



2017 Legislative Session in Fewer than 1,000 Words

Amazingly, 2,827 bills were introduced in the 79th assembly of Oregon legislators, more than 1,000 passed, but just eight will be used by the public and the press to measure their success.

Four that passed: transportation package, health provider tax, pay equity and a statewide work schedule mandate.

Four that did not: revenue reform, tenant protections, paid family leave and PERS fixes.

With a \$1.8 billion expected shortfall in meeting current service levels for state agencies, finding new revenue was a central conversation throughout the interim and during the session. Even with the House makeup of 35 Democrats to 25 Republicans, and the Senate at 17 Democrats to 13 Republicans, the margins were not large enough to let the majority party pass taxes. Because the Oregon Constitution requires a 3/5 vote for new taxes, one Republican in both the House and Senate would need to support a revenue reform package. That certainly was not going to happen unless Republicans achieved some of their agenda items, and they (Senators and Representatives alike) remained firm and united throughout session. Democrats seemed to have a harder time bridging the gap between the two chambers and to the Governor's office.

Lacking any new revenue, it took trimming, taxes, foolery and good fortune to overcome the expected deficit. Because the Oregon economy improved, so did our revenue forecast adding back \$400 million to the budget. A cost containment bill, including a hiring freeze, meant \$94 million more, and the elimination of some tax credits (including for solar projects) added another \$20 million to this biennium and could boost future budgets by \$100 million. While corporate tax rates did not increase, taxes on hospitals and insurance plans passed, bringing \$550 million to state coffers, helping to protect one million people on the Oregon Health Plan and extend health coverage to 15,000 children. At the ballot box last November, voters chose to dedicate lottery dollars to veterans, outdoor school and high school dropout prevention and career-technical education programs, but the Legislature voted to take some of those dollars back. Democrats also eliminated a small businesses tax break that Republicans had fought for during the "Grand Bargain" of 2013, raising another \$200 million.

While not as large as originally proposed, the overdue statewide transportation package passed with bi-partisan leadership and support. The package raises \$5.3 billion in the next decade and is dedicated to reducing congestion, increasing alternate transportation options, investing in maintenance and preservation, improving safety of existing infrastructure, and ensuring ODOT accountability. A gas tax is at the heart of the package that comes with some twists:

- A phased in gas tax increase that adds 4 cents January 2018, and 2 cent additions in 2020, 2022, and 2024.
- A tiered increase in title and registration fees based on vehicle fuel efficiency, including a surcharge of \$110 for electric vehicles (reasoning is that vehicles that use less fuel still do the same damage to roads but do not pay their share through gas tax; however, the package also provides incentives for the purchase of electric vehicles).
- A statewide payroll tax of 0.1 percent to pay for mass transit.
- A tax of \$15 on bicycles costing more than \$200.
- A dealer privilege tax of 0.5 percent on new vehicle purchases.

Seismic improvements for the state's bridges and culverts, ConnectOregon multimodal funding, and Safe Routes to School programs are also funded in the package. And to help secure Republican support, caps on fuel cost increases resulting from the Clean Fuels program were added.

Leadership had workers in mind when they sought extension of the State's new paid sick leave benefits to encompass paid family leave. While that did not pass, pay equity, predictable scheduling for the hospitality and retail industries and restrictions on overtime did pass. HB 2005 makes it an unlawful employment practice to discriminate in payment of wages or other compensation on the basis of protected classes, including race, color, religion, sex, sexual orientation, national origin, marital status, disability, age, and veteran status. Beginning July 1 2018, SB 828 requires retail, hospitality and food service employers with 500 or more employees worldwide to provide good faith estimates of employees' work schedules at the time of hire and provide current employee with seven days notice of work schedule. Beginning July 1, 2020, it extends advance notice requirements to 14 days and requires an employer to compensate employees for schedule changes without seven days advance notice. Finally, HB 3458 modifies daily overtime payment by employers in the manufacturing and food processing sectors to require calculation on both daily and weekly basis and payment of the larger of the two amounts. In addition, the measure prohibits employers from requiring employees to work more than 55 hours in a work week.

Oddly, having Democrats in control of the House, Senate and Governor's office did not lead to success on environmental issues: a carbon cap and trade program, extension of Cleaner Air Oregon funding, and an ambitious workgroup bill to cut diesel engine emissions all failed (though a severely scaled-back version of the diesel bill did eventually pass).

Finally, a \$1.3 billion bonding bill passed that provides for seismic upgrades to schools and emergency buildings, community college and state university improvements, affordable housing construction and preservation, two new veterans' homes, multiple economic development projects across the state and the retention of the Elliot State Forest in public hands.

Obviously, fewer than 1,000 words cannot convey all that occurred in this challenging and contentious session so in the coming pages I have detailed issues specific to your legislative agenda, while keeping in mind that, "*Brevity is a great charm of eloquence.*" – Cicero

Metro

Representing Metro on a temporary basis was not only an honor but also a relationship building opportunity. The issues we advocated for opened doors to Democrats with whom we had not yet had an opportunity to do much work, and, we believe, our solid relationships with Republicans forged new lines of conversation, understanding and respect for Metro.

Several major bills Metro advocated for - flexibility in managing growth and development, a major transportation package, industrial site readiness and recreational immunity - all passed. Our household hazardous waste bill passed the policy committee but could not escape Ways & Means.

An excellent coalition worked on HB 2095, the region's bill that authorizes mid-cycle UGB expansions. While it passed both houses by overwhelming margins, Republicans who voted for the bill made a point of saying they expected support for their rural "land use changes" in the future.

With respect to the transportation package, Andy Shaw was the master of all details. Andy was an insider on the process, confidant to the Senator leading the charge and most knowledgeable person in the room for multiple sub-committee and full committee hearings. Metro should be incredibly proud of the role Andy played in developing and passing this legislation.

Both CMAQ dollars and authority for Metro to assess a construction excise tax for affordable housing were discussed and are well situated for success in the next legislative session. Metro was also active on the diesel emission bill: a pilfering of CMAQ funds led us to oppose the bill as first drafted, but after meeting with and convincing Senator Dembrow, changes were made that led to Metro's support. Unfortunately, the bill was whittled down dramatically.

Every land use change we opposed failed and bills on accessory dwelling units and trafficking in wildlife and animal parts were amended to meet Metro concerns.

Definitely a successful session with a great "leave position" for the interim and future legislative assemblies. This absolutely could not have been done without the incredible leadership, knowledge and advocacy work done by Andy Shaw on the ground and the additional documents produced and support provided by Randy Tucker. Scott Klag and Jim Quinn turned two rural farm girls into hazardous waste disposal crusaders. And Frankie Lewington was the glue that held us all together and kept us on task. Great Team – Great Time. We thank you!