Habitat Restoration Pilot Project (+) [HB 3132](#)

Died in Joint Committee

SUMMARY

HB 3132 requires the Oregon Department of Fish and Wildlife to develop program for authorizing voluntary projects for stream restoration and habitat improvement through construction of environmental restoration weirs east of the Cascades. The department must work in coordination with the Water Resources Department to ensure no injury to an existing water right.

AOC ENGAGEMENT

AOC engaged in an interim wetland workgroup. This concept was a collaborative product of the workgroup.

MESSAGING

This bill would provide an opportunity for innovative solutions to stream restoration and habitat improvements through a pilot program in eastern Oregon. This program would have allowed for greater flexibility in problem solving in eastern Oregon counties.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Levee Maintenance & Improvement (+) [SB 432](#)

Died in Joint Committee

SUMMARY

Many of Oregon's counties rely on a working system of levees, flood control embankments and flood control facilities to protect the safety of our citizens and beneficial uses on low lying lands adjacent to water bodies. Counties are challenged to maintain these public works, and to conform to FEMA regulations that have been strengthened nationwide in the aftermath of Hurricane Katrina. SB 432 was a placeholder that authorizes the issuance of \$10 million in bonds to be distributed by the Infrastructure Finance Authority of Business Oregon to projects that are eligible under the rules of the Levee Project Subaccount. This bill did not pass, but a significant investment was made in continuing to work on aligning the permitting process, which is daunting, across state and federal agencies that have jurisdiction over these structures.

AOC ENGAGEMENT

AOC staff testified in support of the bill.

MESSAGING

Levees, flood control embankments, and flood control facilities like tide gates are critical to public safety and economic and social stability in counties adjacent to large water bodies. Coastal counties, counties on the Columbia River, and Harney county depend on the system of structures that keep water back from developed land.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Harney County Ground Water Study (*No Position*) [**SB 511**](#)

Died in Ways and Means

SUMMARY

SB 511 appropriates moneys from General Fund to Water Resources Department for distribution to Harney County for ground water study and installation of water conservation measures, a tool Harney County could use for future water planning, a resource critical to the agricultural industry, land owners, recreationists, and residents of the county generally. The bill came out of the Senate Environment and Natural Resources Committee on a 5-0-0-0 vote and died in Ways & Means.

MESSAGING

Understanding the ground water picture in Harney County would greatly assist a place-based planning effort that is underway in that region

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Public Safety

BUDGET

Criminal Filing Fees (*Neutral*) [**HB 2241**](#)

Died on Senate Floor

SUMMARY

The Chief Justice of the Supreme Court introduced this bill to help fill a budget hole within the department. The bill would have allowed the Chief Justice to charge fees on electronic filings. The latest version of the bill focused on misdemeanor and felony filings. The Oregon Judicial Department was prepared to work with counties to develop a fee schedule, however, the bill did not receive the required rules suspension in the final days to get a vote on the Senate floor.

AOC ENGAGEMENT

AOC had significant concerns. The Oregon Justices of the Peace Association opposed the bill. The Oregon State Sheriffs Association was neutral but shared concerns. Lane County Commissioner Jay Bozievich testified in committee regarding the potential fiscal impacts of this bill.

MESSAGING

An increase in fees to counties filing criminal cases would have meant significant additional costs to counties in district attorney's offices.

FISCAL IMPACT

The bill had a significant potential fiscal impact, but indeterminate since a fee schedule was not adopted.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Law Enforcement Funding Option (+) [HB 2382](#)

Died in House Committee

SUMMARY

Introduced at the request of AOC on behalf of Josephine County and others, the bill would have permitted certain economically distressed and high marijuana production counties to ask their voters to impose a marijuana production tax to support law enforcement and other services.

AOC ENGAGEMENT

AOC Legal Counsel crafted the bill and worked to obtain a hearing, which was held. However, the industry worked hard to kill the bill.

MESSAGING

Funding for adequate law enforcement officials is imperative for counties. In order to enforce marijuana regulations, funding needs to be made available. This bill would have provided counties an option for sourcing funds for this important community need.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

9-1-1 Tax Increase (+) [HB 2449](#)

Passed

SUMMARY

After numerous sessions, industry and public safety/local government stakeholders agreed on a bill to increase the 9-1-1 tax. The tax had not been increased in 25 years. The bill increases the 9-1-1 tax of \$.75 per line to \$1.00 in the first year, then \$1.25 in the second year. It also extends the sunset of the tax. With the increase, Oregon still remains near the bottom of the list for amount of the 9-1-1 tax compared to other states.

AOC ENGAGEMENT

AOC supported the bill with leadership from Jeff Rasmussen, Jefferson County Administrator. Rasmussen represented AOC in the workgroup on the bill and testified in committee. Harney County Judge Pete Runnels also testified in committee.

MESSAGING

For the last 24 years, the 9-1-1 tax has remained stagnant at 75 cents, resulting in significant reductions to budgets in other programs and services for Oregon counties and cities as the costs of providing services have skyrocketed. This bill moves Oregon one step closer toward funding services critical to counties and cities across the state.

FISCAL IMPACT

None

REVENUE IMPACT

Legislative Revenue Office anticipates an additional \$14.6 million to be distributed to local governments for 9-1-1 operations. The amount distributed will go to cities, counties, and special districts who manage public safety answer points.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 48-10-2

Senate Floor: 23-5-2

Justice Reinvestment Program Reform [\(+\)](#) [HB 3064](#)

Passed

SUMMARY

This bill modifies the requirements of the Justice Reinvestment Grant Review Committee and also requires counties to agree on the four goals of justice reinvestment when submitting grant applications.

AOC ENGAGEMENT

AOC led an effort to bring consensus to the bill with amendments. With the amendments, the Oregon State Sheriffs Association, Oregon Association of Community Corrections Directors, and the Oregon District Attorneys Association supported the bill.

MESSAGING

This bill strengthens the process for awarding Justice Reinvestment grants, ensuring necessary services are provided.

FISCAL IMPACT

The bill does not have a fiscal impact to counties and minimal fiscal impact to various state agencies.

REVENUE IMPACT

None

EFFECTIVE DATE

January 1, 2020

VOTES

House Floor: 54-4-2

Senate Floor: 27-0-2-1

SENTENCING/CRIME

License Suspension *(Neutral)* [HB 2614](#)

Died in Senate Committee

SUMMARY

Oregon Law Center led an effort to repeal the ability to suspend driver licenses when drivers were unable to pay traffic ticket fines. The bill had strong bipartisan support. Advocates and opponents agreed with the intent of the bill, which was to allow those who cannot afford to pay the ability to have other options. However, the elimination of suspension as a method drew concern from counties and judges who said the bill could limit ability of local governments to collect fines.

