



OREGON PUBLIC PORTS



ASSOCIATION

2017
Legislative Session
Final Report

2017 LEGISLATIVE SESSION IN REVIEW

The 79th Oregon Legislative Assembly convened a three-day “organizational session” on January 9, 2017. The assembly then adjourned for roughly two weeks and reconvened in full session on February 1, 2017. During the organizational days, nearly 1,200 bills were printed. Those measures were referred to the various policy committees during the subsequent 2 weeks, which allowed the committees to conduct hearings on bills the very first day of full session. This was the fourth full Legislative Session that was constitutionally limited to 160 days under Ballot Measure 71, which was passed in 2010. Legislative leadership created an ambitious legislative calendar under HCR 17 and set a target date of June 23rd for *Sine Die* (143 days). However, in a move that hasn’t happened since 2003, the Senate adjourned *Sine Die* at 11:30am on July 7th, three hours before the House adjourned. The session lasted 156 days.

During the November election House democrats maintained their 35-25 majority. The majority party re-elected Tina Kotek (D-Portland) as the House Speaker (the first Speaker to serve three consecutive sessions in several decades) and Jennifer Williamson (D-Portland) as the Majority Leader. Interestingly, for the first time in Oregon history of the majority party were women (19 of the 35).

Mike McLane (R-Powell Butte) was re-elected as the House Minority Leader. Three of the 25 members in the Republican Caucus were women. In addition, there were 14 freshman legislators in the House this session (10 Democrats and 4 Republicans).

The Senate Democrats, on the other hand, lost one seat after the General Election resulting in 17 Democrats and 13 Republicans. The Senate elected Peter Courtney (D-Salem) to an unprecedented 8th term as President of the Senate and Ginny Burdick (D-Portland) as the Majority Leader for her first full term in that position. Ted Ferrioli (R-John Day) was re-elected as the Senate Minority Leader for the fifth consecutive full session. There were four new Senators this session (2 Democrats and 2 Republicans), and only one of them had previously served in the House.

Governor Brown was elected to serve out the remaining two years of former Governor Kitzhaber’s term, which he resigned from under enormous pressure in early 2015. She captured 51 percent of nearly 1.7 million votes cast. She will have to run again in 2018 if she wants to pursue a full four-year term as Oregon’s Governor.

Republican Dennis Richardson was elected Secretary of State, breaking a 22-year lock on partisan statewide office races. A feat not equaled since Jack Roberts won the office of Labor Commissioner. However, Gordon Smith was the last Republican to win any statewide election when he won a second term to the U.S. Senate in 2002.

With the state facing a nearly \$1.8 billion budget deficit in meeting current service levels, ballot measures played a big role in determining how the legislature was going to be able to balance the state's budget. Ballot Measure 97 would have raised nearly \$3 billion a year by taxing corporations with more than \$25 million in Oregon sales. The measure turned out to be the most expensive ballot measure fight in the state's history with over \$26 million in contributions to defeat the measure and approximately \$16.5 million in support. The measure was soundly defeated by Oregon voters by nearly 20 points. Ballot Measure 98, which was resoundingly passed by the voters, dedicated \$800 per high school student for career technical education and dropout prevention; thereby costing the state up to \$294 million to fully implement. Ballot Measure 99 was passed by the voters, and dedicated up to four percent of lottery proceeds, or approximately \$44 million, to pay for one week of Outdoor School for every 6th grader in Oregon. Finally, Ballot Measure 96, which dedicated 1.5% of Lottery revenues for veteran's services – equaling approximately \$19 million every two years, was also passed by the voters.

The three measures that passed represented \$357 in new spending and equaled 1/5th of the budget gap faced by the Legislative Assembly. The other two big cost drivers responsible for the budget gap were increased payments to address the growing unfunded liability under the Public Employee Retirement System (PERS) as well as expanded Medicaid eligibility with lower federal reimbursement.

In December, Governor Brown presented her recommended budget and described it as a "short-term budget solution." Her proposed \$20.9 billion budget (\$2.1 billion more than the previous biennium's budget or an 8.56% increase) used an equal amount of new revenues and program cuts in order to fill the daunting budget shortfall. Specifically, she asked for nearly \$900 million in new revenue to include increases in tobacco and liquor taxes, the elimination of a corporate tax break created in 2013, and an increase in hospital assessments and health insurer taxes.

Her budget invested in education, health care, housing and job creation through a transportation funding package. The proposed \$8.01 billion for K-12 education funding was met with skepticism and her higher education funding proposal simply maintained funding levels from the previous biennium – thereby requiring substantially higher tuition costs for students. Other proposals included cutting diesel emissions, expanding DEQ's air toxic monitoring, and continued modest investments in water related infrastructure.

The Governor's proposed budget was met with wide-spread concern from both parties largely due to the assumed approval of several tax votes that would have been required under her plan. As a result, in mid-January, the Co-Chairs of the powerful Ways and Means Committee released an "Existing Resources Framework" for the 2017-19 state budget. This plan was based on "existing law" and served as the framework for balancing the budget for the upcoming biennium. The proposal put in stark terms what the next budget would look like without any new revenue. Hundreds of millions of dollars in cuts across state programs were outlined in the document and included a three percent cut to education as well as the discontinuation of nearly 400,000 Oregonians Medicaid coverage. With the release of the framework plan, the

Full Ways and Means Committee announced their intent to conduct a statewide listening tour to seek public input on budget priorities for the upcoming biennium. They hoped that the budget cuts outlined in their framework would be rejected by the public and that the next revenue forecast would allow them to develop a recommended budget.

Meanwhile, discussions continued on the deficiencies of Oregon's tax structure. One side maintained that corporations were not shouldering their fair share of the tax burden while the business community stated that runaway costs of the PERS system needed to be addressed before they would be willing to discuss new taxes. This circular discussion continued throughout the session without any resolution on either corporate tax reform or substantive modifications to the PERS system.

As the session began, both parties outlined their broad agendas. The majority party made clear that education investment, a transparent and accountable government, continued economic growth, worker and family rights protection, supporting women, seniors, communities of color, and healthy communities were their top priorities. The republican's agenda included higher standards for government transparency and accountability, investment in students and workforce, prioritizing rural Oregon, strengthening the integrity of Oregon elections, and keeping our promise to Oregon veterans.

Tax reform was a huge topic of debate throughout the course of the session. The Joint Committee on Tax Reform was created and given the task to come up with new ways to reform and increase corporate taxes. The various proposals, although they attracted a great of attention from the press, made very little progress due to Republican demands to produce substantial savings under PERS. At one point in the session the K-12 Education budget was held up to try to leverage votes for a corporate tax reform measure. In the end when Governor Brown identified Medicaid funding, transportation and cost containment as her go home requirements for the session, any wind remaining in the corporate tax reform debate was lost.

Another major topic of discussion was transportation. The 14-member Joint Committee on Transportation, Preservation and Modernization spent nearly a year touring various areas of the state and gathering information on local projects. The committee broke up into five subcommittees and then reported their recommendations to the full committee. Many legislators, and lobbyists alike, began to speculate that there would not be enough time to pass a funding package as early May approached. Then a nearly 300-page amendment was printed on May 31st that proposed a \$8.2 billion 10-year funding package. Several weeks passed with interest groups complaining that the proposal was too big and whispers of a potential referral to the voters were heard throughout the Capitol. By June some folks even began to speculate that a transportation funding package or corporate tax reform would have to be taken up during a special session either in the late summer or fall. At one point, SEIU even threatened to refer the transportation package if the legislature would not pass a corporate tax hike. However, once a deal was struck on limiting costs related to the low carbon fuel standard enacted in 2015, a trimmed down version of the bill passed both chambers comfortably.

The May revenue forecast, used to balance the upcoming biennial budget, brought additional good news. The February forecast showed an additional \$200 million for the General Fund. The Office of Economic Analysis estimated that the next biennium's revenue would be up an additional \$200 million – thereby reducing the funding gap to meet current service levels to \$1.4 billion. The challenging news was they also predicted the personal income tax kicker would kick for tax year 2017 to the tune of \$408 million. This final forecast set the stage for the legislature to complete the remaining budgets and enact the measures projected to have budgetary impacts.

The Legislative Assembly was able to close the pre-session funding gap of \$1.8 billion largely due to: the passage of a \$211 million cost-containment bill; \$400 million predicted in the two previous revenue forecasts; passage of a health care provider tax and health insurance tax totaling \$550 million; underfunding a voter approved Ballot Measure for career technical education and drop-out prevention by \$120 million; eliminating tax credits such as the residential solar tax credit, and elimination of a corporate tax break enacted during the 2013 session.

House Democrats intentionally avoided bringing forward highly controversial proposals with the hope of engendering good will with the minority party. However, after it was clear that no corporate tax reform would move forward, several highly contentious issues were brought to the floor. These included restrictions on certain individuals possessing guns, reproductive health insurance, and a bill to set a special session in January of 2018, to name a few.

In the end, the Legislature adopted budget amounted to nearly \$20.9 billion in General Fund and Lottery resources, an increase of 10.3% over the previous biennium. Democrats hailed the session as a success with the one notable exception that corporate tax reform must be addressed. Meanwhile, Republicans complained bitterly that the legislature failed to address the crippling costs driven by the PERS unfunded liability. There is little doubt that relationships were strained during the session, not only between parties but also between leadership in the House and Senate as evidenced by the two chambers adjourning separately, rather than concurrently.

NOTABLE ACTIONS TAKEN THIS SESSION

- Passage of a comprehensive transportation funding package, including phased increases to the gas tax, registration and title fees and an employee payroll tax among other revenue sources that is expected to generate approximately \$5.3 billion over the next 10 years.
- Nearly \$8.2 billion for K-12 – approximately \$800 million more than the previous biennium (11 percent increase) but \$200 million below what advocates and even protestors wanted to avoid teacher layoffs, shortened school years, and increases in class sizes.

- Pay equity that will ensure that Oregonians are paid a fair and commensurate wage regardless of race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability or age.
- A first of its kind predictive scheduling law for employees of the hospitality, restaurant and retail industries.
- Electronic recording of grand jury proceedings.
- A cost containment bill that will review how agencies classify positions, merge public employee health care programs, modify select procedures for PERS and put limits on payments to hospitals as well as the growth of health care premiums.
- \$30 million for OregonConnect VII; additional money for the program will be generated from a privilege tax on new car sales provided that it is determined to not violate the Constitutional restrictions for the State Highway Fund.
- Strict timelines for public bodies to release information requested under Oregon's Public Records law.
- Raising the age to purchase tobacco from 18 to 21.
- \$200 million for school seismic upgrades and a matching program to fix outdated, dilapidated or hazardous school facilities.
- \$100 million to renovate community college facilities.
- \$260 million for renovations and other projects on state university campuses.
- \$80 million for affordable housing construction and \$25 million for affordable housing preservation.
- \$20 million for the Special Public Works Program and an additional \$10 million for levees under the program.
- \$15 million for the Water Supply Development Account.
- Funding to support the next steps of the Portland Harbor Superfund Cleanup.
- \$100 million to keep the Elliot State Forest in public hands.
- Making Oregon Drivers Licenses compliant with the Federal REAL ID Act.
- A balanced budget of approximately \$20.9 billion.

The Governor got the transportation funding package that she called for as well as new investments in affordable housing, funding for Medicaid and some modest cost containment. However, there were a few notable issues that did not successfully pass this session. The failures to enact corporate tax reform this session will likely result in another brutal ballot fight in November 2018. Other issues that failed to move forward included paid family leave, rent control, and no-cause evictions.

LOOKING AHEAD

Governor Brown will run for a full four-year term after succeeding Governor Kitzhaber and winning an election to serve out the remaining two years of office. Knute Buehler (R-Bend) has announced his candidacy, but it remains to be seen whether any other challengers will emerge.

It is likely that it will be a contentious ballot season again. Representative Julie Parish (R- West Linn) has threatened a referral of the health provider tax that was key to balancing the state's budget and providing as many as 350,000 Oregonians health care coverage over the next biennium. As a result of this threat, Democrats passed legislation over strenuous Republican objection that allows them to write the ballot title and require the referral to be voted on in a special election that will occur on January 23rd, 2018. The reasoning for the special election is that if the referral were to succeed, the Legislative Assembly could address this new funding shortfall during the February session.

With the failure of any corporate tax reform the Oregon Education Association, the state's largest teacher's union, filed a multi-billion-dollar corporate tax initiative. The proposal would have raised as much as \$1.75 billion annually for K-12 and higher education through a corporate tax that would have been assessed based on a company's sales. The same union also filed another ballot initiative, Initiative Petition 26, which would have enabled the Legislature to raise corporate taxes to pay for education by removing the three-fifths supermajority to increase taxes to pay for education. IP 26 was deemed unconstitutional and rejected by the Secretary of State on August 7th. SEIU 503 and OR AFSCME filed a third initiative that would require publicly traded companies to report their Oregon taxes to the Secretary of State's office.

