

LEGISLATIVE SESSION REPORT

ORLA's Recap on the Oregon Legislative Session in 2024

The 2024 Oregon Legislative Session officially wrapped up on March 7. As a “short” session year with only 35 days allocated to do business, legislators tackled weighty issues like housing, mental health and addiction, campaign finance reform, and a fix of the controversial Measure 110 which decriminalized hard drugs.

Overall, this session was more constructive than the past few sessions with no walkouts and less of the extreme partisanship exhibited previously. Compromises on Measure 110 fixes, housing supply and campaign finance reform showed that the Legislature can work together on major issues.

The following is a list of issues and bills we were tracking this session, along with ORLA’s position and outcome.

HB 4024: Campaign Finance Reform ORLA Supported, Passed

The Legislature reached a deal on campaign finance reforms passing both Chambers and signed by the Governor, meaning two potential ballot measures on the subject will be withdrawn.

The basic principle of the measure ties candidate contributions to the federal limits. The measure will also update reporting systems at the Secretary of State’s Office. A more detailed chart of who can contribute, how much they can contribute, and other rules will be forthcoming.

The benefit of Oregon’s system has always been a very low number of independent expenditures, or third-party campaigns, run outside of the candidates’ control. The way this bill was drafted and passed, most races will still not have independent expenditures, but in the highly competitive races. Where more money is involved, there will likely be an increase in independent expenditure campaigns which tend to be more negative.

HB 4002: Measure 110 Reform & Recriminalization Package ORLA Supported, Passed

Another compromise bill receiving bipartisan support was the reform of Ballot Measure 110 and recriminalized possession of all controlled substances.

The bill creates a new Drug Enforcement Misdemeanor at the unclassified level, allowing the legislature to set specific supervision and jail terms. It also includes several new sentence enhancements for possessing drugs with the intent to sell, selling near a treatment facility, shelter, or public park. Counties and cities are encouraged to establish deflection programs to divert pre-arraignment eligible defendants charged with the new PCS crime.

The new Drug Enforcement Misdemeanor carries several opportunities for avoiding a conviction, including immediate expungement if a person undergoes successful diversion or supervision. The measure increases the welfare hold for individuals publicly intoxicated or found danger to self or others from 48-hours to 72-hours at a facility and allows crisis response teams to transport, in addition to police officers.

Although not a complete repeal of Ballot Measure 110, HB 4002 is seen as a positive step to helping reduce the problem of illicit drug use and guide users to seek help while still allowing for criminal penalties to be enforced.

HB 4004: Child Labor Laws ORLA Opposed, Passed

This bill allows the Commissioner of the Bureau of Labor and Industries (BOLI) to impose civil penalties against a person for violating the child

labor laws when the person has paid a civil penalty to the United States Department of Labor (USDOL) for a violation involving the same facts.

On the surface, this would appear to be a concerning bill for businesses and employers. After conversations around intent though, it appears from BOLI's perspective, this is just an updating of the old statutes.

ORLA will be involved in the rules process, and even though the statutes provide higher penalties, BOLI does not expect to raise them much.

HB 4050: Pay Equity ORLA Supported, Died

HB 4050 would have removed an exception to the state law concerning pay equity requirements, an important tool during and immediately after the COVID pandemic and one employers still need today.

The bill would have changed the law to add to the list of factors an employer can use as a reason for hiring and retention bonuses. Unfortunately, this bill became very controversial in the Oregon Senate during the long session last year so was never really considered this short session.

ORLA expects it to be a bigger discussion for the long session next year and is working with other business groups and organizations on drafting new language to help pass this bill in 2025.

HB 4138: OLCC On-Premises Temporary Permit ORLA Supported, Passed

ORLA supported and testified for this important fix, which passed in the short session, making two changes at the Oregon Liquor and Cannabis Commission (OLCC). Both were technical fixes but important ones.

