

## Oregon Legislative Update

In a nod to a uniquely bipartisan session, the 82nd Legislature gavelled out, *sine die*, three days earlier than required, on March 7, 2024. In the final minutes of the session, lawmakers elected a new Speaker of the House, Julie Fahey (D-Eugene), with now former Speaker Dan Rayfield (D-Corvallis) running for Oregon Attorney General. Unlike the previous three sessions, lawmakers crossed party lines during their 32 days in session to work collaboratively on critical, but less partisan issues including the recriminalization of hard drugs, housing and campaign finance reform.

HB 4002 and its companion bill SB 5204 will recriminalize hard drugs in Oregon, a response to public outcry over the implementation of Ballot Measure 110 (2020). Under HB 4002, the Legislature created a new undefined misdemeanor (crime) that carries a maximum of 180 days in jail, but included a “deflection” program (similar to diversion for DUII) to allow people to avoid jail time in exchange for drug treatment. Here is a chart legislators are sharing that shows the different paths a person could take under a HB 4002 citation or arrest, leading to (ideally) drug treatment or if not, jail time. Time will tell whether these reforms will make an impact on Oregon’s drug crisis.

Another top priority for the session was passing Governor Kotek’s housing bill. SB 1537 allocates nearly \$370 million designed to boost affordable housing and homeless shelter production and give cities a small window to bypass state land-use laws to build housing. Governor Kotek brought back this priority bill after failing to secure support for the measure during the final days of the 2023 Session.

Surprisingly, in a historic twist to the session, campaign finance reform (HB 4024) passed the legislature and is expected to be signed into law by Governor Kotek. While it is a violation of the US Constitution’s 1<sup>st</sup> Amendment free speech provisions to remove money from politics, Oregon is unique among the states and federal government in having no direct campaign contribution limits. Some may recall that in 1994, Oregonians passed campaign finance reform via Ballot Measure 9, which was subsequently invalidated by the Oregon Supreme Court as unconstitutional in 1997’s *VanNatta v. Keisling*. Fast forward to 2020, the Oregon Supreme Court reversed the 1997 *VanNatta* decision, and voters approved Ballot Measure 107 (by 78%!), a constitutional amendment allowing for campaign contribution and spending limits at the state and local levels. Which all brings us to the final days of this session.

A group called Honest Elections Oregon worked to qualify Initiative Petition 9 for the November 2024 ballot, which would have created very low contribution limits for candidates and complicated public disclosure laws. Because of the 1<sup>st</sup> Amendment protections, if passed, the measure would very likely drive more dark (undisclosed) money in politics. To avoid a ballot measure and create a workable campaign finance law, a bipartisan group of lawmakers and interest groups crafted HB 4024, limiting, but still allowing for direct campaign contributions to candidates. Under the HB 4024 compromise, Honest Elections Oregon agreed to withdraw

their Initiative Petition. Consequently, with Governor Kotek's signature, campaign finance limits will become law, and this will not be an issue before Oregon voters in November.

Here's a short rundown of the new law.

- Campaign contribution limits go into effect in 2027, when all current legislators have run for re-election
- \$3,300 Individual/Business Contribution Limits per Election (Primary and General)
- No contribution limits into Membership Organization Political Action Committees (PAC) (different for multi-candidate PACs)
- New limits on in-kind donations
- Similar transparency provisions requiring disclosure of campaign contributions to candidates

While bipartisan priorities passed this session, the legislature kicked the can on several issues, including transportation funding. Despite a lawsuit brought by trucking businesses and inadequate funding for ODOT to perform normal operations, the Legislature did not address Oregon's growing transportation needs. They did, however, signal future work on a 2025 Statewide Transportation Package. While the Joint Transportation Committee failed to move any of the bills ([HB 4165](#), [SB 1519](#) and [SB 1543](#)) aimed at addressing the state's dwindling Highway Trust Fund, we expect this to be a major issue in 2025, as the legislature navigates balancing the cost of Oregon's transportation system on the backs of the weight-mile tax paid by trucks and the gas tax paid by some, but not all passenger vehicles.

Here's a quick overview of other bills we were tracking for you:

**Warehouse Workers**(*PASSED*) [HB 4127](#) was part of a national effort targeting working conditions in Amazon warehouses, but encompassed many other sectors that relied on warehouses. After over a year of negotiations, the bill was modified to include only a reporting requirement for certain warehouses that pay workers on a quota system. Warehouses are defined by NAICS codes. Since the last session, ag, food, and beverage warehouse NAICS codes were explicitly exempted. Overall, the bill passed without business community opposition.

**Leave Realignment Bill** (*PASSED*): The legislature passed [SB 1515](#) which will better align a pair of overlapping leave laws, the [Oregon Family Leave Act](#) and [Paid Leave Oregon](#). Changes to these laws were a priority for the business community because the two programs provide leave under similar circumstances, making compliance confusing for employers and employees. The programs' redundancies also have led to leave "stacking," in which employees exhaust OFLA leave, then then take paid leave for the same purpose. SB 1515 is intended to take care of those redundancies and stacking.

**Tax Privacy** (*PASSED*): A new law was passed to protect business and individuals from public disclosure of local government tax information. [HB 4031](#) ensures local governments cannot disclose business and personal tax information. This was a priority for several business

organizations following a lawsuit by the media challenging the City of Portland's decision not to disclose certain tax information. This is a good win for business.

**HB 4050 Pay Equity Improvements (FAILED):** HB 4050 would have created new flexibility in Oregon's pay equity law. The proposal would have added language used by other states with strong pay equity protections, like California and New York, giving Oregon employers the flexibility to provide hiring and retention bonuses when certain criteria are met. With public employee union and other opposition, the bill died in committee.

**New, Aggressive Climate Goals (FAILED):** SB 1559 would have established new, unnecessarily aggressive greenhouse gas emission reduction goals 95% below 1990 levels by 2050 with interim goals in 2030 and 2040. Fortunately, the legislature chose to avoid this controversial topic this session.

**Farm machinery and equipment (PASSED):** In the final day of session, the legislature passed HB 4111, which expands the property tax exemption for farm machinery and equipment. While this is more of an on-farm property tax benefit, wine and dairy producers were called out as potential beneficiaries.

Overall, the 2024 Legislative Session was a success for NWACC; in large part due to the dedicated work with legislators and agencies before session to avoid bad, partisan legislation. We do expect a busy interim with various rulemakings (CPP, CAFO, and EPR to name a few), meeting candidates running for election/re-election, and even discussing complex legislation for 2025. The work is never done.

And finally, Tuesday is officially filing day, the deadline for candidates to enter 2024 races for elected office in Oregon. We will compile a full list of candidates for legislative districts shortly after Tuesday's deadline.