Former Republican nominee for Oregon, Governor Bud Pierce, has filed a term limits ballot measure. His proposal would take effect immediately and be retroactive, thereby immediately removing 25 legislators from office, or nearly one third of the entire Legislative Assembly.

In order to qualify a statutory measure for the ballot 88,184 signatures must be collected; constitutional measures will require 117,578 signatures. The deadline to turn in signatures is July 6, 2018. Some of the potential measures include: requiring voters to prove citizenship, voter privacy, a slew of proposals relating to immunizations, franchise fees, cigarette taxes, a proposal to repeal Oregon's "Sanctuary" statute, a constitutional proposal that would open the door towards limiting campaign contributions, and a constitutional prohibition to taxing groceries. However, it is likely that there will be more to come which could set up the 2018 election to possibly being the most expensive in history, despite the eye-popping record setting amount spent in 2016.

PERS unfunded liability payments continue to escalate for the nearly 900 state and local governments across the state. Governor Kate Brown has appointed an Unfunded Liability Task Force to seek to reduce the current \$22 billion unfunded liability by \$5 billion. The task force will explore the possibility of liquidating SAIF, the OLCC, the lottery, elements of Tri-Met, and possibly even assets including property owned by local government.

The majority party also had some "unfinished business." During the 2018 session we will likely see further efforts to include an elimination of no-cause evictions, allow cities to undertake rent control, and an attempt to put a price on carbon.

Current Labor Commissioner Brad Avakian has announced that he will not seek the office again in 2018. As a result, two Oregon state-wide offices will be up for grabs including the Office of Governor. There will also be several vacancies to fill due resignations (Ann Lininger D-Lake Oswego) and those who have announced their intention to not seek re-election (Sal Esquivel R-Medford.)

DYNAMICS OF THE 79th LEGISLATIVE ASSEMBLY

Session Length:	156	Bills Introduced:	2,647
Date Convened:	February 1, 2017	Bills Signed by Governor (18 th of Aug):	751
Date Adjourned:	July 7, 2017	Bills Vetoed:	2

OREGON SENATE

Democrats: 17

Republicans: 13

Senate Caucus Leadership:

Senate President Peter Courtney (D-Salem)

Senate Majority Leader Ginny Burdick (D-Portland)

President Pro Tempore Laurie Monnes-Anderson (D-Gresham)

Deputy Majority Leader Sara Gelser (D-Corvallis)

Majority Whip Mark Hass (D-Beaverton)

Majority Whip Rod Monroe (D-Portland)

Assistant Majority Leader Michael Dembrow (D-Portland)

Assistant Majority Leader Chuck Riley (D-Hillsboro)

Senate Republican Leader Ted Ferrioli (R-John Day)

Deputy Republican Leader Jeff Kruse (R-Roseburg)

Deputy Republican Leader Chuck Thomsen (R-Hood River)

Deputy Republican Leader Tim Knopp (R-Bend)

Deputy Republican Leader Herman Baertschiger (R-Grants Pass)

OREGON HOUSE OF REPRESENTATIVES

Democrats: 35

Republicans: 25

House Caucus Leadership:

Speaker of the House Tina Kotek (D-Portland)
Majority Leader Jennifer Williamson (D-Portland)
Speaker Pro Tempore Paul Holvey (D-Eugene)
Majority Whip Dan Rayfield (D-Corvallis)
Deputy Majority Whip Barbara Smith Warner (D-Portland)
Assistant Majority Leader Caddy McKeown (D-Coos Bay)
Assistant Majority Leader Alissa Keny-Guyer (D-Portland)
Assistant Majority Leader David Gomberg (D-Central Coast)

Republican Leader Mike McLane (R-Powell Butte)
Deputy Republican Leader Greg Barreto (R-Cove)
Republican Whip Jodi Hack (R-Salem)
Assistant Republican Leader Carl Wilson (R-Grants Pass)
Assistant Republican Leader Cliff Bentz (R-Ontario)
Assistant Republican Leader Duane Stark (R-Grants Pass)

**OPPA LEGISLATIVE COMMITTEE MEMBERS
2016-2017**

**Kevin Greenwood
Port of Newport**

**Bud Shoemake
Port of Toledo**

**Kathryn Williams
Port of Portland**

**Michael McElwee
Port of Hood River**

**Roxie Cuellar
Port of Alsea**

**Steven Leskin
Port of Siuslaw**

**Michele Bradley
Port of Tillamook Bay**

**Jim Knight
Port of Astoria**

I am grateful to the OPPA, the Executive Committee and the Legislative Committee for their support and guidance through the session and am looking forward to the opportunities and challenges going forward. I am proud to represent the Oregon Public Ports Association.

MISCELLANEOUS BILLS OF INTEREST TO PORTS

Bills that passed

HB 2784 – Funding for Various Shellfish Initiatives

Effective Date: August 15, 2017 Chapter Law: 711

HB 2209, passed in 2015, created the Oregon Shellfish Task Force (Task Force), an 11-member group comprised of stakeholders from the Governor's office, the Oregon Department of Agriculture, the shellfish industry, Oregon State University, Oregon Indian Tribes, and others. The Task Force was responsible for developing a draft Oregon Shellfish Initiative, a report which included recommendations to help enhance and expand cultivated shellfish production; conserve, protect and restore wild populations of native shellfish; and improve water quality and the health of aquatic and marine habitats. This bill provides funding for a variety of activities designed to support the stated goals of the Oregon Shellfish Initiative, including studies of recreational and commercial shellfish cultivation and harvesting, restoration, economic and ecological benefits of shellfish populations and regulatory processes.

HB 2899 – Port Intergovernmental Agreements

Effective Date: January 1, 2018 Chapter Law: 84

This bill, introduced at the request of the Oregon Public Ports Association, clarifies the authority of ports to enter into Intergovernmental Agreements as authorized under ORS 190. ORS 190 permits all types of governments to enter into agreements with other governments for a broad array of reasons. However, ORS 777.112 could be construed to limit a ports' ability to enter into these types of agreements unless the agreement is for the "improvement or maintenance of the bays harbors and channels, shores and banks." This bill simply clarifies that ports can enter into 190 agreements with other entities unencumbered by what could be interpreted for very limited purposes.

HB 2900 - Port Advertising

Effective Date: January 1, 2018 Chapter Law: 85

ORS 777.240 greatly limits what a port can advertise. Essentially the statute limits ports to advertising only their facilities and the commerce taking place at the port. This bill, introduced at the request of the Oregon Public Ports Association expands the ability of ports to be able to advertise including activities of the port or activities of those using a port.

HB 2901 – Threshold Increase for Second Appraisal

Effective Date: January 1, 2018 Chapter Law: 86

This measure, introduced at the request of the Oregon Public Ports Association increases the threshold from \$500,000 to \$2 million when a port is required to get a second appraisal from a certified appraiser when a port is considering purchasing property.

HB 2902 - Port Operation of Shipyards

Effective Date: January 1, 2018 Chapter Law: 165

This bill was introduced at the request of the Oregon Public Ports Association. Under ORS 777.210 ports are permitted to undertake a number of port related management activities. However, one of the activities that is not listed is the acquisition and management of “shipyards.” The Port of Toledo recently acquired, with the assistance of the state, a new 660-ton hoist to pull commercial vessels out of the water so that those vessels can be fixed, overhauled and upgraded, among other things. Additionally, there are four other ports that own shipyards. HB 2902 explicitly permits ports to operate a shipyard.

HB 5022 – Oregon Marine Board Budget

Effective Date: July 1, 2017 Chapter Law: 299

Established in 1959, OSMB promotes the safe and enjoyable use of state waters for recreational boating through education, enforcement, access and environmental stewardship. The Board is responsible for registering and titling all recreational motorized boats and sailboats, 12 feet and longer, in the state; providing boater education; marine law enforcement; facility access and mitigating the effects of invasive species on native waters. The legislature approved a total funds budget of \$33,892,159 and 39 positions (39.00 FTE). The total funds budget is a decrease of 0.3 percent from the 2015-17 Legislatively Approved Budget.

The Boating Facilities program provides grants and technical assistance for the maintenance and improvement of public recreational boating facilities statewide. Eligible projects include boat launch ramps, parking, restrooms, courtesy docks, transient tie-up facilities and other boating-related facilities. Grants rely on partnerships and the leveraging of other financial resources such as Federal Funds, private funds and donations, and other local and state funds. The legislature provided \$10,163,209 and 8.00 FTE for this program.

The Aquatic Invasive Species (AIS) program's purpose is to mitigate the effects of invasive species on native waters through inspecting and decontaminating watercraft. This program was created as a result of a law enacted by the Legislature in 2009 with the intent of protecting the state from invasive species. This program manages the permitting process and education and outreach efforts, which impact non-motorized boaters, motorized boaters and out of state visitors bringing their boats to recreate on Oregon waterways. The legislature provided \$1,601,313 and 1.35 FTE for this program.

HB 5025 – Business Oregon Budget

Effective Date: July 19, 2017

Chapter Law: 580

The Oregon Business Development Department's mission is to support the creation, retention, expansion and attraction of businesses to provide sustainable, living-wage jobs for Oregonians. The agency promotes economic development through public-private partnerships, leveraged funding and support of economic opportunities for Oregon companies and entrepreneurs.

The legislature approved a budget of \$641,442,737 total funds and 136 positions (134.50 FTE). The total funds budget includes \$47,948,791 General Fund, \$117,634,016 Lottery Funds expenditure limitation, \$227,242,814 Other Funds expenditure limitation, \$40,730,835 Federal Funds expenditure limitation and \$207,886,281 Other Funds Non-limited. The Subcommittee's approved budget represents an 8.6 decrease from the agency's 2015-17 Legislatively Approved Budget.

The Business, Innovation, Trade Division promotes business retention, growth and job creation through multiple programs and services. Business retention and recruitment are an area of focus for this division. The division also promotes access to capital through loans, credit guarantees and direct investments through the Oregon Growth Board. In addition, the division promotes exports by Oregon businesses through trade missions, the attraction of foreign direct investment and the promotion of exports for small and medium sized businesses. Finally, the division funds a variety of initiatives aimed at encouraging research and development and entrepreneurship, many of which work with the university system. The bill provides a total funds budget of \$89,160,787, including 56 positions (55.00 FTE). This is a 0.6 percent decrease from the division's 2015-17 Legislatively Approved Budget.

The Infrastructure Finance Authority (IFA) assists communities in building and maintaining critical infrastructure through low-cost financing, grants, technical assistance, and capacity building. The IFA has dedicated funding sources for municipal infrastructure, water and wastewater facilities that ensure compliance with federal law, seismic rehabilitation for schools and emergency facilities, port and airport facilities, levee improvements, marine navigation improvements, and other facilities that support economic and community development. The bill provides a total funds budget of \$433,715,968, including 37 positions (37.00 FTE). This is a 17.3 percent decrease from the division's 2015- 17 Legislatively Approved Budget.

SB 256 – Willamette Falls Locks Commission

Effective date: August 15, 2017

Chapter Law: 734

This bill establishes the Willamette Falls Locks Commission as a policy-making and advisory board for issues relating to the repair, reopening, operation, maintenance and future transfer of ownership of the Willamette River navigational channel and locks system. The bill also establishes the Willamette Falls Navigation Infrastructure Program to provide staff support and assistance to the Commission. Finally, the bill establishes the Willamette Falls Navigation Infrastructure Program Account and appropriates \$677,500 from the General Fund into the

Account. All three programs are to sunset on December 31, 2023.

SB 867 – Maritime Workforce Development

Effective Date: October 6, 2017 Chapter Law: 738

Oregon is home to a system of 23 public ports, including nine on the Columbia River and 14 on the coast which are an integral part of Oregon's multimodal freight transportation system. The term "maritime sector" encompasses more than the movement of freight through this system: the state's maritime workforce includes longshoremen and other workers at ports, crews on tugs and tow vessels, naval architects and marine engineers, and includes shipbuilding and repair, offshore exploration and support, marine manufacturing, the wave energy industry, commercial and recreational fishers, crabbers and processors, and Oregonians who work in these capacities and industries around the world. SB 867 declares Oregon's policy to promote the coordinated facilitation of education, employment, economic development and job training to support the maritime sector. The measure creates a 17-member task force to develop descriptions of the maritime sector and the maritime sector workforce, and to make recommendations to the State Workforce Investment Board for incorporation into the state's workforce investment plan.