First, if on-premises licensees pass their Alcohol Server Education course, it allows for an immediate Temporary Permit to be issued and validated while the OLCC is processing the

permanent permit. Second, it allows OLCC to charge the same amount for delivery drivers to take Alcohol Server Education they charge On-Premises Alcohol Server Education courses.

SB 1515: Paid Family Medical Leave Act & Scheduling ORLA Supported, Passed

This bill directs the Employment Department to collaborate with the Bureau of Labor and Industries (BOLI) to address statutory differences between Oregon's Paid Family Medical Leave Act (PFMLA) and Oregon Family Leave Act (OFLA).

The intent behind the bill was to make the two programs more uniform with the eventual result of eliminating OFLA now that we have PFMLA, and we could just have one set of rules. While not entirely successful, the bill moved us closer to attaining the goal.

ORLA was instrumental in inserting a provision to address when employees return to a protected shift from medical leave, it would not violate Oregon's Predictive Scheduling Law. It passed both Chambers and the Governor has signed it.

SB 1537: Housing ORLA Supported, Passed

This bill was Governor Kotek's only submission for the 2024 session. Along with SB 1530 and HB 4134, it sends a total of \$376 million toward boosting housing production, funding infrastructure like roads and land acquisition and supporting renters. The Governor's original request was for \$500 million.

Governor Kotek is aggressively pushing to build 36,000 housing units a year, up from the current total of around 22,000 units per year. These bills direct money into a variety of projects, including:

- \$131 million for housing and homelessness projects like Project Turnkey, which includes projects which

buy hotels to convert into emergency housing

- \$123.5 million for counties to acquire land and develop properties to support shovel-ready housing production

Seen as one of the key issues in this legislative session, the bills passed with bi-partisan support.

SB 1542: Corporate Activity Tax ORLA Supported, Died

This bill would have increased the exempt amount and filing threshold for purposes of the Corporate Activity Tax (CAT) but unfortunately died in Committee.

SB 1542 had a hearing in the Senate Finance and Revenue Committee but never passed out of the Committee. A similar bill, HB 4055, another bill to address the exempt amount and filing threshold for the CAT, also died on the House side.

Both bills face a similar problem, which is the perception of legislators that they will need to raise the overall rates for larger payers in order to make up for any loss in revenue due to a higher exempt amount and filing threshold. Because collections of the CAT are exceeding predicted revenues, no business groups are willing to make that trade off at this point. ORLA expects this to be a bigger discussion in the 2025 long session.

HB 5701 & HB 5201: Christmas Tree Bills No position, Passed

These types of bills are commonly referred to as “Christmas Tree” bills due to the fact they are laden with “presents” for legislators and constituents and are a catch-all of funding requests.

Several baseball organizations received funding because of these bills including:

- \$15 million for the Hillsboro Hops, a Class A minor league baseball team seeking to build a new stadium
- \$7.5 million for the Eugene Emeralds, a Class A minor league baseball team, who are also seeking to build a new stadium
- \$3 million for Willamette University for artificial turf and lights at Roy S. ‘Spec’ Keene Stadium at Bush Park to support Salem youth baseball and softball in conjunction with Salem Baseball Summer League and Salem-Keizer School District

Other Observations...

With Speaker Dan Rayfield stepping down from his position and running for Attorney General, there is a new House Speaker, Rep. Julie Fahey (D), Eugene and a new House Majority Leader, Ben Bowman (D), Tigard. On the Senate side, with the Republican Senators unable to run for re-election, it’s likely about 1/3 of the Senate will be new members.

These changes mean more work for ORLA’s Government Affairs team as we attempt to educate new leadership and new members on the importance of Oregon’s hospitality industry to the economy and the struggles we face every day.

The biggest issue in the 2025 session may be budget related if the looming predicted economic downturn ever happens. Because Oregon is so heavily dependent on income taxes for state revenue, the issue is the lows and highs are more extreme from a budgetary perspective and it also means longer recovery times and uncertainty around just how long it will take to bounce back.