AOC ENGAGEMENT

AOC was neutral on the bill but had concerns. The Oregon Justices of the Peace Association opposed the bill. The Oregon State Sheriffs Association was neutral but shared concerns. AOC

staff testified on the bill in committee and worked with proponents to try and lessen the fiscal impact on the bill while addressing the intent of the bill.

MESSAGING

While noteworthy in the intent to lessen the impact of traffic fines on low income individuals who cannot afford to pay fines, the bill would have had an unintended consequence of reducing a courts ability to impose sanctions on those who do not pay but are able to afford to pay.

FISCAL IMPACT

The bill had a potential fiscal impact to counties that was indeterminate.

REVENUE IMPACT

None

EFFECTIVE DATE

N/A

VOTES

N/A

Unauthorized Use of Vehicle Loophole Fix (+) [HB 2328](#)

Passed

SUMMARY

This bill fixed a loophole in the unauthorized use of motor vehicle statute created by a court decision. The loophole prevented district attorneys from effectively prosecuting repeat offenders. Stolen vehicles have skyrocketed around the state, leading to the need for this bill to send repeat offenders to prison.

AOC ENGAGEMENT

AOC supported the bill with the Oregon State Sheriffs Association and the Oregon District Attorneys Association. AOC participated in the workgroup supporting this bill and submitted written testimony.

MESSAGING

The impact on stolen vehicles on low income and minority communities is significant. The bill helps address repeat offenders who victimize these communities.

FISCAL IMPACT

There is minimal fiscal impact to counties and a fiscal impact to the Department of Corrections for potential prison beds.

REVENUE IMPACT

None

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 59-1

Senate Floor: 28-0

Expunction of Old Marijuana Convictions (+) [SB 420](#)

Passed

SUMMARY

SB 420 provides an expedited method for expunction of old marijuana convictions that are no longer even an offense. See also SB 975.

AOC ENGAGEMENT

The bill was a work group product and crafted by AOC Legal Counsel.

MESSAGING

Marijuana is now a legal substance in Oregon. This bill would help expunge records for marijuana convictions predating legality of the substance, allowing for an eased access to employment and housing opportunities for citizens.

FISCAL IMPACT

None

REVENUE IMPACT

None

EFFECTIVE DATE

01/20/2020

VOTES

House Floor: 42-15-2-1

Senate Floor: 25-4

Sentencing Reduction in Old Marijuana Convictions (+) [SB 975](#)

Passed

SUMMARY

Provides an expedited method for reduction of the level of old marijuana convictions to the level they are today. See also SB 420.

AOC ENGAGEMENT

The bill was a work group product and was crafted by AOC Legal Counsel.

MESSAGING

Marijuana is now a legal substance in Oregon. This bill would help reduce sentencing for marijuana convictions predating legality of the substance, allowing for an eased access to employment and housing opportunities for citizens, and reduction in cost of services for convictions.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

1/20/2020

VOTES

House Floor: 48-8-4

Senate Floor: 24-5

WORKFORCE

Trooper Staffing [\(+\)](#) [HB 2046](#)

Died in Joint Committee

SUMMARY

Governor Kate Brown introduced a bill to increase the number of state troopers and set a ratio of 15 patrol troopers per 100,000 residents. The bill would have increased 40 troopers over the current biennium and then every two years for the next 10 years. Oregon remains near the bottom of states on number of state troopers and other law enforcement. The bill had wide support, but funding could not be obtained to implement the bill.

AOC ENGAGEMENT

AOC lobbied in support of the bill and submitted written testimony during the public hearing for the bill.

MESSAGING

Increasing the number of state troopers would ensure Oregon counties have resources to keep their residents safe. This bill would have provided a means to bring more critical first responders to counties in need of additional public safety support.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Juvenile Department Employee Protections (+) [HB 2321](#)

Passed

SUMMARY

Lane County led an effort to provide the same public records protection for personal information to juvenile department employees as Oregon Youth Authority and other public safety personnel. AOC supported the effort.

AOC ENGAGEMENT

AOC Supported the bill. Lane County government relations manager Alex Cuyler led testimony and work on the bill.

MESSAGING

The bill provides similar protections for county juvenile employees.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 56-0-4

Senate Floor: 29-0-1

Mandatory Psychological Screening for Law Enforcement Officers (+) [SB 423](#)

Passed

SUMMARY

The bill requires all law enforcement agencies to conduct pre-employment psychological screenings. Most agencies already practice this requirement.

AOC ENGAGEMENT

AOC supported the bill along with the Oregon State Sheriffs Association and was active in the workgroup that produced the bill. AOC Legal Counsel Rob Bovett testified in support of this bill in committee.

MESSAGING

In the 2017 Session, Senator Lew Frederick (D-Portland) introduced a bill that would have required psychological exams for all public safety personnel yearly – an effort that would be too costly and not practical due to limited providers. Stakeholders assisted Senator Frederick on introducing this bill and SB 424 to move agencies in the right direction in an effective manner.

FISCAL IMPACT

There is minimal fiscal impact to counties.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 60

Senate Floor: 30

Wellness Policies for Law Enforcement Agencies (+) [SB 424](#)

Passed

SUMMARY

AOC supported this bill, which requires law enforcement agencies to create a mental health wellness policy for its officers. The bill was a product of a workgroup on officer wellness led by Senator Lew Frederick (D-Portland). Evidence-based programs have shown that an investment into proactive wellness programs have reduced stress-related claims, on-the-job injuries, and use of force incidents.

AOC ENGAGEMENT

AOC Supported the bill along with the Oregon State Sheriffs Association and was active in the workgroup that produced the bill. AOC Legal Counsel Rob Bovett testified in support of this bill in committee.

MESSAGING

In the 2017 Session, Senator Lew Frederick (D-Portland) introduced a bill that would have required psychological exams for all public safety personnel yearly – an effort that would be too costly and not practical due to limited providers. Stakeholders assisted Senator Frederick on introducing this bill and SB 423 to move agencies in the right direction in an effective manner.

FISCAL IMPACT

There is minimal fiscal impact to counties.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 60

Senate Floor: 30

Post-Traumatic Stress Disorder Presumption for Public Safety (+) [SB 507](#)

Passed

SUMMARY

AOC opposed the initial version of this bill which created a presumption for post-traumatic stress disorder for public safety personnel. It was introduced by the firefighters and police officer unions. After amendments suggested by proponents and opponents, the bill was refined to include strict parameters that will assist public safety officers with mental health related claims, while allowing local governments to manage personnel and costs effectively.