SB 1039 – Ocean Acidification

Effective Date: January 1, 2018 Chapter Law: 744

This bill makes legislative finding that ocean acidification and hypoxia severely endanger the state's commercially and culturally significant ocean resources, and declares it to be state policy to ensure a coordinated, effective response. The bill creates the Oregon Coordinating Council on Ocean Acidification and Hypoxia that will consist of 13 members. The duties of the council include: identification of research and monitoring activities needed to better understand changing ocean chemistry and the potential impacts of ocean acidification and hypoxia; identification of actions and initiatives to address Oregon's vulnerabilities to ocean acidification and hypoxia; and development of a long-term coordinating strategy among state agencies, academia, the federal government and industry. The bill authorizes the council to develop a report on the socioeconomic vulnerability from ocean acidification and develop recommendations for the Oregon Ocean Science Trust, state agencies and others on strategic research to address gaps in understanding of ocean acidification and hypoxia. Finally, the bill directs the council to submit biennial report to the Legislative Assembly and Ocean Policy Advisory Council by September 15 of each even-numbered year.

SB 5504 – Oregon Department of Aviation Budget

Effective Date: July 1, 2017 Chapter Law: 095

The Department of Aviation manages and maintains 28 state-owned airports, conducts mandatory compliance inspections of the state's 97 public use airports and plans for the safe operation, growth and improvement of aviation in Oregon. In addition, the agency registers all

pilots and nonmilitary aircraft based in Oregon. The legislature approved a budget of \$16,747,277 total funds and 14.25 full-time equivalent positions.

The General Aviation Entitlement Program administers FAA funded capital improvement projects to address safety, operations and development needs at airports in Oregon. FAA grants generally cover 90 percent of project costs with the remaining 10 percent paid by the airport owner. The legislature approved a budget of \$9,075,020 total funds (\$5,593,166 Other Funds and \$3,481,854 Federal Funds).

There are 66 paved public use airports in the state. The Pavement Maintenance Program evaluates the condition of pavement at these airports and assists the airports in undertaking preventative maintenance, the most cost-effective means to preserve pavement infrastructure. Preventive maintenance includes patching, crack sealing and global fog seal treatments. The program funds projects that are not eligible for FAA funding. The legislature approved a budget of \$2,266,612 Other Funds and 1.00 full-time equivalent position for the program.

SB 5510 – Columbia River Gorge Commission Budget

Effective Date: July 1, 2017 *Chapter Law: 474*

The Columbia River Gorge Commission’s mission is to establish, implement and enforce policies and programs that protect and enhance the scenic, natural, recreational and cultural resources of the Columbia River Gorge. In addition, the Commission works to support the economy of the area by encouraging growth to occur in existing urban areas and allowing economic development consistent with resource protections. While Oregon and Washington share equally in funding the Commission, positions and FTE appear in the Washington budget.

The legislature approved a budget of \$967,919 General Fund. This represents a 5.2 percent total funds increase from the 2015-17 Legislatively Approved Budget. The approved budget provides a funding level to continue the Commission’s current level of services through the 2017-19 biennium.

SB 5529 - Lottery Fund Allocations

Effective Date: July 1, 2017 *Chapter Law: 598*

Oregon’s Constitution requires that 18 percent of net proceeds be distributed to the Education Stability Fund, 15 percent be distributed to the Parks and Natural Resources Fund and 1.5 percent be distributed to the Veteran’s Services Fund. In addition, there are several other statutory allocations of the net proceeds. Senate Bill 5529 allocates lottery revenue from the Economic Development Fund and the Veterans’ Services Fund (see details in SB 5530). Under the bill more lottery dollars are being allocated to education and debt service, resulting in less money for economic development.

SB 5530 - Lottery Bond Authorization

Effective Date: August 15, 2017 Chapter Law: 748

The Legislature authorizes \$165.1 million in lottery bond proceeds to be issued during the 2017-2019 biennium. A total of 31 projects and programs are specified in the bill including:

Department of Transportation: Connect Oregon VII:

\$30 million* (non-roadway transportation projects) *See further details under HB 2017*

Oregon Business Development Department:

\$20 million - Special Public Works Fund (SPWF) – General Recapitalization

\$10 million Special Public Works Fund (SPWF) – Levee Subaccount

\$4 million (Regional Solutions Projects)

Water Resources Department:

\$15 million (Water Supply Development Account)

\$1.5 million Water Resources Department (Water Conservation, Reuse & Storage Investment Fund)

\$600 K for the Port of Brookings Harbor for dock repairs

\$3 M Portland Harbor Cleanup (Department of State Lands)

SJM 7 – Newport Coast Guard Station

Filed with the Secretary of State

The United States Coast Guard maintains search and rescue and law enforcement operations out of Yaquina Bay with air support located at the Newport Municipal Airport. The station responds to hundreds of calls for assistance every year, and is a longstanding member of the coastal and regional community. Among the Coast Guard's three facilities on the Oregon coast with air operations, the Newport site is the only one located outside of the tsunami inundation zone. The Coast Guard's air operations have been threatened with closure since 2014. A broad coalition of federal, state and local public officials, citizens, commercial industries and community groups have sustained efforts to preserve the Coast Guard's air facility in Newport. Senate Joint Memorial 7, urging Congress to adequately fund and maintain the United States Coast Guard air facility in Newport in perpetuity, is the product of those efforts.

Bills that failed

HB 2109 – Prohibition of Lead in Aviation Fuel

In committee upon adjournment

This bill would have prohibited the selling, dispensing or use of aviation fuel that contained lead or lead compounds after January 1, 2022 and would have designated the State Department of Agriculture as the enforcement entity of the prohibition. A similar bill, SB 115, was introduced

in the Senate.

HB 3118 – Port of Siuslaw Lottery Request

In committee upon adjournment

The Siuslaw River bulkhead protects many of the Port of Siuslaw's economically significant waterfront properties, both private and public. The bulkhead is currently in danger of failing. Conceptual plans and technical drawings for proposed repairs, a survey, and geotechnical study have already been completed. Recommended repairs, including a sheet pile wall with helical anchor tiebacks, due to its minimal impact on surrounding structures, have an estimated 30-50-year service life. The preliminary work was funded by Oregon State Lottery bonds through a grant from the Port Planning and Marketing Fund. This bill would have authorized nearly \$1.2 million in lottery bonds for a grant to the port to replace the bulkhead. The bill was heard by a policy committee and referred to the Ways & Means Committee where it remained upon adjournment.

HB 3150 – Port Orford Cannery Funding

In committee upon adjournment

In 2014 the Legislative Assembly approved funds to replace the Port of Port Orford's Cannery Building in HB 5201. The building is in disrepair and is no longer insurable. Funding was approved to demolish and replace the structure and to repair or replace a pump station. Business Oregon was initially expected to transfer the funds to the Port before the end of the last biennium, but project planning did not proceed at the expected pace, and Business Oregon did not distribute the Lottery Funds. The funds reverted to the Economic Development Fund. HB 3150 would have allocated \$2.1 million to Business Oregon and required those funds to be used to support the redevelopment of the Port Orford Cannery.

HB 3375 – Tourism-Related Coastal Infrastructure

In committee upon adjournment

This bill would have directed the Oregon Business Development Department to develop and administer a program to issue grants to address tourism-related coastal infrastructure needs. It would have required the department to select grant recipients in consultation with a nonprofit organization dedicated to addressing community needs through collaborative governance. The bill would have allocated \$300 million in lottery revenue to provide the grants and would have also required the department to submit quarterly reports to the Legislative Assembly on the progress of the projects that received grants.

SB 646 - Port of Brookings Harbor Marina Improvements

In committee upon adjournment

This bill, requested by the Port of Brookings Harbor would have authorized the issuance of \$3 million in lottery bonds to repair and improve docks and other marine infrastructure and facilities owned by the Port of Brookings Harbor. The port received \$600,000 in the Lottery Bonding bill SB 5530.

SB 685 – Danger Postings at the Ocean

In committee upon adjournment

This bill would have made it clear that public bodies, its officers, employees and agents have no responsibility to post warnings signs related to the dangers of the ocean, including but not limited to tides, currents, ocean life and collisions with watercraft.

ECONOMIC DEVELOPMENT

Bills that passed

HB 2066 - Economic Development Program Changes

Effective Date: October 6, 2017 Chapter Law: 610

HB 2066 became the omnibus tax credit bill for the session. However, two separate bills related to rural county enterprise zones were amended into the bill during the final days of session. The rural enterprise zone sections of the bill redefine “qualified rural county” to mean, for certain economic development programs, a county outside all metropolitan statistical areas in which total property taxes imposed by all taxing districts equal at least 1.3 percent of total assessed value of all taxable property in county. The bill then lowers, for such qualified rural counties, the total compensation requirements for such economic development programs while creating wage floors for all counties. The affected economic development programs are: enterprise zones, rural enterprise zones (long term), the Strategic Investment Program and business development tax exemptions (personal income tax or corporate excise tax). These changes were also contained in HB 3146. The bill also extended the sunset for tax credits for reservation enterprise zones from January 1, 2018 to January 1, 2028.

HB 2242 - Oregon Business Development Fund

Effective Date: January 1, 2018 Chapter Law: 37

This bill gives Business Oregon greater flexibility to use loans from the Oregon Business Development Fund (OBDF) by revising the definition of a business development project. The measure also specifies that the current 15 percent annual funding from OBDF reserved for emerging small businesses in rural or distressed areas be extended to businesses not engaged in traded-sector activities.

HB 2833 - Enterprise Zones Technical Changes

Effective Date: October 6, 2017 Chapter Law: 83

This bill, introduced at the request of the Oregon Business Development Department, makes several technical changes to the rural enterprise zone (long-term zone) and the standard enterprise zone programs. It clarifies such items as deadlines, triggers for disqualification,

recession provisions, exemptions, application requirements, wage requirements, valuation mechanisms, and communications with the assessors and the Oregon Department of Revenue.

HB 2968 - Brownfield Remediation Coordinated Process

Effective Date: May 25, 2017 Chapter Law: 168

HB 2968 requires the Oregon Department of Environmental Quality to study and make legislative recommendations on ways to create a coordinated process for the remediation or removal of brownfields. The bill also requires the DEQ to consult with the US Environmental Protection Agency. The goal is to release a landowner from potential state and federal liabilities related to the environmental conditions of the site if they proceed with a project under the coordinated process. The recommendations must be made by September 15, 2018.

SB 333 - Industrial Site Readiness Program Updates

Effective Date: October 6, 2017 Chapter Laws: 561

This bill makes technical changes to the state's Industrial Site Readiness loan program. The loan program was enacted in 2015 and there have been a few issues and concerns raised about program implementation, including needed modifications to some of the program requirements. The bill directs the Oregon Business Development Department (OBDD) to obtain employment and wage information for eligible employers at a regionally significant industrial site and to determine the annual amount of estimated incremental annual income tax revenues generated by an eligible employer. It also directs OBDD to request Oregon Department of Administrative Services (DAS) to certify amounts of estimated incremental income tax revenue. The bill also permits the Oregon Employment Department to disclose information required by OBDD to administer the program. Finally, the bill requires OBDD consult with the Oregon Department of Revenue to establish and administer the program.

SB 936 - Strategic Investment Program

Effective Date: October 6, 2017 Chapter Law: 490

This bill makes revisions to the Strategic Investment Program (SIP) which is administered by the Oregon Business Development Department or Business Oregon. The program offers a 15-year property tax exemption on a portion of large capital investments that serve a traded sector industry. To qualify, the cost of the project must exceed the taxable portion, which is \$25 million in rural areas and \$100 million in urban areas. The bill creates a new sliding scale for required property taxes for rural projects. As a result, the bill increases the taxable portion of projects located in rural areas eligible for property tax exemptions under a SIP agreement. The taxable value of the rural eligible project property is based upon the total cost of the project. The bill also increases the cap on the community services support fee from \$2 million to \$2.5 million in any year for both urban and rural projects.

Bills that failed

HB 2073 - E-Commerce Zone Tax Credit

In committee upon adjournment

HB 2073 would have extended the sunset for tax credits for electronic commerce in an enterprise zone or a city designated for electronic commerce until 2024. The tax credit is available for qualified businesses based on capital assets used in electronic commerce (e-commerce) operations, as long as the business is engaged or preparing to engage in e-commerce. The e-commerce tax credit is an overlay on the enterprise zone program that provides a property tax exemption. The credit will sunset on January 1, 2018. However, because it is a soft sunset businesses will still be able to claim the e-commerce tax credit for investments made during the 2017 tax year and utilize any carryover credits until their expiration.

HB 2077 – Long-Term Enterprise Zone Extension

In committee upon adjournment

This bill would have extended the Long-term Enterprise Zone sunset to June of 2024. The bill was heard once in committee where it remained upon adjournment. The program has a current statutory sunset of June 30, 2018.

