



State Advocacy Update

2017 Legislative Report (Week 4)

This content is provided through our membership with the Oregon State Chamber of Commerce (OSCC). We are providing it to you our members so you can stay engaged with business impacting state legislation if you so choose. 70+ chambers are members of OSCC and are working together to advocate for our businesses at a state level.

The 2017 Oregon legislature is picking up steam and starting to delve into issues of general concern to the business community. On the positive side, legislators received welcome news as economic forecasters delivered a positive revenue forecast that may lessen the need for additional revenues. But on the negative side, committees have started to schedule hearings on issues that will generally have a negative impact on business if passed. OSCC will keep members apprised as these issues and hearings start to populate committee schedules.

OSCC is starting to see an overall framework develop for the 2017 legislative session: (1) Leadership appears to be growing more serious about reducing the cost of government, particularly around personnel costs, (2) there appears to be growing momentum for a comprehensive transportation funding package, (3) additional revenue generation remains a key issue, but more so for Democrats than Republicans, and (4) there does seem to be a growing acknowledgement that PERS may not survive under the weight of the current \$22 billion in unfunded liabilities.

Here's what we know from the past week:

Although there is not yet any sort of "master plan" to deal with the state's budget deficit, legislators are starting to form bipartisan negotiating teams and workgroups. OSCC regards this as a positive development. It means that legislators are starting the process of negotiating with each other. It also fills the leadership vacuum that had outside groups wondering if they should be negotiating in lieu of legislative discussions. Bipartisan, bi-cameral negotiating teams are being assembled for both general revenue discussions and hospital provider tax discussions, both major components to solving the overall budget puzzle.

Although it is still early, the Senate commitment to bipartisanship could pay significant dividends to business in 2017, particularly in the area of costly environmental and labor regulation. This is a major theme we will be paying attention to all session, for it has the potential to forestall several anti-business policies that are

looming on the horizon. As long as good faith bipartisan negotiations continue on the budget and transportation, there is a good chance that there may be no appetite for anti-business legislation.

The business community, including OSCC, looks poised to block legislation that would require employers not to discriminate in terms and conditions of employment based on off-duty marijuana use. The bill in question - **SB 301** - requires that employers do not discriminate against employees or prospective employees based on their marijuana use. However, the legislation runs directly into a brick wall - the Oregon Supreme Court - which has established a strong legal precedent that employers are entitled to enforce zero-tolerance workplace drug policies and may not be compelled to accommodate what the federal government has made illegal. Although **SB 301** received a public hearing in the Senate Judiciary Committee last week, it appears at this point that a majority of Oregon senators will not vote for the bill. OSCC testified in opposition to SB 301 and will keep members apprised.

OSCC members may have caught a break on paid family leave legislation. Over the past few weeks, OSCC had developed the opinion that paid family leave would become organized labor's top legislative priority for 2017. We anticipated that Legislative Counsel (the legislature's lawyers) would determine that employers and employees could be assessed 'fees' under the bill to pay for the program that would only require a simple majority of legislators to approve. However, it appears that Legislative Counsel has determined that paying for the program would require a 'tax' on workers and employers that would require a 3/5 'supermajority' of legislators to approve. This gives OSCC far more leverage in defending against this proposal, which would ultimately require additional employer payroll taxes.

The state's economist, in the official February Revenue Forecast, has estimated that legislators will see an additional \$200 million in revenues for the upcoming 2017-19 budget cycle. The net effect of this forecast is that the projected state deficit for the 2017-19 shrunk from \$1.8 billion to \$1.6 billion. Predictably, both parties welcomed the news because it made their budget balancing task slightly less daunting.

Here's what's coming up this week:

Predictive scheduling will get a full blown public hearing on Monday. The Senate Workforce Committee will hear **SB 828**. This bill, while targeting all employers, specifically targets restaurants, hospitality establishments and retail stores. The bill would set onerous new wage requirements for any shift changes that result from lack of business demand or lack of customers on any given day. OSCC will oppose.

Increased damage award limits will get a hearing on Tuesday. The trial lawyers have been trying for several sessions to increase non-economic damage limits on wrongful death and personal injury claims which would result in increased liability costs for business and health care providers. **SB 487** will be heard in the Senate Judiciary Committee on Tuesday. **SB 487** is on the OSCC agenda as a bill that business will oppose.

New environmental regulations and taxes will be heard by a special joint House and Senate committee hearing on Wednesday. A special joint hearing of the House and Senate Environment Committees will convene on Wednesday to take testimony on 'cap and trade,' increased air emission regulations and new carbon taxes.

At this point, no evening hearings have been scheduled. We expect pressure to ramp up as legislators and committee members need to move or pass a bill out of the first chamber by mid-April. It is fully anticipated that environmental advocates will push to move one of the concepts to the Joint Ways and Means Committee or the Rules Committee so they have an opportunity to pass legislation around carbon pricing or restricting air emissions should bipartisan conversations around transportation or the budget disintegrate.

As of today, OSCC believes that while there is plenty of appetite (and votes) to move these types of proposals in the House, there is not enough support in the Senate. But again, that could change if bipartisan negotiations on the budget or transportation break down. OSCC will oppose.

The House Revenue Committee will begin hearings on increased business taxes on Thursday. The House committee will hear bills that increase the corporate income tax to 8% (**HB 2830**) and increase the corporate minimum tax for large S corps (**HB 2831**). Although we don't believe there is an intention to move these bills independently of a pre-negotiated revenue package, OSCC will oppose these bills.

Of particular interest to OSCC members:

We are sounding the alarm on SB 828 - predictive scheduling. OSCC has reason to believe that this is now the top labor priority for 2017.

What you need to know on **SB 828**: (1) It requires a minimum of four hours of pay for any employer that calls an employee into work but the employee does not work the shift in its entirety, or (2) when an employee is told with less than 24 hours' notice that their upcoming shift is not needed or that the hours in the shift have been reduced.

SB 828 has much more stringent provisions for restaurants, hospitality establishments and retailers. It requires an interactive scheduling process in which an employer must accommodate employee scheduling requests. It also requires that schedules be set 14 days in advance. For any changes made to an employee's schedule with fewer than 14 days' notice, it requires one hour of additional pay per any change that does not result in a loss of hours worked, and it requires one-half rate of pay for any scheduling change that results in a loss of hours.

You can see **SB 828** [here](#).

As you may have seen, earlier today OSCC sent a Mobilization Alert calling for testimony against **SB 828**. Please submit written testimony from your Chamber and your members to: swf.exhibits@oregonlegislature.gov. For talking points, please go to this [link](#). Remember to provide the testimony from the perspective of how this will impact

your community or your member businesses. OSCC has submitted the [included testimony](#).

OSCC member testimony is encouraged at any time this week.