AOC ENGAGEMENT

Lane County Commissioner Jay Bozievich testified on this bill in opposition at the Management Labor Advisory Committee through the Department of Consumer and Business Services. After amendments and AOC's support, legislative affairs manager Patrick Sieng testified in favor of the bill in committee.

MESSAGING

While potential costs could arise from this bill, local government advocates were able to narrow the scope of the bill to limit potential fiscal impacts to counties.

FISCAL IMPACT

There is an indeterminate fiscal impact to counties.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 58-0-2

Senate Floor: 26-2-2

Justice of the Peace Undertaking Repeal (+) [SB 977](#)

Passed

SUMMARY

Introduced at the request of Harney County, the Oregon Justices of the Peace Association, the Oregon County Clerks Association, and the Oregon County Counsels Association, SB 977 repeals outdated statutes regarding undertaking duties of the Justice of the Peace. Harney County Clerk Dag researched the bill and suggested its introduction. It also permits Crook County to open a Justice Court and have the location be in the county seat of Prineville. AOC legislative affairs manager Patrick Sieng testified in support of the bill in committee.

AOC ENGAGEMENT

AOC supported the bill along with the Oregon Justices of the Peace Association.

MESSAGING

The bill makes technical fixes to allow Crook County the ability to open a justice court and repeals outdated statutes relating to undertaking duties for Justices of the Peace.

FISCAL IMPACT

Potential indeterminate fiscal impact to the state if Crook County opens a justice court.

REVENUE IMPACT

Potential indeterminate revenue impact for Crook County

EFFECTIVE DATE

06/17/2019

VOTES

House Floor: 57-3

Senate Floor: 19-9

Juvenile Measure 11 Reform (No Position) [SB 1008](#)

Passed

SUMMARY

This bill to reform Measure 11 for juveniles was a centerpiece for public safety bills during the 2019 Session, with many other bills hinging on its success. The bill passed with just enough Republican votes to reach the two-thirds majority required. Senator Jackie Winters (R-Salem) led passage of the bill shortly before she passed away.

AOC ENGAGEMENT

AOC did not take a position on the bill. The Oregon District Attorneys Association opposed the bill while the Oregon Juvenile Department Directors Association supported the bill. Some counties submitted testimony in favor of the bill.

MESSAGING

The bill concluded a long-time effort to reform Measure 11 for juveniles by public safety reform groups.

FISCAL IMPACT

The bill has minimal fiscal impact to district attorney offices and various state agencies.

REVENUE IMPACT

None

EFFECTIVE DATE

09/29/2019

VOTES

House Floor: 40-18-2

Senate Floor: 20-10

Transportation

DIESEL

Diesel Regulation (*No Position*) [HB 2007](#)

Passed

SUMMARY

HB 2007 prohibits the Oregon Department of Transportation (ODOT) from titling any heavy-duty, diesel vehicles older than 2006, or medium-duty, diesel vehicles older than 2009 after January 1, 2025 in Washington, Multnomah, or Clackamas Counties. The bill also requires ODOT to phase out diesel vehicles in the Tri-County area by prohibiting the department from registering:

- All diesel vehicles older than 1996 after January 1, 2023;
- Medium-duty diesel vehicle older than 2009 by January 1, 2029;
- heavy-duty diesel vehicle older than 2009 owned by a public body by January 1, 2029; and
- Heavy-duty diesel vehicle older than 2006 not owned by a public body by January 1, 2029

AOC ENGAGEMENT

AOC and the Oregon Association of Engineers and Surveyors engaged to amend the bill to only include the metro area instead of a statewide mandate. The original language would require all on-road, diesel vehicles older than 2010 to be phased out by 2029 which would have had devastating fiscal impacts to most county road and emergency services departments. AOC provided the sponsors with an estimated fiscal impact to highlight the difficulties counties face when managing their fleet and the key role it plays in providing essential county services.

MESSAGING

N/A

FISCAL IMPACT

The final version of the bill has a fiscal impact concentrated to the metro area. Public agencies are required to replace all their pre 2009 vehicles by 2029, however, the full impact is unknown as they are eligible to receive grant funding from the Clean Diesel Fund created from the Volkswagen settlement.

REVENUE IMPACT

None.

EFFECTIVE DATE

Effective immediately.

VOTES

House Floor: 44-15-1

Senate Floor: 16-11-1

GRANTS

Safe Routes to School Grant Accessibility (+) [SB 561](#)

Died in Joint Committee

SUMMARY

SB 561 lowers the mandatory cash match for the Safe Routes to School program from at least 40 percent for normal applications to 20 percent, and from 20 percent for designated projects to 10 percent.

AOC ENGAGEMENT

The bill was sponsored by League of Oregon Cities with support from AOC as many counties struggled to meet the match requirements from the previous Safe Routes to School grant process.

MESSAGING

This bill would have created greater opportunity for rural counties to access grant funding and create safe access to schools for community members.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

PREVAILING WAGE AND GENERAL CONTRACTING MANDATES

Prevailing Wage District Reduction (-) [HB 2407](#)

Died in House Committee

SUMMARY

HB 2407 reduces the number of prevailing wage districts managed by the Bureau of Labor and Industry from 14 to five for the purpose of setting prevailing wage rates by locality.

AOC ENGAGEMENT

This issue was packaged with a group of prevailing wage bills negotiated in a labor workgroup that AOC participated in. A road official who is a member of the Oregon Association of County Engineers and Surveyors, an AOC affiliate testified on the bill in the House Committee on Business and Labor.

MESSAGING

A reduction in prevailing wage districts would artificially inflate rates in areas like Hood River where the economy is not consistent with the Metro area.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Prevailing Wage in Enterprise Zones (-) [HB 2408](#)

Died in Senate Committee

SUMMARY

HB 2408 expands the definition of "public works" to include projects for constructing, reconstruction, or major renovation of a privately-owned road, highway, building, structure, or improvement of any type in an enterprise zone. The project must include real property exempted from ad valorem property taxes and have a cost in excess of \$20 million.

AOC ENGAGEMENT

AOC was highly engaged with this bill as it would disincentivize projects within enterprise zones, which are an economic stimulus for counties. AOC participated in a workgroup during the 2019 Session.