HB 2243 - E-Commerce Zone Tax Credit

In committee upon adjournment

HB 2243 was a more comprehensive version of HB 2073. It too would have extended the sunset for tax credits for electronic commerce in an enterprise zone or a city designated for electronic commerce until 2024. The bill would have increased the maximum number of allowable electric enterprise zone overlays from 15 to 21. It also would have capped the allowable credit for a taxpayer in a year at \$2 million, allowed tax payers to elect to take a partial refund of the tax credit instead of utilizing the carryover procedure, and required more taxpayer transparency. Because no comprehensive revenue package was passed few business tax credits advanced.

HB 2459: Brownfields Tax Credits Task Force

In committee upon adjournment

This bill would have created a task force to study tax credits for brownfields. Tax credits have been proposed as an effective tool for incentivizing the remediation of brownfields, and are used in other states. The task force would have been required to report back its findings and recommendations to the legislative assembly by December 1, 2018.

HB 2470 - Urban Renewal

In committee upon adjournment

Among other things, this bill would have required urban renewal agency boards to include one member from each overlapping taxing district within the district to serve on the board. The bill would have also required approval of an urban renewal plan by all taxing districts to form a district or make certain types of amendments to a plan. The bill had one hearing and SDAO testified in support of more meaningful input by overlapping taxing districts in the formation of urban renewal districts. We also shared several examples of questionable urban renewal expenses. After the hearing, legislators formed a work group that will continue to look at ways to improve urban renewal transparency and address concerns, mainly from special districts and schools, during the interim.

HB 2904 - Rural Enterprise Zones

In committee upon adjournment

The long-term rural enterprise zone program offers property tax abatements for seven to 15 years for facilities. Currently, it is necessary for facilities to be located in an area with chronic unemployment or chronically low incomes. This bill would have provided alternative eligibility criterion for this program for “qualified rural counties” as defined in the bill. Under the bill, qualified counties would cover those outside all metropolitan statistical areas in which the total property taxes imposed by all taxing districts equaled at least 1.3 percent of total assessed value of all taxable property in the county. Although the bill passed the House, time ran out before it could be heard in the Senate. However, similar provisions were included in the omnibus tax credit bill, HB 2066.

HB 3137 - Urban Renewal: Blight Definition

In committee upon adjournment

This bill would have specifically included brownfields in the list of conditions that qualify as “blighted” and can be designated for an urban renewal area. The bill would have also authorized ports to create an urban renewal agency provided the port had a brownfield in the designated area. Under current statute only cities and counties are authorized to create an urban renewal agency. This was likely a drafting error because nobody claimed responsibility for this provision. Finally, the bill would have provided the urban renewal agency with power to remediate a brownfield. The bill passed the House Economic Development and Trade Committee, but then was referred to the House Revenue Committee, where it remained upon adjournment.

HB 3146 - Economic Development Program Changes: Wage and Compensation

In committee upon adjournment.

HB 3146 would have revised requirements for a number of economic development programs by reducing the wage compensation minimum threshold requirements for workers hired by

businesses from 150 percent of the annual county wage average to 130 percent of the county average annual wage for each assessment year during the tax exemption period. The bill also would have created a wage floors for all counties. The affected economic development programs would have been: Enterprise Zones; Oregon Investment Advantage; Oregon Business Retention and Expansion; and Oregon Industrial Site Readiness. The bill passed the House, but these provisions were included in HB 2066, which did make it to the Governor’s desk.

HB 3211 – Study on Barriers to Developing Industrially Zoned Lands

In committee upon adjournment.

This bill would have directed the Oregon Business Development Department to study barriers to development of industrially zoned lands and report to the appropriate committee or interim committee of the Legislative Assembly no later than September 1, 2018.

SB 169 - Electronic Commerce Tax Credit

In committee upon adjournment.

SB 169 would have extended the sunset for tax credits for electronic commerce in an enterprise zone or a city designated for electronic commerce to 2024. Without the extension, the credit sunsets on January 1, 2018.

SB 173 & HB 2077 - Rural Enterprise Zone Tax Credit

In committee upon adjournment.

These two bills would have extended the sunset date of the long-term rural enterprise zone tax credit from a June 30, 2018 expiration to June 30, 2024. This tax credit is equal to 62.5 percent of gross payroll against state corporate excise taxes, and the length of the tax credit is a maximum of 15 years. It must be approved by the governor. The tax credit is an optional overlay on existing enterprise zones which provide property tax exemptions. Because the tax credit is statutorily confidential passage of these bills was hard.

SB 291 - Prevailing Wage for Enterprise Zones

In committee upon adjournment

This bill would have defined “funds of a public agency” when applying prevailing wage rates to projects for public works. The definition would have been expanded to include tax credits or tax abatements received from the state by contractors engaged in the project for public works. A similar bill in the House, HB 2194, experienced a similar fate.

ENERGY

Bills that passed

SB 334 - Inventory of Biogas & Renewable Natural Gas

Effective Date: October 6, 2017 Chapter Law: 328

SB 334 requires the Oregon Department of Energy to develop and maintain an inventory of biogas and renewable natural gas sources in Oregon, and submit a report to the Legislature on the inventory by September 15, 2018. "Biogas" is defined as gas generated from organic waste or other organic materials through anaerobic digestion, gasification, pyrolysis or other technology. This could include gas from landfills, waste lagoons, and wastewater treatment processes. The inventory will identify a list of biogas and renewable natural gas sources, estimate potential production quantities for each source, and identify a list of existing biogas production sites. The bill also requires the department to estimate the potential quantity of renewable natural gas that could be produced and used as transportation fuel or natural gas for residential, commercial and industrial consumers. Finally, the bill requires the department to appoint an advisory committee to assist in developing, maintaining and periodically updating the inventory in addition to making recommendations to remove barriers for production and utilization of biogas and renewable natural gas to improve air quality and reduce greenhouse gas emissions.

SB 339 - Small-Scale Generation for RPS Compliance

Effective Date: June 22, 2017 Chapter Law: 452

In 2016, SB 1547 increased the Renewable Portfolio Standard (RPS) to 50 percent by 2040 while mandating the elimination of coal generation from Oregon rates by 2030. It also directed Portland General Electric and PacifiCorp to source by 2025 at least eight percent of their sales from projects that have a generating capacity of 20 MW or less, or from facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose. SB 339 amends the eight percent community-based renewable energy requirement to specify that regardless of a facility's nameplate capacity, the facility may be used to comply with requirement for up to 20 megawatts of capacity. The Act also specifies that to qualify as a small-scale renewable energy project the electricity generated must be from a type of energy that may be used to comply with the RPS.

Bills that failed

HB 2079 & SB 175 - Renewable Energy Tax Credit Extension

In committee upon adjournment

These two bills would have extended the sunset for renewable energy development contribution tax credits from January 1, 2018 to January 1, 2024. The Legislature created the Renewable Energy Development (RED) grant program in 2011 to promote investment in renewable energy projects. The Oregon Department of Energy (ODOE) administers the program and grants cover 35 percent of the cost of the project (not to exceed \$250,000). Public bodies, businesses, schools, non-profits and tribes are eligible to apply. Due to limited revenues, very

few tax credits were extended this session. This one was on the short list but did not enjoy support in the Senate.

HB 2775 - Biomass Tax Credit

In committee upon adjournment

HB 2775 would have limited the credit amount allowed for animal manure that can be claimed annually by all taxpayers to \$5 million. In addition, it would have made the credit available only for manure processed in a manure digester that was in existence on July 1, 2016. The bill did not advance after a hearing, but a modified bovine manure tax credit was included in the omnibus tax credit bill, HB 2066.

SB 168 - Biomass Tax Credit

In committee upon adjournment

Oregon's Biomass Producer or Collector (BPC) tax credit was created by the Legislature in 2007 to promote sustainable growth of the biofuels market in Oregon. Currently, the Oregon Department of Energy (ODOE) accepts tax credit applications from applicants who collect or produce certain biomass material in Oregon that is delivered for use as feedstock for bioenergy or biofuel production in the state. The ODOE issues a tax credit certificate to successful applicants, and certificate holders may sell the credit. Only entities with tax liability are eligible to apply, which excludes non-profits, tribes and public entities. SB 168 would have extended the sunset on all of the biomass tax credits until January 1, 2024. It would have also transferred woody biomass tax credits to the Oregon Department of Forestry instead of the Oregon Department of Energy. The bill received a hearing in the House Environment and Natural Resources Committee, but did not advance further. A modified tax credit was included in the omnibus tax credit bill, HB 2066.

ENVIRONMENT

Bills that passed

HB 2327 - OWEB Liability Coverage Requirements & Technical Changes

Effective Date: January 1, 2018 Chapter Law: 14

HB 2327 requires grantees that receive funds from the Oregon Watershed Enhancement Board (OWEB) to obtain liability coverage with limits that are commensurate with the activities supported by the grant. The bill allows for the costs associated with the liability insurance to be included in the grant. In addition, HB 2327: repeals statutory language related to the healthy streams partnership, which has not been functional for many years; adds a non-voting member from U.S. Fish and Wildlife Service to the OWEB Board; and makes changes to certain reporting requirements for watershed councils and for the Oregon Plan biennial report.

SB 3 – In-Stream Suction Dredging Prohibition

Effective Date: January 1, 2018 Chapter Law: 300

This bill repeals the current moratorium and prohibits motorized in-stream placer mining up to ordinary high-water line in any river containing essential indigenous anadromous salmonid habitat. In other areas, the bill requires suction dredge operators to obtain either an individual permit or a general permit from the Department of Environmental Quality. The bill also establishes specific permit conditions on hours of operation.

SB 1008: Clean Diesel Funds

Effective Date: August 15, 2017 Chapter Law: 742

As introduced, SB 1008 would have implemented a variety of mandates for the phase-out of certain on-road and off-road diesel engines. The bill also proposed public contracting requirements for the mandated use of clean diesel equipment on certain public improvement work. However, a coalition of interests opposed the bill as introduced and it was subsequently amended to eliminate the mandate language, clarify definitions, and authorize the receipt and use of approximately \$70 million from the Environmental Mitigation Trust Agreement (Volkswagen settlement funds). The bill adds qualifying replacements of motor vehicles and equipment costs as eligible under the Clean Diesel Engine Fund, which provides grants and loans to incentivize the phase out, including retrofits, repowers and new replacements, of certain diesel engines and equipment. The bill also requires the Environmental Quality Commission to adopt rules for standards associated with funding retrofits, repowers and replacements of diesel engines in addition to rules to provide preferences for loan and grant funds. The bill prioritizes funds for owners and operators of school buses with a goal of reducing emissions from at least 450 diesel-powered school buses. Finally, SB 1008 extends the deadline for all school buses to retrofit, replace or repower diesel engines to January 1, 2025. The previously mandated deadline was January 1, 2017. A previous version of SB 1008 required the Oregon Department of Environmental Quality to contract with a third-party organization develop a comprehensive, statewide inventory of non-road diesel engines used in Oregon. That provision was deleted from the final version of SB 1008; however, the Legislature did include funding in HB 5006 that appropriates \$500,000 for a similar inventory study of public and private fleets.

Bills that failed

HB 2110 - Clean Diesel Standards through Rulemaking

In committee upon adjournment

HB 2110 would have required the Environmental Quality Commission to create programs and standards for reducing diesel emissions from medium-duty and heavy-duty trucks and non-road diesel engines by January 1, 2022. The standards and programs would have been adopted through administrative rule.

HB 2213 - Oregon Conservation & Recreation Fund

In committee upon adjournment.

As introduced, HB 2213 would have established a sunset advisory committee to make recommendations to the Legislature on whether a state agency should continue to exist based on a public need. The contents of the original bill were replaced with an amendment that would have created the Oregon Conservation and Recreation Fund to be administered by the Oregon Department of Fish and Wildlife. The fund would have promoted healthy ecosystems, fish and wildlife through conservation programs and strategies, and would have: supported public engagement in outdoor recreation opportunities; improved education outreach; and funded research and enforcement activities. The bill would have provided an appropriation of \$11 million dollars in general funds. The bill was passed by the Rules committee but was on funded in the Ways and Means.

HB 3312: Baseline Federal Standard Requirements

In committee upon adjournment

This bill would have established baseline federal standards related to environmental law as of January 19, 2017, and would have prohibited the Environmental Quality Commission from amending or revising state rules to be less stringent than the baseline standards. The bill would have also required state agencies that have been delegated authority to administer federal environmental laws to submit a report to the Legislature identifying: the federal laws administered by the agency; the proposed federal changes to those laws; whether proposed changes would diminish environmental protections; and recommendations for legislation or resources needed to maintain baseline federal standards. This bill was introduced in response to the election of President Trump.

HB 3343- Climate Test for Fossil Fuel Projects

In committee upon adjournment

This bill would have directed the Oregon Department of Energy (ODOE), in consultation with the Environmental Quality Commission and other agencies, to develop a climate test to be used by state permitting agencies for evaluating applications for proposed fossil fuel infrastructure projects in this state. The ODOE would have also been required to adopt rules to establish standards and criteria for administering the test.

HB 3344 - Funding Prohibition for Bulk Coal and Oil Terminals

In committee upon adjournment

HB 3344 would have required rail carriers to show adequate insurance to cover worst-case oil spills. The bill would have required state land leases for the construction of new oil terminals. Finally, the bill would have required an analysis of the public need and risks to public health, safety and the environment for oil terminal projects by the Oregon Department of State Lands.

SB 971 - Clean Diesel Inventory

In committee upon adjournment

This bill would have permitted grants and loans from the Clean Diesel Engine fund to be used for the replacement of diesel engines while making other modifications to provisions for grants and loans for reducing emissions from diesel engines. SB 971 would have authorized the state to receive money pursuant to Volkswagen Environmental Mitigation Trust Agreement. Those funds would have been deposited in the Clean Diesel Engine Fund and would have been used to award grants for reducing emissions from diesel engines. The Oregon Department of Environmental Quality (DEQ) would have been required to hire or contract with a third-party organization to complete the inventory of non-road diesel engines used in Oregon. That inventory would have been required to be completed no later than July 1, 2019. The DEQ would have been required to make the aggregate form of the inventory publicly available

SB 995 - Hazardous Materials Reporting

In committee upon adjournment

SB 995 would have expanded requirements under the Oregon Community Right to Know and Protection Act, which was legislatively adopted in 1989 to inform first responders on locations of hazardous substances in their jurisdiction. The current program is administered by the Oregon Office of the State Fire Marshal. This bill proposed additional reporting requirements under the act, including a requirement for employers to submit an annual materials balance report to the Oregon Department of Environmental Quality (DEQ) showing the weight in pounds of each facility's input and output of hazardous substances. Reporters would have needed to demonstrate that their input and output of hazardous substances are equal. Finally, the bill would have permitted the DEQ to adopt rules to implement the new requirements.

FINANCE AND TAXATION

Bills that Passed

HB 2066: Omnibus Tax Credit Bill

Effective Date: October 6, 2017 Chapter Law: 610

The Joint Committee on Tax Credits let several tax credits sunset and scaled back others in the session's omnibus tax credit bill, HB 2066. The effective cuts were predicted to save roughly \$20 million in foregone revenue over the next biennium. The revenue cost impact of the credits included in the bill is a paltry \$1 million for the biennium. Notable tax credits that were not extended include those for residential solar projects (RETC), qualified research activities, e-commerce, biomass, several Oregon Department of Energy-issued tax credits, and wolf predation loss. The following tax credits were renewed in HB 2066:

- Rural health care provider tax (but generally limited to providers with annual adjusted gross income less than \$300,000 and limits taxpayer usage to 10 years);
- Reservation enterprise zones for federally recognized Indian tribes in the state;
- Affordable housing lenders credit (extended from 2020 expiration to 2026 sunset);
- Bovine manure credit (with a \$5 million cap); and
- Fish screening credit.

Bills that failed

SB 202: Franchise Fee Preemption

In committee upon adjournment

Introduced at the request of the Association of Oregon Counties and the Special Districts Association, this bill would have prohibited cities from charging franchise fees to other public entities occupying a city’s public right of way in excess of the city’s cost of management. The bill received a hearing before the Senate Finance and Revenue Committee.

SB 787 – County Assessment & Taxation Funding

In committee upon adjournment

SB 787 would have required counties at a higher risk of financial distress to withhold from taxing districts costs to the county of assessing property and collecting property taxes. The counties who would have qualified for the “distress” trigger were Coos, Curry, Josephine, Union, Polk and Douglas. The amount of withholding would have been limited to 2 percent of tax distributions to each taxing district.

SB 840 - Franchise Fees

In committee upon adjournment

This bill would have placed new restrictions on a city’s ability to charge excessive franchise fees. The legislation contained a 5 percent cap on the franchise fees and privilege taxes cities could impose upon utilities occupying streets, roadways or other public property within that city’s jurisdiction. The bill also placed a similar restriction on cities as contained in SB 202, effectively limiting cities to only recovering imposed costs by other public bodies with infrastructure in a city’s right of way.

GENERAL GOVERNMENT

Bills that passed

HB 2403 – Exchange of Insurance After a Motor Vehicle Accident

Effective Date: January 1, 2018 Chapter Law: 75

Under current law, all drivers involved in a motor vehicle accident are required to provide the other driver(s) involved in accident with their name, address, the registration number of their vehicle they were operating, and the name and address of any other occupants of the vehicle. Under current law, there is no requirement that drivers exchange information regarding their motor vehicle insurance coverage. This bill requires drivers involved in an automobile accident to exchange the names of their respective insurance carriers and the applicable policy numbers associated with the vehicles involved in the accident.

HB 2597 - Hands-Free Driving

Effective Date: October 1, 2017 Chapter Law: 629

This bill greatly increases the penalties and clarifies the laws and penalties for the operation of mobile electronic devices while operating a motor vehicle. Under this bill individuals who hold and use a mobile electronic device while driving can be ticketed or fined with a maximum penalty of \$2,000.

A mobile electronic device is defined as not permanently installed in a motor vehicle and includes but is not limited to a device capable of text messaging, voice communication, entertainment, navigation, accessing the Internet, or producing electronic mail.

The bill narrows the existing exemptions under the current law. Under this bill drivers can use mobile devices in the following situations as long as the use is within the scope of the person's employment: drivers employed as a commercial motor vehicle driver or school bus driver if the use is permitted under regulations promulgated pursuant to 49 U.S.C. 31136; two-way radio devices being used while operating a school bus or school activity vehicle; two-way radio devices being used while operating a vehicle owned or contracted by a utility for the purpose of installing, repairing, maintaining, operating or upgrading utility service including but not limited to natural gas, electricity, water, or telecommunications; police officers, firefighters, emergency medical services providers, or those operating an ambulance or emergency vehicle.

HB 2880 – POW/MIA Flag and Flag Poles

Effective Date: January 1, 2018 Chapter Law: 269

Existing law requires the Oregon state flag and the National League of Families' POW/MIA flag to be displayed with the United States flag on public buildings that are capable of displaying them. Public buildings include state institutions, county courthouses and all other state buildings that the Oregon Department of Administrative Services determines are capable of displaying the three flags. This bill expands the definition of "public building" to include county, municipal, school district and special district buildings. As a result, all local governments will be required to display all three flags if the flag pole is capable of displaying them. Furthermore, building built after the effective date of this legislation are required to install flag poles that are capable to displaying all three flags.

HB 2933 - Special Public Works - Emergency Projects Grants

Effective Date: January 1, 2018 Chapter Law: 398

The Legislative Assembly established the Special Public Works Fund (SPWF) in 1985 to provide financing for local governments to construct, improve and repair public infrastructure and facilities. The SPWF is capitalized through biennial appropriations from the Oregon Lottery Economic Development Fund, bond sales for dedicated project funds, loan repayments, and interest earnings. The SPWF is administered by the Oregon Business Development Department (OBDD) Infrastructure Finance Authority (IFA). Current law restricts the IFA to expenditures of no more than \$2.5 million in any biennium for emergency project grants, which includes grants for critical community services, as defined by OBDD by rule after consultation with cities, counties, ports and special districts. HB2933 lifts the \$2.5 million cap on IFA grants and relocates in statute qualifying language as to what constitutes an emergency project.

HB 3350 - New Office of Outdoor Recreation

Effective Date: July 1, 2017 Chapter Law: 678

This bill creates the Office of Outdoor Recreation within the Oregon Parks and Recreation Department. It directs the state's parks and recreation director to appoint an associate director to serve as the executive head of the Office of Outdoor Recreation. The bill directs the office to: coordinate outdoor recreation policy; assist in developing or updating the outdoor recreation management strategies of the department; coordinate with the Oregon Tourism Commission and Travel Information Council; serve as a clearinghouse and information center for outdoor recreation stakeholders; and develop data on the social, economic, and resource impacts of outdoor recreation in this state. The office will promote the health and social benefits of outdoor recreation in coordination with other related state programs and initiatives.

HB 3047 – Unmanned Aircraft Systems (Drones)

Effective Date: June 29, 2017 Chapter Law: 502

This bill makes several changes to the statutes related to the use of drones or Unmanned Aircraft Systems (UAS). It elevates the current offense of weaponizing a UAS to a Class C felony when the UAS is used to fire a bullet or projectile or the person uses the UAS as a dangerous weapon. It further raises to a Class B felony if this use results in serious physical injury to another person. The maximum possible sentence for a Class B felony is ten years in prison and a \$250,000 fine. It exempts from the crime of weaponizing a UAS for those who use nonlethal projectiles on the UAS provided a number of criteria are met including carrying \$1 million in liability insurance to cover any injury from using the UAS. It also prohibits use of UAS capable of releasing projectiles for crowd management. The bill also creates an offense for operating a UAS over privately owned premises in a manner to intentionally, knowingly or recklessly harass or annoy the property's owner or occupant.

SB 34 - Move Over Law

Effective Date: January 1, 2018 Chapter Law: 305

Oregon's current "move over law" requires a person operating a motor vehicle to change lanes to a non- adjacent lane when approaching an emergency vehicle, roadside assistance vehicle, tow vehicle, or ambulance that is stopped and displaying warning lights. If it is not possible to change lanes, the operator must reduce speed by at least five miles per hour under the speed limit. A violation of this law is a Class B traffic violation. SB 34 expands this law to cover all motor vehicles that are stopped and displaying required warning or hazard lights, or when a person is indicating distress by using emergency flares or posting emergency signs. It also modifies the existing law to allow an operator to elect to slow down in lieu of changing lanes, without requiring a determination that it is unsafe to make a lane change. Finally, the bill also adds an exemption if the stopped motor vehicle is in a designated parking area.

SB 35 – Accident Reporting Requirement

Effective January 1, 2018 Chapter Law: 189

This bill simply increases, from \$1,500 to \$2,500, the property damage threshold amount that must be met before a person is required to submit a motor vehicle accident report to the Oregon Department of Transportation.

SB 327 – Restoration of Recreational Immunity

Effective date: June 22, 2017 Chapter: 449

SB 327 gives employees, volunteers and other agents who are acting at the direction of a land owner immunity from tort liability for injuries sustained by those recreating on the lands such as a park or trail, if access to that land is free of charge. In Oregon, land owners, including ports, who allow recreation to occur on their property and do not charge a fee are granted immunity from civil liability for injuries that occur during a recreational pursuit. However, in 2016 the Oregon Supreme Court concluded in *Johnson v Gibson* that the statute granting this immunity did not include employees.

Bills that failed

HB 2215 – Right to Rest

In committee upon adjournment

This bill would have permitted people without permanent residences to use and move freely in public spaces without discrimination and time limitations, to rest in public spaces and seek protection from adverse weather conditions that are unsuitable for human exposure in a manner that does not obstruct human or vehicle traffic. The bill would have also permitted those individuals to eat, share, accept or give food in any public space in which having food is not prohibited. Furthermore, the bill would have permitted those individuals to pray, meditate, worship or practice religion in public spaces without discrimination based on housing status and to occupy a motor vehicle or a recreational vehicle provided that the vehicle is legally parked on public property or on private property with the permission of the private property owner.

LABOR

Bills that passed

HB 2005 - Equal Pay

Effective Date: October 6, 2017 Chapter Law: 119

HB 2005 makes it an unlawful employment practice to discriminate in the payment of wages or other compensation on the basis of an employee's membership in a protected class. However, the bill does not prohibit an employer from paying employees for equivalent work at different rates, if the pay schedule is based on merit, seniority or a bona fide factor such as education, training or experience. The bill also makes screening employees based on salary history an unlawful employment practice, and prohibits basing offers of compensation on a candidate's previous rate of pay. However, it does allow the use of salary history for internal hires and transfers. The bill further expands remedies for pay equity violations and retaliation for wage inquiries and wage claims to include the right to compensatory and punitive damages and a jury trial.

HB 2263 – Employment Relations Board Fees

Effective Date: January 1, 2018 Chapter Law: 383

Currently the Employment Relations Board may charge a fee for mediation services to resolve labor disputes or controversies. The mediation fee is evenly split by the parties. Maximum fees are currently set in statute: \$1,000 for the first two mediation sessions, \$500 for the third, \$750 for the fourth and \$1,000 for each additional session. HB 2263 sets the maximum fee for the third and fourth sessions at \$625 each.