MESSAGING

Enterprise zones serve as major economic development tools, and at the local level have proven an effective way to attract new business investments and create jobs by offering a means of lowering the initial cost of investment. Imposing prevailing wage requirements to enterprise zones would significantly boost the cost of projects. Additionally, local enterprise zone sponsors (counties, cities, ports, or tribes) currently have the option to impose hiring and wage requirements on larger investments that seek the fourth and fifth years of abatement.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: 38-20-2

Senate Floor: N/A

Collective Bargaining and Prevailing Wage (-) [HB 2409](#)

Died in House Committee

SUMMARY

HB 2409 mandates an area's prevailing wage to reflect the rate set by the area's collective bargaining agreement(s). If there is more than one collective bargaining agreement, the wage will be set using the average of all the agreements. If there is no collective bargaining agreement, the wage will be set by a salary survey conducted by the commissioner of the Bureau of Labor and Industry as is the current practice.

AOC ENGAGEMENT

AOC was actively engaged on this issue and supported a member of AOC affiliate, Oregon Association of County Engineers and Surveyors testifying in opposition in front of the House Committee on Business and Labor.

MESSAGING

Collective bargaining agreements are not a sufficient means of setting prevailing wage rates within an area because it only incorporates a portion of the labor force and would increase the cost of public contracts where road departments are already struggling to manage the price of labor.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Contract Retainage Mandates (-) [HB 2415](#)

Passed

SUMMARY

HB 2415 requires a contracting agency to place retainage into an interest-bearing escrow account for contracts exceeding \$500,000.

AOC ENGAGEMENT

This bill was the result of a labor workgroup that AOC participated in. A road official who is a member of the Oregon Association of County Engineers and Surveyors, an AOC affiliate testified on the bill in the House Committee on Business and Labor.

MESSAGING

Requiring retainage to be placed into an escrow account would increase the administrative requirements for the contracting agency and make it more difficult to finalize payments in a timely manner.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 45-14-1

Senate Floor: 19-9-1

QBS Contracting (+) [HB 2769](#)

Passed

SUMMARY

HB 2769 amends the Qualification Based Selection (QBS) process to allow local contracting agencies to consider pricing information in the screening and selection process for a maximum of three final proposals when soliciting for architectural, engineering, photogrammetric mapping, transportation, and land surveying services.

AOC ENGAGEMENT

This concept was developed in an interagency workgroup that included cities, counties, special districts, engineers, and many others.

MESSAGING

HB 2769 provides greater flexibility to counties to manage contract costs without diminishing their ability to consider values and community impact.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 55-0-5

Senate Floor: 29-0-1

TNC Regulation (No Position) [HB 3023](#)

Died in Joint Committee

SUMMARY

HB 3023 set requirements for Transportation Network Companies (TNC) such as Uber and Lyft to operate within Oregon. The bill requires TNC companies to obtain a license through the Oregon Department of Transportation (ODOT) and specifies insurance, background check, and records requirements for operation. The policy outlines the areas where ODOT and local governments can charge a fee to manage law enforcement programs and transportation needs for people with disabilities.

AOC ENGAGEMENT

HB 3023 was sponsored by Representative Susan McLain (D-Hillsboro) and was submitted by industry representatives. Representative Paul Holvey (D-Eugene) also sponsored a TNC bill (HB 3195) which AOC was more involved with by participating in a workgroup consisting of cities, counties, industry, legal affiliates, and other interested parties.

MESSAGING

AOC was more supportive of HB 3195 because it was developed with county input and allowed more flexibility to local government to regulate TNC companies operating within their jurisdiction, while HB 3023 preempts local governments on rates and conditions of operation.

FISCAL IMPACT

None.

REVENUE IMPACT

Minimal.

EFFECTIVE DATE

N/A

VOTES

N/A

ROAD FUND

Cap and Trade (*No Position*) [HB 2020](#)

Died in Senate Committee

SUMMARY

HB 2020 creates the Climate Policy Office within the Department of Administrative Services to administer the Oregon Climate Action Program which acts as a Cap and Trade system. The program establishes new emission goals at 45 percent below 1990 emission levels by 2035 and 80 percent below 1990 emission levels by 2050. The Cap and Trade Program creates a market for carbon emissions with a decreasing scale of allowances sold each year. Beginning in 2021, the program's allowance budget is calculated to create a declining trajectory toward the State's goals in 2035 and 2050 based on a three-year average of the State's starting baseline emissions. The Program covers entities that meet or exceed 25,000 metric tons of carbon dioxide a year such as, natural gas and fuel suppliers, out of state electricity suppliers and private industry. The program provides exemptions for a variety of industries including; aviation, watercraft and locomotive fuel; landfills; and agriculture. To offset potential rate increases from regulating the electricity sector, electric service managers are provided free allowances in the first year of the program with their allowance budget decreasing yearly in a proportionate scale to the full program.

The largest covered entity is the transportation industry due to the cap on fuel distributors which will pass to the consumer through increased fuel prices. The increase in fuel prices is expected to start at \$.20 per gallon and increase to \$3.10 per gallon by 2050 with the new revenue being deposited into the State Highway Fund (SHF) as is constitutionally mandated. Section 42 of the bill creates the Transportation Decarbonization Investments Account (TDIA), a SHF subaccount for projects that promote greenhouse gas emissions sequestration and mitigation or the adaptation and resilience to climate change.

Going into the 2019 Session, a legislative subgroup of AOC established principles that prioritized maintaining the 50-30-20 distribution of State Highway Funds between the State, Counties, and Cities, however, the TDIA distributes 50 percent to the Oregon Department of Transportation (ODOT) for projects selected by the Oregon Transportation Commission (OTC) and 50 percent to a grant program designated for local government programs and projects. The 50 - 50 split was agreed upon to ensure smaller localities would have the opportunity to apply for larger amounts than what would be allocated under the traditional split. The eligible programs under the TDIA include; enhancing roadway drainage; improving slope stability; investing in the Safe Routes to School program; replacing, repowering or retrofitting diesel vehicles; and multimodal projects. AOC was a big proponent of adding diesel vehicle replacements and retrofits as eligible projects to help offset the impacts of HB 2007, ""Clean Diesel Bill,"" which was also considered this Session.

Outside of the TDIA, transportation projects are eligible for grant funding through the Climate Investment Fund (CIF) established in Section 46 using proceeds generated from the other industry allowances.

Both the TDIA and the CIF require additional public contracting requirements when using over \$50,000 from either fund which are outlined in Section 50.