HB 2265 – 150-Day Mediation Bargaining Timeline

Effective Date: January 1, 2018 Chapter Law: 119

The Public Employee Collective Bargaining Act (PECBA), enacted in 1973, codifies the laws governing employment relations and public employers and employees in the state, counties, cities, school districts, transportation districts and other local governments, as well as private employers not subject to the jurisdiction of the National Labor Relations Board. Under PECBA, both the public employer and the labor organization are required to collectively bargain in good faith with respect to the terms of an agreement. After a period of 150 days of good faith negotiations, either or both parties may notify the Employment Relations Board of the need for a mediator to be assigned. The parties may agree at any time during the 150 days to request a mediator. The clock for the 150-day period starts when the parties meet for the first bargaining session and each party has received the other party's initial proposal.

HB 2265 allows the start of the 150-day negotiation period to begin when the parties meet to negotiate for first time and each party has shared initial proposal or at an alternative date that the parties agree to in writing.

HB 3008 - False Time Sheets

Effective Date: January 1, 2018 Chapter Law: 211

This bill prohibits employers from requiring employees to create, file or sign documents containing information that the employer knows is false, related to hours worked or compensation received by the employee.

SB 257 – Official Misconduct in the Second Degree

Effective Date: January 1, 2018 Chapter Law: 519

This bill expands the crime of Official Misconduct in the First Degree to include committing Official Misconduct in the Second Degree if the public servant is acting as a supervisory employee and the violation places a vulnerable person at risk of physical injury, commission of a sex crime or the withholding of necessary and adequate food, physical care or medical attention. The bill defines a supervisory employee as “a person having the authority, in the interest of an employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees.”

SB 299 – Sick Leave Modification

Effective Date: July 1, 2017 Chapter Law: 520

In 2015, the Legislative Assembly passed SB 454, requiring employers to provide sick time for employees. Whether the employer is required to provide paid or unpaid time depends on the size of the employer. Employers with 10 or more employees must implement a sick time policy that allows employees to use up to 40 hours of paid sick time per year. Employers with fewer than 10 employees must implement a sick time policy that allows employees to use up to 40 hours of unpaid sick time per year. This bill clarifies that an employer may limit an employee to accruing 40 hours of sick time per year. It also clarifies that an employer may adopt a policy limiting an employee to accruing no more than 80 hours sick time in total and using no more than 40 hours in a year.

SB 398 - Earned Income Tax Benefits

Effective Date: October 6, 2017 Chapter Law: 333

This bill directs the commissioner of the Oregon Bureau of Labor and Industries (BOLI) to adopt rules requiring employers to provide annual written notice to employees regarding the earned income tax credit. Notices must include website addresses for the Internal Revenue Service and the Oregon Department of Revenue. The bill also requires BOLI to include earned income tax credit information on their minimum wage posters.

Bills that failed

HB 3087 - Paid Family Leave

In committee upon adjournment

HB 3087 would have established a paid family leave benefit for all Oregon employees. The benefit would have been funded by a payroll tax of up to 0.5 percent on employers and employees. Fiscal and practical concerns prevented the bill from moving forward. It is expected that this issue will be considered in the up-coming legislative session.

SB 292 - Workplace Bullying

In committee upon adjournment

This bill would have created an unlawful employment practice for an employer to maintain an “abusive workplace.” The bill was given one public hearing.

SB 301 – Marijuana in the Workplace

In committee upon adjournment

As originally introduced, this bill would have made it an unlawful employment practice if an employer conditioned an employee from using an “lawful substance” during non-working hours. The bill was amended to make it an unlawful employment practice for an employer to refuse to employ, discharge or penalize an employee, or discriminate against an employee in compensation or employment terms, because the employee is a medical marijuana card holder and tests positive for cannabis with limited exceptions. The bill was approved by the Senate Judiciary Committee but was never voted in the Senate Chamber due to a lack of support.

LAND USE

Bills that passed

HB 2785: Removal Fill Agricultural Exemption

Effective Date: January 1, 2018 Chapter Law: 428

The Oregon Department of State Lands (DSL) is responsible for permits and authorizations of removal-fill activities within the state. All landowners, including private individuals and public agencies, who plan to remove or fill material in wetlands or waterways are required to obtain a permit from DSL and comply with removal-fill laws found in ORS 196.795 to 196.990. The permit system is designed to allow review of proposed uses that may impact the state's water resources. A permit is typically required if an activity will involve filling or removing 50 cubic yards or more of material in a wetland or waterway. For activities in state-designated Essential Salmonid Habitat, State Scenic Waterways and compensatory mitigation sites, a permit is

required for any amount of removal or fill. HB 2785 creates an exemption from removal-fill permitting requirements for establishing, repairing, restoring, resuming or replacing certain dwellings, agricultural buildings, or activities associated with a dwelling or agricultural building.

PUBLIC CONTRACTING

Bills that passed

HB 3203 - Least-Cost Requirements for Self-Performance on Public Improvements

Effective Date: October 6, 2017 Chapter Law: 715

This bill received intense attention by local government interests and a private contracting coalition. The contracting coalition sought to make significant changes to a long-standing public contracting statute that could have resulted in public entities having to contract out nearly all public improvement contracts that could have been self-performed by the public entity. The challenge was that key legislators with substantial influence on the transportation funding package (see HB 2017) were in the contractor's corner and had the ability to include the contractor's language in that bill unless there was a resolution on HB 3203.

Under current law, ORS 279C.305, requires every contracting agency to submit a list of all public improvement projects planned for a coming budget year, at least 30 days prior to budget adoption, to the Oregon Bureau of Labor and Industries (BOLI). If the costs to construct a public improvement exceed \$125,000 and the contracting agency plans to perform the work using their own equipment and personnel, the agency must show that self-performance is the least-cost option when compared to contracting out.

This bill increases the threshold that triggers least-cost demonstration requirements to \$200,000 for all public improvement projects, except for road resurfacing. For road resurfacing at a depth of more than two inches, the threshold remains at \$125,000. HB 3203 maintains existing statute that road resurfacing at a depth of two inches or less is considered maintenance and, therefore, not subject to the least-cost requirements. Importantly, the bill provides an explicit list of what needs to be included in cost estimates when comparing contracting out with self-performance, and specifies that the requirements do not apply if a contracting agency does not receive a responsive bid or proposal.

Under the provisions of HB 3203, BOLI is required to conduct a review every four years, beginning in 2021, of the costs accounted for in a least-cost analysis to determine whether changes should be made. BOLI must also review the thresholds to determine if adjustments are warranted.

Finally, the bill implements a new enforcement process for alleged violations of the statute that will be administered by BOLI. Complaints for violations of the least-cost requirements can be filed by contractors or contractor trade associations, but must be filed within one year after the

contractor or association discovered or should have known a violation occurred. A fee of \$250 is required to file a complaint, but is refundable if the BOLI commissioner finds substantial evidence of a violation. The BOLI commissioner must dismiss a complaint if the contractor or association brings an action in court or initiates another proceeding alleging a similar act or omission. Following an investigation, the commissioner shall notify the contracting agency in writing if there is substantial evidence of a violation. If, in the five years preceding the investigation, the contracting agency had no other violations, BOLI will take no further action. If the contracting agency had violations within the preceding five years, the commissioner will require the agency to negotiate an agreement with the contractor or trade association to remedy the violation and prevent future violations. HB 3203 stipulates additional enforcement provisions for continuing violations or for breaching a negotiated settlement.

HB 3253 - Vending Preferences for Public Buildings

Effective Date: October 6, 2017 Chapter Law: 717

This bill makes a variety of important changes to an existing program that grants priority to persons who are blind for the operation of vending facilities in public buildings. Existing law states that blind persons, licensed through the Commission for the Blind, shall manage vending facilities in or on any public buildings or properties where such vending facilities may properly and satisfactorily operate. The bill makes changes to the notification requirements for certain public entities. The bill also requires state agencies, departments and local governments to notify the Commission for the Blind when: constructing a new public building or facility; modifying an existing public building or facility; or entering into, or modifying a contract for the procurement or vending products, facilities or services is taking place. Upon notification, the commission will determine whether a vending facility manager, licensed through the commission, is able to provide the product or service. The public agency must offer the first right of refusal to the commission for vending products and services, and must procure the product or service if it is offered and meets quality and quantity requirements for the public contracting entity. The products and services offered through the commission must also be offered in a bid that is equal to any other bids submitted.

HB 336 – Responsible Managing Individual

Effective Date: January 1, 2018 Chapter Law: 483

Every contractor or business licensed by the Construction Contracting Board (CCB) must have a responsible managing individual (RMI). The RMI can be either an owner or employee of the business who exercises management or supervisory authority and who has successfully completed the training and passed the examination or has demonstrated the experience required by the CCB. This bill establishes a process for a construction contractor or business to follow when it loses its RMI. The measure allows the business to operate with a temporary RMI for up to 14 days after notifying the CCB of the name and address of the temporary RMI.

SB 416 - Prevailing Wage Clarifications

Effective Date: June 14, 2017 Chapter Law: 334

Current statute prohibits public agencies from dividing public works projects into multiple contracts to avoid compliance with prevailing wage requirements. This bill prohibits anyone, not just public agencies, from dividing public works project into more than one contract in order to avoid prevailing wage rate laws. The bill clarifies factors that the Commissioner of Bureau of Labor and Industries may consider in determining whether a project should be divided. It also clarifies the requirement that every public works contract and subcontract must specify that every contractor and subcontractor, unless exempt, must file bond with Construction Contractors Board. The bill requires disadvantaged business enterprise, minority-owned business, woman-owned business, business owned by a service-disabled veteran, and emerging small business to post bond if it fails to pay workers prevailing wage rate. It also clarifies actions that violate provisions prohibiting any person other than contractor or subcontractor from paying prevailing wage rate or fringe benefits to workers performing public works contract. Finally, the bill establishes that failure to pay fringe benefits and failure to pay prevailing wage rate are separate violations.

SB 634 - Woody Biomass Alternative for 1.5% Green Energy Technology Requirement

Effective Date: October 6, 2017 Chapter Law: 735

Current law requires public contracting agencies to set aside 1.5 percent of the total contract price of a construction, reconstruction or major renovation of a public building to include solar or geothermal generation or passive solar design. SB 634 allows a contracting agency to consider woody biomass energy technology as an alternative to green energy technology requirements. The bill also prohibits the use of certain treated wood pieces or municipal solid waste, and sets forth compliance standards through the Oregon Department of Environmental Quality.

Bills that failed

HB 2148 - Retainage Bonds

In committee upon adjournment

HB 2148 would have allowed a contractor or subcontractor, prior to commencing a construction project, to post a bond in substitution for withholding, as a retainage, a percentage of the contract price.

HB 2184 - Responsible Subcontractor Requirements

In committee upon adjournment

This bill would have applied existing “responsible bidder” requirements, under ORS 279C.375, to all subcontractors working on public improvement projects. Currently, those requirements only apply to contractors. The bill would have required public contracting agencies to include, as a material term of a public improvement contract, that a contractor may only award subcontracts to responsible subcontractors and would have required the contractor to submit an affidavit from the subcontractor to the contracting agency to demonstrate subcontractor

responsibility.

HB 2196 – Contractor Responsibility Based on Health Care Insurance

In committee upon adjournment

This bill would have prohibited a public contracting entity from determining that a contractor is a responsible bidder unless the contractor had been providing its employees' health care insurance 2 years prior to bidding on a public improvement contract. There were similar bills to this including HB 2564 and SB 287.

HB 2670 - Contractor Integrity Disclosure

In committee upon adjournment

This bill would have required bidders and contractors on public procurements that exceed \$100,000 to disclose violations of labor laws and steps taken to remedy and improve subsequent compliance over the last three years. The contracting agency would have had to determine if the violations disclosed and the description of remedies and improvements in compliance warrant finding the bidder or proposer to have a satisfactory record of integrity. The bill would have also required contractors to require prospective subcontractors to disclose their history of violations. Under the bill any violations during the term of the contract would have also been required for disclosure. This would have allowed the contracting agency to terminate the contract or demand the contractor remedy the violation.

SB 288: Buy American/Buy Oregon

In committee upon adjournment

This bill would have required contracting agencies to develop and implement certain preference policies for procuring goods and services. The bill would have required preference for bidders and proposers that were headquartered or doing a majority of business in either the United States or Oregon. Preference would have also been given to bidders and proposers that agreed to supply goods and services from sources located within Oregon or the United States, or agreed to substantially perform all the work required in the procurement with personnel or resources obtained within Oregon or the United States. A similar bill, HB 2563, was introduced in the House and failed to advance.

SB 382 - Qualification Based Selection for Professional Services Modifications

In committee upon adjournment

Under existing statute, public entities are not allowed to consider any pricing information until after a service firm has been selected solely on the basis of qualifications. SB 382 would have made changes to the current statutory mandate for the use of qualification based selection (QBS) of professional services, including architectural, engineering and land surveying. The bill would have increased the threshold by which a contracting agency may directly appoint a consultant from \$100,000 to \$500,000.