Finally, Section 51 creates a Just Transition Fund which is intended to reimburse low-income families for the increase in fuel prices. "

AOC ENGAGEMENT

N/A

MESSAGING

N/A

FISCAL IMPACT

N/A

REVENUE IMPACT

EFFECTIVE DATE

N/A

FLOOR VOTES

House Floor: 36-24;
Senate Floor (Motion to refer to Rules): 17-10-3

OReGO Expansion (*No Position*) [HB 2881](#)

Passed

SUMMARY

HB 2881 expands the Road Usage Charge Program (OReGO) to include all passenger vehicle with a rating of at least 20 miles per gallon and limits the type of electric vehicles that qualify for reduced registration fees under ORS 803.422 to vehicles with a rating of 40 miles per gallon or greater. The policy changes the per-mile charge to five percent of the current fuel tax rather than a set charge per mile and sets a process for those who terminate their involvement.

AOC ENGAGEMENT

An AOC staff member and a county commissioner represent counties on the Road Usage Charge Task Force, which created the solutions within the bill by working with ODOT to evaluate the pilot program and current research.

MESSAGING

The Road Usage Charge Task Force and its innovative program OReGO create a possible alternative revenue option as fuel tax revenue diminishes. Relying on fuel taxes to supply the State Highway Fund is unsustainable as more people move to electric vehicles, an issue that came to the forefront this session with the debates around HB 2020 (cap and trade). It is imperative for the future of county infrastructure that the state establish an alternative funding mechanism.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

In the short-term, the OReGO program has the potential to decrease the Highway Fund by an estimated \$5,677 but will increase the Highway Fund by an estimated \$53,399 by the 2023-2025 biennia.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 57-0-3

Senate Floor: 25-4

SAFETY

Safety Corridors (No Position) [HB 3213](#)

Passed

SUMMARY

HB 3213 establishes a safety corridor pilot program and County Safety Corridor Advisory Group through the Oregon Department of Transportation (ODOT). The advisory group is tasked with selecting five counties for the pilot program who are authorized to designate one segment of highway between two and 10 miles long as a safety corridor. The policy sets additional requirements for the program relating to traffic control devices and fines associated with the designated safety corridor.

AOC ENGAGEMENT

Neither AOC or the Oregon Association of County Engineers and Surveyors was directly involved with the formation of the bill and remained neutral. AOC testified alongside Linn County to the Joint Committee on Transportation showcasing the range of issues across counties.

MESSAGING

There are a wide range of positions on this bill including counties who wanted the authority to create safety corridors, and counties who prefer the consistency of a statewide program within ODOT.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 58-0-2

Senate Floor: 29

Speed Limit Changes and Basic Rule [\(+ SB 558\)](#)

Passed

SUMMARY

SB 558 extends speed limits set in ORS 811.111(d) to county roads. The speeds limits in ORS 811.111(d) already align with the speeds set by the basic rule, but now road departments are authorized to post "speed limit" signs rather than basic "speed" signs. The bill aims to provide consistency for road users and law enforcement regarding safe speeds. It also authorizes cities to reduce speed limits in residence districts by five miles per hour (mph) by ordinance. This would reduce the statutory speed from 25 mph to 20 mph in the designated residence districts.

AOC ENGAGEMENT

SB 558 was a product of the Speed Zone Roundtable that convened during the 2018 interim and included Oregon Department of Transportation, League of Oregon Cities, and AOC. The roundtable will continue through 2019 in anticipation of the 2020 Short Session and is expected to explore the idea of expanding the authority to reduce speeds in residence districts to counties to maintain consistency.

MESSAGING

This bill will bring consistency to speed setting practices and provide clarity to road users and change the culture around speeding and start to lower speeds to better reflect designated speed limits. There has been ambiguity over whether the basic rule allows drivers to exceed the posted speed if conditions allow and the change in signs are meant to clarify that the established speed limit is the maximum safe speed.

FISCAL IMPACT

Minimal.

REVENUE IMPACT

Minimal.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 57-3

Senate Floor: 25-3-1

Autonomous Vehicles [\(+ HB 2770\)](#)

Died in Senate Committee

SUMMARY

HB 2770 sets the foundation for testing autonomous vehicles in Oregon including basic requirements for permits, insurance, liability, operating systems, and driver responsibility.

AOC ENGAGEMENT

AOC participated in the Autonomous Vehicle Taskforce created by the 2018 Legislature that consists of representatives from local government, industry, academia, and state officials. HB 2770 is the product of the taskforce and represents the decision made by the group. AOC testified in support for the bill and the inclusive process that created it. AOC continues to have a representative on the taskforce.

MESSAGING

The Autonomous Vehicles Taskforce continues into 2019 and is undertaking new issue areas that are more relevant to counties such as infrastructure and land use needs for future technology.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: 35-23-2

Senate Floor: N/A

Veterans

Vietnam Veterans Memorial on State Capitol Grounds (+) [HB 2195](#)

Died in Ways and Means

SUMMARY

HB 2195 dedicates a portion of the State Capitol State Park for creation of a Vietnam War Memorial and establishes a Vietnam War Memorial Task Force to arrange for the development, private financing, design, and construction of a Memorial. The bill directs the Department of Veterans' Affairs to maintain the finished memorial.

AOC ENGAGEMENT

AOC worked with a community-based foundation to support the bill and testified in favor of the bill in the House Veterans and Emergency Preparedness Committee.

MESSAGING

Multiple individual counties wrote support letters for the bill and some counties made financial contributions to the foundation. The bill requested approximately 15 percent of the capital funds needed to design and construct the memorial from state general funds. The balance of funding would come from private and community donations.

FISCAL IMPACT TO COUNTIES

N/A

REVENUE IMPACT TO COUNTIES

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: N/A

Issuance Authority for General Obligation, Revenue, and Certificate of Participation Bonds [\(+\)](#) [HB 5005](#)

Passed

SUMMARY

HB 5005 establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation, and other financing agreements for 2019-21 biennium. The bonds are categorized as general fund bonds (\$946 million), dedicated funds bonds (\$290 million), and revenue bonds (\$1.1 billion). Most of the bonds are assumed to mature in two years and be tax exempt at a five percent rate.

A veteran related provision contained in HB 5005 is for a \$180 million bond for the Oregon Department of Veterans Affairs (ODVA) to finance farm and home loans to veterans.

AOC ENGAGEMENT

AOC has been a longtime supporter of the ODVA home loan program as a very valuable financial benefit for veterans who purchase homes. The terms for these loans include competitive interest rates, low closing costs, and very minimal down payment provisions.

MESSAGING

In a previous session, a bill was passed to allow veterans to access these loans multiple times during their life and not just be limited to a one-time benefit. Future advocacy for AOC could include efforts to expand the ODVA home loan program to include refinancing loans, and not just home purchase loans.

FISCAL IMPACT TO COUNTIES

N/A

REVENUE IMPACT TO COUNTIES

N/A

EFFECTIVE DATE

07/03/2019

VOTES

House Floor: 54-2-4

Senate Floor: 28-2

Lottery Allocations Bill (+) [HB 5029](#)

Passed

SUMMARY

Pursuant to passage of Ballot Measure 96 in 2016, the Oregon Constitution requires that 1.5 percent of net lottery proceeds be distributed to the Veterans' Services Fund (VSF), to be administered by the Oregon Department of Veterans Affairs (ODVA). HB 5029 allocates net lottery revenue dollars to the VSF for a number of veterans' programs, including:

- \$11.9 million for ODVA Statewide Veterans Services;
- \$7.2 million for county veteran service officers pass-through dollars to counties
- \$477,354 for National Service Organizations;
- \$1 million for a veterans affordable housing project in Salem;
- \$250,000 from the Veterans' Services Fund for the Bureau of Labor and Industry to develop and administer an outreach program to inform National Guard and reserve members and veterans about trade careers and apprenticeship opportunities;
- \$555,000 for the Criminal Justice Commission from the Veterans' Services Fund for veterans' specialty courts; and
- \$2.5 million for Oregon Health Authority (OHA) from the Veterans' Services Fund for veterans' behavioral health services.

AOC ENGAGEMENT

AOC worked to ensure that there would be stable funding for County Veterans Services Officers (CVSOs) using lottery dollars. AOC also supported funding provisions in the bill for veterans' specialty treatment courts, stable funding for mental health programs connected to Marijuana tax revenue, and veterans' behavioral health investments within OHA.

MESSAGING

A panel comprised of a county commissioners and County Veteran Service Officers testified in favor of maintaining the increased level of state funding for CVSOs that were made in the 2017 Session.

FISCAL IMPACT TO COUNTIES

N/A

REVENUE IMPACT TO COUNTIES

There is an approximate four percent funding increase for the state's pass-through funding for CVSOs in the 2019-21 budget.

EFFECTIVE DATE

07/1/2019

VOTES

House Floor: 56-4

Senate Floor: 28-2

Increase in Disabled Veterans Property Tax Exemption (+) [SB 500](#)

Died in House Revenue

SUMMARY

SB 500 would increase the amount of an existing property tax exemption for service-connected disabled veterans and their widowed spouses. For veterans with a disability rating of at least 40 percent but less than 100 percent, the amount of the property tax exemptions would increase from \$26,000 to \$45,000, with no means test provision. For veterans with a service-connected disability of 100 percent or greater, the property tax exemption would be raised from \$26,000 to \$100,000, with a means test provision that could be applied at the discretion of each county.

The base exemption amounts are already increased by three percent annually and this provision of the statute would continue to apply to the new levels.

AOC ENGAGEMENT

AOC was engaged in an ongoing and lengthy dialogue with the chief sponsor of the bill. AOC's main priorities were to one, help veterans by increasing current levels for exemptions, and two, to allow individual counties the flexibility to tailor eligibility based on their local financial situation.

MESSAGING

A county's loss of revenue related to an increase in this exemption may or may not have a significant impact on the ability of that county to continue funding county veterans service offices. In addition, it is important to note that school districts and other taxing districts would bear most of this loss of local revenue (more than 80 percent of the decreased revenue); these entities have expressed concerns about the bill.

FISCAL IMPACT TO COUNTIES

N/A

REVENUE IMPACT TO COUNTIES

N/A

EFFECTIVE DATE

N/A

VOTES

House Floor Vote: N/A
Senate Floor Vote: N/A

Agency Budget for Oregon Department of Veterans Affairs (ODVA) (+) [SB 5538](#)

Passed

SUMMARY

SB 5538 is the budget bill for the Oregon Department of Veterans Affairs (ODVA). ODVA's budget includes \$10,275,406 million of general funds (a 19.9 percent increase from the current biennium) and \$19,150,462 of lottery funds (a 24.3 percent increase from the current biennium).

Some key programs and investments that are contained in this budget include: the addition of three positions to allow ODVA to serve as the U.S. Department of Veterans Affairs State Approving Agency for veterans' education programs; funding to support tribal veteran representative programs and partnerships; renewal of funding for the Campus Veteran Grant Program; additional funding supporting the National Service Organizations to leverage and bring additional funding; and creation of a new Veterans Health Care Transportation Grant Program to expand the existing federally funded Highly Rural Transportation Grants.

Importantly, this budget also provides a small increase of funds for County Veteran Service Officers (CVSOs) by allocating a combination of general and lottery funds totaling \$9,040,692 of pass through dollars for counties. This amount represents a four percent increase from the 2019-21 budget. In the 2017 Session, the Legislature had doubled the state share of funding for CVSOs from \$4.35 million to \$8.7 million. CVSOs are the boots on the ground who help veterans navigate through complex processes and systems to receive the benefits they have earned and deserve, including the GI bill, vocational training, healthcare, disability payments, and low-income pensions.

AOC ENGAGEMENT

AOC worked with members of House Veterans and Emergency Preparedness Committee and with ODVA leadership to ensure there is steady funding for CVSOs within the 2019-21 budget.

MESSAGING

The main challenge for counties in receiving a doubling of state funds for CVSOs in the 2017-19 biennium has been the slow ramp up time for many counties to invest these new dollars. The timing of the \$4.35 million of new state pass-through did not align with many counties' budget development processes, so there has been widespread delay across counties to fully expend the funds in the 2017-19 biennium. Counties must ensure that these new investments are actually allocated as quickly as possible to support local CVSO programs.

FISCAL IMPACT TO COUNTIES

N/A

REVENUE IMPACT TO COUNTIES

There is an approximate four percent funding increase for the state's pass-through funding for County Veterans Service Officers (CVSOs) in the 2019-21 budget.

EFFECTIVE DATE

07/15/2019

VOTES

House Floor: 43-16-1

Senate Floor: 57-0-3

Workforce

LABOR AND EMPLOYMENT

Paid Family and Medical Leave *(No Position)* [HB 2005](#)

Passed

SUMMARY

HB 2005 creates a statewide family and medical leave insurance program that provides paid wage benefits for up to 12 weeks for qualifying circumstances. The program will be funded by both employees and employers, with a combined rate cap of one percent of payroll. Employees will contribute 60 percent of the rate. Employers will contribute 40 percent of the rate. However, employers with less than 25 employees are exempted from having to pay their portion of the rate. Contributions start in January of 2022. Benefit eligibility starts January 1, 2023. The bill also provides for grant opportunities for certain employers to defray costs, and permits self-employed persons and tribal governments to opt in. Employers may apply for approval of an employer-offered family and medical leave insurance program that meets or exceeds the benefits provided by the program established by the bill.