SB 1045 - Least Cost Contracting Requirements

In committee upon adjournment

Current law, ORS 279C.305, requires every contracting agency to submit a list of all public improvement projects planned for a coming budget year, at least 30 days prior to budget adoption, to the Oregon Bureau of Labor and Industries (BOLI). If the costs to construct a public improvement exceed \$125,000 and the contracting agency plans to perform the work using their own equipment and personnel, the agency must show that self-performance is the least-cost option when compared to contracting out. SB 1045 would have required contracting agencies to complete a detailed cost comparison if the agency self-performs a public improvement project greater than \$125,000. The bill would also have required a cost comparison for any pavement resurfacing project with a depth of more than two inches, regardless of the price. The cost comparison would have required the contracting agency to estimate the cost of self-performing the work and the cost of contracting out for the work. The cost comparison analysis would have been filed with the commissioner of the Oregon Bureau of Labor and Industries (BOLI). SB 1045 would have required the contracting agency to assume costs, including the cost of warranties that are not required for public agencies. If a contracting agency would have violated the provisions of SB 1045, they would have had to negotiate an agreement with the contractor or trade association as required by the commissioner of BOLI. Though SB 1045 failed, reform to the least cost requirements were adopted in another bill. (See HB 3203, Public Contracting – Passed Bills)

PUBLIC RECORDS & MEETINGS

Bills that passed

HB 2101: Public Records Exemption Review

Effective Date: October 6, 2017 Chapter Law: 654

Currently, there are more than 500 types of public records that are exempt from disclosure. This bill establishes a four-member public records subcommittee of the Legislative Counsel Committee (LCC) and a 15-member Oregon Sunshine Committee (OSC) to work in coordination on a review of public records exemptions by December 31, 2026. The measure requires OSC to submit a biennial report to the public records subcommittee recommending retention, amendment or repeal of recently reviewed public records exemptions. The subcommittee may then accept, modify or reject recommendations contained in the OSC report, prior to submitting it to LCC. In addition, the measure creates an open government impact statement prepared by Legislative Counsel's office, for each measure reported out of a legislative committee that impacts the disclosure of public records. The statement must describe how the measure changes existing standards regarding disclosure and its impact on the public interest.

HB 2906 - Geospatial Data Sharing

Effective Date: October 6, 2017 Chapter Law: 166

This bill creates the Oregon Geographical Information Council and establishes a requirement that public bodies, including districts, will begin sharing geospatial information system (GIS) data by 2020. The Geographical Information Council will: determine what information to share in a state-maintained database that will be accessible to other public bodies; establish standards for protecting the data; and decide how to receive data with no cost to the government sharing the data or to the government requesting the data. The bill also establishes funding to create this data for areas around the state.

HB 3464 - Immigration Data

Effective Date: August 15, 2017 Chapter Law: 724

HB 3464 prohibits public bodies from asking people about their citizenship or immigration status or from disclosing specific information about persons for the enforcement of federal immigration laws, unless required to by state or federal law. HB 3464 requires the Oregon Attorney General to publish guidance on the release of citizenship and immigration information.

SB 106 - Public Records Advocate

Effective Date: August 15, 2017 Chapter Law: 728

Introduced at the request of Governor Kate Brown, this bill creates a public records advocate position to resolve conflicts between public records requestors and state agencies. Under the bill cities are also authorized to use this process provided the city and requestor agree. The position will be housed within the Office of the State Archivist but will be appointed by the governor. The advocate will also be responsible for providing training to public agencies.

SB 481 - Public Records Timelines

Effective Date: January 1, 2018 Chapter Law: 456

This bill was introduced at the request of Oregon Attorney General Ellen Rosenblum after nearly a year of deliberations by her Public Records Task Force. The bill requires that a public body receiving a public records request respond within five business days acknowledging the receipt of that request, and an additional 10 business days to fulfill the request or issue a written response estimating how long fulfillment will take. Under the bill, the clock stops if the public entity is awaiting a response from the requestor seeking clarification of the inquiry or if the requestor has not agreed to pay for the records, provided that the cost is \$25 or more. Importantly, the bill provides a “safety valve” for: complicated requests; protecting agencies receiving a large volume of requests; requests involving documents not readily available, or if the necessary staff are unavailable to fulfill the request.

SB 769 - Social Security Number Redaction

Effective Date: January 1, 2018 Chapter Law: 254

This bill requires anyone in possession of another person’s social security number to ensure that it is rendered unreadable when a document or other media containing the number is transferred or disposed of.

Bills that failed

SB 210 - Electronic Public Notices

In committee upon adjournment

This bill, introduced at the request of the Association of Oregon Counties and the Special Districts Association of Oregon would have allowed the electronic posting of public notices on a centralized website that is searchable or available by subscription. The intent of the bill was to reduce the costs of public notices and improving transparency. The Oregon Newspaper Publishers Association opposed the bill.

SB 637, SB 638, SB 639 & SB 640 – Public Meeting Transparency Bills

In committee upon adjournment

SB 637 and SB 638 would have required a public official presiding over a meeting that is being audio recorded to cause each participant to say their name before speaking. SB 639 would have required the posting of documents presented at a public meeting on a website within three business days of the public meeting. And SB 640 would have required that a recording of any public meeting be of sufficient quality as to be understood by an average person.

HB 3399 - Transparency and Technological Design

In committee upon adjournment

This bill would have required the State Chief Information Officer by rule to require contracting agencies that undertake information technology initiatives to provide in the solicitation documents and public contract that the contractor that supplies electronic database or structured collection of electronically stored data must supply the contracting agency with capability to export data in nonproprietary open format and to redact from the data information that the contracting agency may not disclose. Under the bill a contractor would have been required to also supply the contracting agency with documents that described in complete and detailed terms all the tables and fields used to construct the database or structured collection of electronically stored data and to assign all rights to document or execute irrevocable license to use, allow others to use, and prepare derivative works from document. Furthermore, the bill provided that the document would not be subject to protection as trade secret or under any claim of confidentiality, is a public record that is subject to disclosure and may not contain information that personally identifies any individual.

PUBLIC SAFETY

Bills that passed

SB 62 – Intrastate Mutual Aid Agreement Modifications

Effective Date: January 1, 2018 Chapter 192

Currently, Oregon law provides for the state's participation in an interstate compact for emergency management assistance as well as local governments' use of intrastate mutual assistance agreements to enable the sharing of resources in the event of disaster. This bill expands the use of the intrastate mutual assistance compact to include state and tribal governments along with local governments, and renames the compact to the "Oregon Resource Coordination Assistance Agreement." The measure requires state government to participate while allowing tribal governments to opt-in by resolution and local governments to opt-out by resolution or ordinance.

SB 850 - Seismic Response and Resilience Committee

Effective Date: June 14, 2017 Chapter Law: 355

This bill creates a committee under the Seismic Safety Policy Advisory Commission to examine steps that can be taken to maintain residential structures after a major earthquake or tsunami. In addition, the committee is tasked with finding ways to both encourage and determine the impediments to homeowners purchasing earthquake and tsunami insurance. A second committee will examine best practices and any means for the state and local governments to prepare for responding to mass casualties and mass displacement after a major earthquake or tsunami. The committee reports must be completed by September 30, 2018.

Bills that failed

HB 2131 - Hazardous Material Transportation

In committee upon adjournment

HB 2131 would have required the Oregon Department of Transportation to work in cooperation with the state fire marshal and the Oregon Department of Environmental Quality to develop plans and procedures for regulation of the transportation of hazardous material. The bill also would have modified existing statutes and rules relating to interagency responsiveness to oil or other materials spills, and created a High Hazard Train Route Oil Spill Prevention Fund.

TRANSPORTATION

Bills that passed

HB 2017 – Transportation Funding Package

Effective Date: October 6, 2017 Chapter Law: 750

This bill will fund many projects and congestion relief around the state by increasing registration fees by \$20.00 and title fees by \$24.00, phased-in over five (5) years and with a 10-cent tiered statewide fuel tax increase, phased-in over seven (7)-years. Funds from these tax and fee increases will be dedicated to the Oregon Highway Fund for the purposes of modernization, preservation maintenance and seismic upgrades of state and local roads.

The transportation package also includes a Privilege Tax of 0.5 percent of the retail sales price of new vehicles to raise money for electric vehicle “cash on the hood” purchase rebates. The American Automobile Association (AAA) and the Oregon Trucking Association (OTA) plan to file a lawsuit challenging the use of the new vehicle tax for electric vehicles under Article IX of the Oregon Constitution, which provides that all proceeds from the sale of motor vehicles must be used for roads.

The bill imposes a statewide tax of 0.1 percent on employee wages, to be withheld by employers, and remitted to Department of Revenue, and deposited into the Statewide Transportation Improvement Fund generating approximately \$106 million in the first year \$240 million in 2019-2021 for the purposes of transit throughout the state. This new tax is expected to generate over \$1.2 billion for transit services in the next 10 years.

The ConnectOregon program was made permanent and was also split into two parts depending on how much money was made available for the program (details to follow). Transit will no longer be eligible to participate in the program (they now have their own funding source). Approximately \$30 million in lottery funds will be available to the connect program and an additional sum of approximately \$12 to \$18 million from the new vehicle privilege tax that was created under the bill and is expected to be litigated as previously mentioned. However, of this money some \$25 million was dedicated to a trans-load facility in far Eastern Oregon and another \$25 million for a potential trans-load facility in the central Willamette Valley. Furthermore, there were a couple of earmarks including one for the Port of Morrow that will significantly diminish the amount of funding available under the program for the current biennium.

Under the bill approximately \$250,000/year will be dedicated to the dredge for upkeep and maintenance, thereby decreasing the costs of this to the ports that use the dredge. This was accomplished by sequestering some of the new gas tax money that is dedicated to the Oregon State Marine Board. Several other benefits will accrue to ports as a result of the passage of this important bill.

The transportation package also includes an excise tax of \$15.00 on new adult bicycles over \$200.00 in value to raise money for bike and pedestrian pathways. Specific congestion relief

projects on Interstate-5 and Interstate-205 in the Portland metropolitan region will be paid for by creating toll roads (called “congestion pricing”), pending federal approval. 217 will also be widened under the bill in a phased approach.

The transportation package also contains “cost containment” provisions for the Low Carbon Fuel Standard (LCFS), a critical component in getting Republican support for the bill.

HB 2482 - Self-Service Gasoline Dispensaries

Effective Date: January 1, 2018 Chapter Law: 207

This bill allows self-service at retail locations 24 hours per day in rural counties with fewer than 40,000 residents in eastern Oregon. Those counties are Malheur, Union, Wasco, Hood River, Jefferson, Crook, Baker, Morrow, Lake, Grant, Harney, Wallowa, Gilliam, Sherman, and Wheeler. The measure specifies that retail dispensaries that sell goods and services at the same location must provide an employee to dispense fuel between the hours of 6:00 AM and 6:00 PM. Finally, the bill allows nonretail card lock fueling facilities in low-population eastern Oregon counties to provide access to retail customers for self-dispensing of fuel.

HB 2695 – Coos Bay Pilotage

Effective: January 1, 2018 Chapter Law: 292

Current law requires that vessels traversing the Columbia River Bar, Coos Bay or Yaquina Bay be piloted by a licensed bar pilot. HB 2695 exempts vessels engaged in the coasting trade between British Columbia and Oregon from this requirement in cases where the towing vessel is piloted by an individual holding the appropriate federal mariner license.

HB 2750 – Hood River Bridge Replacement and Tolling

Effective Date: January 1, 2018 Chapter Law: 710

The Hood River White Salmon Bridge will need to be replaced in the future. In anticipation of this large project, the Port of Hood River introduced HB 2750. The bill permits the Port of Hood River to enter into agreements for a Hood River bridge project that conforms with Oregon Department of Transportation rules for the Oregon Innovative Partnerships Program. The bill also authorizes tolling in support of the project.

HB 3435 – Road Fund Loans to Local Taxing Jurisdictions

Effective Date: October 6, 2017 Chapter Law: 682

This bill permits Curry, Klamath and Yamhill counties to loan money from their county road fund to other local taxing districts within the county pursuant to a legally binding intergovernmental agreement or loan agreement. The bill also specifies that the borrowing districts need to accept a number of restricting conditions in order to receive the loan.

SB 27 - State Registration of Aircraft Pilots*Effective Date: July 1, 2017**Chapter Law: 226*

SB 27 eliminates the requirement that aircraft pilots obtain a state certificate of registration and have it in their possession when operating an aircraft in Oregon.

SB 374 - REAL ID*Effective Date: July 7, 2017 Chapter Law: 568*

SB 374 authorizes the Oregon Department of Transportation to issue identification cards such as a driver's license, a driver's permit or other cards that are compliant with federal requirements under the Federal ID Act of 2005. The federal Real ID Act prescribed minimum standards for state-issued driver licenses and identification cards in order for those documents to be acceptable identification for certain federal purposes, such as boarding airplanes and entering federal buildings. The law is administered by the U.S. Department of Homeland Security. In 2009 the Oregon Legislature enacted legislation prohibiting ODOT from further implementation of the Real ID Act unless federal funds were provided to cover the cost of implementation.

Bills that failed**HB 2288 - Connect Oregon Lottery Funding**

In committee upon adjournment

HB 2288 would have authorized the issuance of lottery bonds to fund the next iteration of the ConnectOregon program. Please see HB 2017 for details of next program.

HB 2480 – Fossil Fuel Infrastructure

In committee upon adjournment

This bill would have preempted cities, counties or other local governments from enacting charter provisions, ordinances, resolutions or other provisions regulating the expansion of infrastructure for the primary purpose of transporting or storing fossil fuels

HB 2715 - Airport Authority

In committee upon adjournment

The Port of Portland owns and operates three airports in the Portland metropolitan region: Troutdale Airport, Hillsboro Airport and the Portland International Airport. This bill would have created the Hillsboro Airport Authority and the Troutdale Airport Authority – as independent divisions of the Port of Portland. The bill also would have given those newly created authorities an independent governance structure and called for the election of nine members from the county in which the airport is located. See also SB 128.

HB 2749 - Hood River Bridge

In committee upon adjournment

Introduced at the request of the Port of Hood River, HB 2749 would have issued \$5 million in lottery bonds to fund a study of the replacement of the Hood River-White Salmon Interstate Bridge by the Port of Hood River. However, money was appropriated for this purpose in the transportation funding bill, HB 2017.

HB 2889 - Pipeline Safety

In committee upon adjournment

This bill would have established a 17-member Task Force on Secure Pipelines and Associated Storage Units and Terminals (task force). The task force would have been required to study: relevant state and federal safety standards for pipelines; technologies and processes that could mitigate potential dangers posed by natural catastrophes, and the costs, incentives and mandates associated with their use; and recommendations related to conducting seismic vulnerability assessments, developing and implementing mitigation plans, designating an oversight authority in the event of natural catastrophe, and creating a culture of preparedness. The task force would have been required to report to interim legislative committee related to emergency preparedness by September 15, 2018. Finally, on December 31, 2018 the task force would have been sunset.

SB 7 - Hazardous Materials Transport

In committee upon adjournment

This bill would have directed the Oregon Department of Environmental Quality to promulgate rules for oil spill prevention and emergency response planning on hazardous train routes. A proposed amendment would have modified the state fire marshal's response planning by requiring statewide training involving multiple state agencies, local governments, tribes and railroads. The bill was moved to the Senate Rules Committee where it awaited the fate of HB 2131.

SB 128 - Airport Authority

In committee upon adjournment

This bill was the same as HB 2715 (above), however, it actually received a hearing. This bill would have created the Hillsboro Airport Authority and the Troutdale Airport Authority – as independent divisions of the Port of Portland. The bill also would have given those newly created authorities an independent governance structure and called for the election of nine members from the county in which the airport is located.

SB 530 – Oregon Shipping Authority – Terminal 6

In committee upon adjournment

This bill, at the request of the Oregon Shipping Group, would have established the Oregon Shipping Authority as an independent public corporation. County commissioners in each of the 12 regions of the state would appoint a director representing that region on the board of directors. The Port of Portland would have been required to transfer right, title, ownership and interest in Terminal 6 in Portland to the authority. The bill also described the duties of the authority. Other components of the bill would have permitted the authority to sell revenue bonds and enter into financing agreements. Finally, the bill would have directed the authority to establish a grant program to enhance maritime shipping facilities at ports within the state.

SB 1007 – Fossil Fuel Infrastructure

In committee upon adjournment

This bill would have directed the State Department of Energy to develop a climate test to conduct reviews for the approval of proposed fossil fuel infrastructure projects. It would have also required the department to adopt rules to establish standards and criteria for developing administering the test.

WASTEWATER/WATERQUALITY/INVASIVE SPECIES

Bills that passed

SB 5518 - DEQ Budget

Effective Date: July 19, 2017

Chapter Law: 591

SB 5518 contains the approved 2017-19 budget for the Oregon Department of Environmental Quality. The approved budget includes total funds of slightly more than \$383 million, with approximately: \$45 million from general funds; \$4.7 from Measure 76 lottery funds; \$173 million in expenditure limitation from other funds (primarily derived from license and permit fees); \$132 million from other funds non-limited (primarily derived from the Clean Water State Revolving Loan Fund, including proceeds from bond sales and loan repayments); and \$29 million in expenditure limitation from federal funds. The budget supports 743 total positions at the department (722 full-time equivalent employees and 21 non- full-time equivalent) and eliminates 16 long-term vacant positions.

The total funds budgeted for the department include:

- Approximately \$67.3 million in total funds (217.75 FTE) for the Water Quality Division. \$343,729 of the total funds come from the Legislature’s approval of policy option package 120 which increases and implements new storm water permit fees. Policy Option Package 125 was also approved to implement recommended improvements to the water quality permit program.

- Approximately \$116 million total funds budget for the Clean Water State Revolving Loan Fund, including \$30 million from federal capitalization grants and \$10 million in bonds to provide state match.
- Approximately \$28.4 million total funds budget for agency management, including approval of \$750,000 in general funds and \$351,685 in other funds to conduct planning and development of an environmental data management system (EDMS). The DEQ anticipates seeking additional funding from the Legislature in 2018 for ongoing EDMS implementation efforts.

Bills that failed

HB 2321 – Aquatic Invasive Species Prevention

In committee upon adjournment

The Aquatic Invasive Species Prevention Program was passed into law in 2009, and mandatory inspections at designated stations along Oregon’s borders were added to the law in 2011. In 2014, the National Sea Grant Law Center published a report containing the recommendation to require draining of all standing or captured water and to transport boats with plugs and valves open to facilitate drainage to minimize standing water that can support mussel survival. This bill would have required boaters to remove or open all drain plugs, bailers, valves or other devices used to control draining of water before transporting a boat within the state. The bill would have also authorized police officers to require a person transporting a boat to return to a bypassed inspection station if directed to do so provided the station was open and within five miles of the location of the stop. Finally, the bill would have applied the aquatic invasive species prevention permit to non-motorized boats that are 8 feet or more in length, down from 10 feet. The bill passed the House overwhelmingly but stalled in the Senate

SB 866 – Storm Water Discharge

In committee upon adjournment

Introduced at the request of the Oregon Water Resources Congress the bill would have prohibited state agencies and local governments from discharging storm water into canals or other infrastructure of another local government without first obtaining permission in writing from the affected local government. It would have also required any state agency or local government to take reasonable steps to ensure that any discharge into another local government’s infrastructure was in compliance with state water quality standards and the federal Clean Water Act. Cities, counties and a few state agencies had significant concerns with the bill largely centered on the cost imposed by the proposed requirements.

WATER

Bills that passed

HB 2099 - Municipal Water Right Extensions

Effective Date: August 15, 2017 Chapter Law: 704

HB 2099 was introduced at the request of the League of Oregon Cities and the Special Districts Association of Oregon as a legislative fix to a 2013 Oregon Court of Appeals decision in which fish persistence conditions, which were adopted into statute in 2005, were applied retroactively to municipal water permits that were issued prior to 1998. Without a legislative fix, the impact of the court's decision would be a retroactive reduction of existing water supply for approximately 10-15 communities. The parties engaged in lengthy discussions with the Governor's Office as well as several legislators. Despite efforts to negotiate a bill that would protect existing drinking water supply for all impacted communities, the bill establishes June 29, 2005, as the date by which fish persistence will apply going forward. This means if a community developed water after June 29, 2005, but before the 2013 court decision, that quantity of water developed would be subject to retroactive permit conditions which could reduce the amount of water available to the community during certain times of the year. The amount of reduction would be determined by the Oregon Department of Fish and Wildlife. Because these communities have demonstrated that they currently rely on this water to support their existing population, it is unclear how each community will address the reduction in water supply. For communities that developed water prior to 2005, HB 2099 protects that portion of water supply up until June 29 of that year.

HB 2295 - OWRD Fee Increase

Effective Date: July 19, 2017 Chapter Law: 571

This bill increases certain fees, including water right transaction and dam safety fees, for the Oregon Water Resources Department (OWRD). The fee increases represent an approximate 15.88 percent increase on average, but vary based on the specific fee. The department anticipates collecting an additional 5.4 percent in revenue because of the increased fees. The increases will maintain existing service levels for the department through 2021. The bill upholds an agreement between the department and fee payers to fund service levels using 50 percent from general funds and 50 percent from fee revenue. The bill also eliminates language that would have resulted in current fee levels reverting to 2009 fee levels, which was included in a similar fee increase bill that the Legislature passed in 2013.

HB 3051 - Water Measurement Cost-Share Program Expansion

Effective Date: January 1, 2018 Chapter Law: 170

HB 3051 expands eligible uses for the Water Measurement Cost-Share Program to allow funds to be used for the installation of groundwater use measuring devices. The cost-share program was established to assist water users with the costs of installing or replacing water measurement devices to protect in-stream flow or monitor water rights and streamflow. The fund provides up to 75 percent of the total cost for installing, repairing or replacing a measuring device.

SB 1036 - Surface Mining Permit Exemption for Utility Construction

Effective Date: January 1, 2018 Chapter Law: 743

This bill adds additional exemptions to surface permit requirements, including for the excavation or movement of materials on site at a landfill for the primary purpose of construction, reconstruction or maintenance of access roads or landfill operations if the activity is covered by a permit issued by the Department of Environmental Quality. The bill also exempts excavation or grading operations necessary for the construction and maintenance of utilities or drainage facilities if the excavated material is used on-site and is not commercially sold as aggregate material.

SB 172 & HB 2076 - Fish Screening Device Tax Credit

Currently, taxpayers are allowed a tax credit for installing a fish screening device to provide for upstream and downstream passage for native migratory fish in Oregon. Most eligible devices are found on agricultural land to keep fish from entering irrigation canals. The tax credit was initially adopted in 1989, and serves as a voluntary cost-share program for the installation of fish screen devices. These two bills would have extended the tax credit until January 1, 2024. While both of these bills failed the fish screening device tax credit was included in the omnibus tax credit bill, HB 2066, that did pass.

Bills that failed

HB 2705 - Water Use Measurement & Reporting Requirements

In committee upon adjournment

This bill would have required water users to install, operate and maintain water measurement devices to measure the quantity, including rate and duty, of ground or surface water used under a claim of right. The bill would not have directly impacted municipal water providers because they are already required to measure and report water use. The bill would have required measurement for each point of diversion or point of appropriation. It also would have required reporting of measurement data collected by a water user, including daily maximum rates of diversion or appropriation. Groundwater measurement reports would have needed to include any information, as required by the Oregon Water Resources Department, on ground water levels. In-channel storage reports would have been required to include reservoir inflow and outflow data. The bill would have required annual reporting but would have authorized the Water Resources Commission to require more frequent reporting. Under the bill failure to

comply with the measurement or reporting requirements could have resulted in a civil penalty of up to \$500 per day.

HB 2706 - Annual Water Right Management Fee

In committee upon adjournment

This bill was similar to a bill introduced during the 2015 Legislative Session. It would have implemented a new annual water right management fee for each primary or supplemental water right held under a water right, certificate, decree or groundwater registration. As introduced, the fee would have been \$100 per water right, with an annual cap of \$1,000 per non-municipal water right holder. However, the cap for municipal water right holders would have been \$2,500. The revenues generated from the fees would have funded field, technical, scientific and administrative activities through the Oregon Water Resources Department, including groundwater investigations in coordination with the U.S. Geological Survey.

HB 2707 - Groundwater Study Funding

In committee upon adjournment

This bill would have appropriated \$8.2 million in general funds to the Oregon Water Resources Department for conducting ground water studies and investigations, or gathering and analyzing other data needed to assess and manage ground water resources, in priority basins as determined by the department. The bill passed the policy committee but never made it out of the Ways & Means Committee.

HB 3205 - Revenue Sharing for Commercial Water Bottlers

In committee upon adjournment

This bill would have required a state agency, prior to a transfer of water or issuance of a water right for commercially bottling water, to enter into an agreement with the commercial water bottler. The agreement would have required that the state receive no less than 75 percent of the gross sales of the water that was made available as a result of the water right issuance or transfer. The bill would have also prohibited a commercial water bottler from using water formerly reserved for an in-stream use. This bill was a legislative attempt to upset the ability of the City and Port of Cascade Locks from attracting a bottler to move into their community and set up a bottling operation.

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