AOC ENGAGEMENT

AOC participated in negotiations leading up to the bill, which was destined for passage as a majority priority for the 2019 Session.

MESSAGING

Counties might want to begin the process of examining the impact of this bill, as well as whether they might want to apply for approval of their own alternative benefit plans.

FISCAL IMPACT

There will be a fiscal impact on counties from the requirement to contribute up to .4 percent of payroll to fund the program.

REVENUE IMPACT

None.

EFFECTIVE DATE

09/29/2019. Not operative until 2022.

VOTES

House Floor: 45-13-2

Senate Floor: 22-6-2

Janus Implementation I (-) [HB 2016](#)

Passed

SUMMARY

HB 2016 requires public employers to grant reasonable paid time off to union stewards to engage in certain specified activities, and unpaid time off for other activities. The bill does not define what is “reasonable,” although it does specify what union activities are covered. The bill also expands the definition of “employment relations” to include “labor organization access to and communication with represented employees.” It makes other changes to the Public Employee Collective Bargaining Act (PECBA) that benefit public employee unions against public employers.

AOC ENGAGEMENT

AOC actively opposed this bill, and instead promoted the amended HB 3009 as an alternative. See also HB 3009.

MESSAGING

This bill was the 2019 public employee union priority bill that was destined for passage. It purported to implement the recent decision of the United States Supreme Court in the case of *Janus vs. AFSCME*. However, HB 3009 was a more direct implementation of that ruling. HB 2016 basically forced all public employers to agree to what the State had already agreed to in their own collective bargaining agreements, upsetting local control and needs. This bill significantly upsets the balance of PECBA in favor of public employee unions. Ramifications will likely be felt for many years.

FISCAL IMPACT

There will likely be a fiscal impact on many counties.

REVENUE IMPACT

None.

EFFECTIVE DATE

01/01/2020

VOTES

House Floor: 38-21-1

Senate Floor: 17-11

Undue Delay in Responding to Public Records Requests

(Neutral) [HB 2353](#)

Passed

SUMMARY

In its original form, the bill would have authorized District Attorneys to award penalties and attorney fees to a public records requester on appeal, if the District Attorney found that the public entity had engaged in undue delay. This posed both legal and practical problems. Amendments removed the attorney fees provision and replaced it with options for a District Attorney finding “undue delay” to impose a flat \$200 assessment and/or a waiver or reduction of fees that can be charged to the requester. Undue delay can occur if a public body fails to comply with any of the statutory deadlines for replying to a public records request, or unduly delays its response in another manner.

AOC ENGAGEMENT

AOC was directly involved in negotiating the amendments to this bill to make it workable and less problematic.

MESSAGING

Failure to comply with the statutory timelines for responding to public records requests now has potential economic consequences.

FISCAL IMPACT

Should this not be implemented according to statute, there is potential for a fiscal impact to counties.

REVENUE IMPACT

None.

EFFECTIVE DATE

06/04/2019

VOTES

House Floor: 56-0-1-3

Senate Floor: 26-0-4

Janus Implementation II [\(+\)](#) [HB 3009](#)

Passed

SUMMARY

As amended (gut-and-stuffed), the bill permits law enforcement public employee unions to charge nonmembers for services rendered, other than collective bargaining. HB 3009 makes conforming changes to the Public Employee Collective Bargaining Act to comply with the Supreme Court of the United States’ (SCOTUS) decision in *Janus v AFSCME*.

AOC ENGAGEMENT

AOC actively engaged in negotiations around HB 3009 to provide an alternative to HB 2016 and to make clear, statutory changes in accordance with the SCOTUS ruling. AOC Legal Counsel testified on the bill to that effect.

MESSAGING

HB 3009 will provide law enforcement public employee unions with a direct pathway to charging non-members for services rendered.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

06/20/2019

VOTES

House Floor: 50-9-1

Senate Floor: 24-2-3

Unemployment Benefit Exemption Modification (No Position) [HB](#)

[3120](#)

Passed

SUMMARY

HB 3120 creates an exception to denial of unemployment benefits when employee leaves work due to the employee or the employee's family being a victim of intimidation as a result of continued employment.

AOC ENGAGEMENT

AOC was not engaged on this bill but monitored.

MESSAGING

Counties should be aware of this new condition that supports unemployment compensation.

FISCAL IMPACT

Likely little to none.

REVENUE IMPACT

None.

EFFECTIVE DATE

05/28/2019

VOTES

House Floor: 58-0-2

Senate Floor: 28-0-2

Workers Compensation Reform (No Position) [HB 3022](#)

Died in Senate Committee

SUMMARY

This bill started out as a disaster that would have undermined the stable, effective, and affordable Oregon workers compensation system, and tossed out the Mahonia Hall Accords from 1990 that ended workers compensation legislation wars that broke the system in the 1980's. Like SB 507, this bill was heavily negotiated between advocates and employers, both represented at Management-Labor Advisory Committee (MLAC). The amended HB 3022 provided for compensability of diagnostic services under workers compensation law, under certain circumstances. The burden of proof was assigned to the employer to show that combination injury is no longer compensable.

AOC ENGAGEMENT

AOC's Legal Counsel participated in MLAC negotiations. See also SB 507.

MESSAGING

This bill will likely be back in some form in a future session. Hopefully, it will look more like the amended version.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

None.

VOTES

House Floor: 55-2-3

Non-Discrimination for Off-Duty Employee Marijuana Use (-) [SB](#)

379

Died in Senate Committee

SUMMARY

SB 379 would have prohibited employers from discriminating against employees based on their off duty use of substances that are not unlawful under state law (i.e., marijuana), with a number of exceptions.

AOC ENGAGEMENT

AOC actively opposed this bill on a number of grounds, as did many other employer groups. The bill flies in the face of the 2010 decision of the Oregon Supreme Court in the case of *Emerald Steel vs. the Bureau of Labor and Industries*.

MESSAGING

So long as federal prohibition of marijuana exists, the legal and practical tension underlying this bill will continue to exist, and it will continue to be reintroduced.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

Officer Discipline (+) [SB 383](#)

Died in House Committee

SUMMARY

SB 383 would have prohibited a labor arbitrator from overturning discipline imposed on a law enforcement officer if the arbitrator finds that the misconduct occurred, and the discipline imposed fell within a discipline matrix incorporated into the applicable collective bargaining agreement. This bill emanated from recent arbitration decisions reinstating terminated law enforcement personnel after, in some cases, highly egregious conduct.

AOC ENGAGEMENT

AOC Legal Counsel participated in the work group that negotiated the bill.

MESSAGING

This bill is vitally important to restore public faith and confidence in the public employee disciplinary system. It will almost certainly be reintroduced.

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

House Floor: N/A

Senate Floor: 28-0-2

Public Employer Workplace Harassment Prevention (+) [SB 479](#)

Passed

SUMMARY

SB 479 requires public employers to adopt policies to prevent workplace harassment. The bill also specifies what, at a minimum, must be contained in such policies, including but not limited to, investigation of allegations of workplace harassment. The bill also places new limits on settlement agreements that deal with situations involving allegations of workplace harassment, especially with regard to nondisclosure or any other provision whose purpose or effect is to prevent an employee from disclosing or discussing workplace harassment.

AOC ENGAGEMENT

AOC participated in negotiations on this bill, which was destined for passage following workplace harassment issues in the legislature. See also SB 726.

MESSAGING

The bill sets parameters and requires public employers to adopt policies to prevent workplace harassment. AOC supported the bill and supports creating safe, harassment-free workplaces.

FISCAL IMPACT

For those counties that are not already in compliance, there may be some cost to getting into compliance.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 52-3-2-3

Senate Floor: 27-2

Workers Compensation and PTSD (+) [SB 507](#)

Passed

SUMMARY

Creates certain rebuttable presumptions relating to Post Traumatic Stress Disorder (PTSD) and workers compensation

AOC ENGAGEMENT

This was a heavily negotiated bill between advocates and employers, both represented at Management-Labor Advisory Committee (MLAC). AOC's Public Safety Policy Manager participated in those negotiations. See also HB 3022.

MESSAGING

N/A

FISCAL IMPACT

None.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment.

VOTES

House Floor: 58-0-2

Senate Floor: 26-2-2

Workplace Harassment Generally (-) [SB 726](#)

Passed

SUMMARY

SB 726 is the generally applicable counterpart to SB 479. Both bills deal with workplace harassment policies and investigations, as well as limitations on settlement agreements that prevent an employee from discussing workplace harassment. SB 479 is the primary bill that impacts public employers, since it goes further, in many respects, than SB 726. However, SB 726 was the bill that initiated an extension of the statute of limitations from one to five years, which then was reflected back in the language contained in SB 479.

AOC ENGAGEMENT

AOC participated in negotiations on this bill, which was destined for passage following harassment issues in the Legislative body. AOC's position was to oppose the bill, unless certain changes were made, most notably those around the statute of limitations. As originally proposed, the bill would have extended the limitation from one to seven years but was negotiated down to five years. AOC (and CIS) would have much preferred something along the lines of three years, since it can be very difficult to defend against things that were alleged to have occurred five years prior.

MESSAGING

AOC supports creating safe, harassment free workplaces, and providing a reasonable time period for employees to assert claims. However, extending the statute of limitations from one to five years pushed the outer limits of what could arguably be "reasonable."

FISCAL IMPACT

For those counties that are not already in compliance, there may be some cost to getting into compliance.

REVENUE IMPACT

None.

EFFECTIVE DATE

91 days following adjournment. Not operative until 10/01/2020.

VOTES

House Floor: 60

Senate Floor: 23-6-1

PERS

PERS Police and Fire Increase (-) [HB 2786](#)

Died in Joint Committee

SUMMARY

HB 2786 would have placed deputy district attorneys from Public Employees Retirement System (PERS) to PERS Police and Fire, a system that provides greater retirement benefits for emergency service workers, which in turn produces a higher cost for public employers. Oregon counties, already feeling the impacts of the unfunded actuarial liability (UAL) at \$25+ billion, are stretched thin in their efforts to cover that cost on top of providing basic services to their residents. Adding deputy district attorneys to PERS Police and Fire would have increased unfunded, mandated costs to counties significantly. Originally, the bill included district attorneys, for which the state would have to pay additional benefit costs. In the midst of the PERS debates, the Legislature removed the provision from the bill that would have added to their PERS UAL, but left counties in, with no means to pay for the proposed mandate.

AOC ENGAGEMENT

AOC actively opposed this legislation.

MESSAGING

Oregon counties oppose unfunded mandates and support a fair and equitable modifications to PERS to make the system sustainable. This bill, in the wake of the PERS discussions would have increased UAL for counties.

FISCAL IMPACT

If implemented, this bill would have cost counties close to \$2 million per year.

REVENUE IMPACT

None.

EFFECTIVE DATE

N/A

VOTES

N/A

PERS Reform Light (+) [SB 1049](#)

Passed

SUMMARY

SB 1049 served as a political chip in the 2019 Session as a means to get the education package and other large policies through the Legislature. The bill acted as a form of cost containment to slow the ever-growing \$25+ billion unfunded actuarial liability (UAL) associated with the Public Employees Retirement System (PERS). The bill provides a partial redirect of employee contribution to support their PERS pension benefits. It extends amortization for the PERS UAL to provide some employer rate relief, but at the expense of extending the UAL debt repayment by roughly a decade. It temporarily eliminates the cap on work by PERS retirees at a PERS employer. The bill imposes a \$195,000 cap on final average salary used to calculate PERS benefits. State revenues and future sports betting revenues are allocated to help fund the Employer Incentive Fund (EIF), which matches PERS employer deposits into their own side accounts by up to 25 percent.

AOC ENGAGEMENT

AOC actively engaged in the discussion around PERS reform, including testimony and presentations by AOC Legal Counsel.

MESSAGING

While AOC advocated for a more robust, long-term solution to the PERS funding issue, the bill had some elements that AOC sought. A majority of the near-term PERS employer rate relief this bill will allow employers to realize will be derived from the extended amortization, which is a double-edged sword akin to refinancing your 15-year mortgage to a 25-year mortgage because you cannot afford the current payments.

FISCAL IMPACT

May provide some PERS employer rate relief in the short-term.

REVENUE IMPACT

Possibility of EIF matches for counties.

EFFECTIVE DATE

06/11/2019

VOTES

House Floor: 31-29

Senate Floor: 16-12-2

Legislative Affairs Staff

For any questions related to the 2019 Legislative Report, please contact AOC Legislative Affairs staff. Each staff serves as an expert in their policy area and is your advocate in the Oregon Legislature.



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