



2009 Regular Legislative Session
AOI OREGON BUSINESS REPORT



AOI MISSION

To promote prosperity and the highest quality of life for all Oregonians by advancing Oregon business.

Associated Oregon Industries is 1,600 companies uniting to keep Oregon business competitive and prosperous.

Guiding the AOI mission are seven principles:

1. We are member driven and member engaged. Our policy agenda is developed through active engagement with our members.
2. We support the collaborative development of appropriate and fact-based regulation.
3. We initiate and support policies leading to a well-educated, trained and employable citizenry.
4. We support efficient, effective and accountable public policy that encourages private sector job growth.
5. We support policies that lead to a vigorous economy and high quality environment.
6. We promote and support policies that increase government efficiency.
7. We will prioritize our actions in the context of our long-term strategic agenda, and seek comprehensive, long-term solutions.

Over 114 years old, AOI is Oregon's largest statewide, nonpartisan, comprehensive business association, advocating for its members and their 200,000 employees.

This is the AOI report on the 2009 Regular Legislative Session.



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CHAIRMAN'S LETTER



DAN HARMON
AOI Chairman of the Board
Executive Vice President, Hoffman Corporation

It's Time to Make a Better Choice

Oregon business people come in all shapes and sizes, running or working for businesses ranging from solo operations to international corporations. But they also have some important things in common; they care about their state, communities, and their schools. And they are the creators of jobs and prosperity. No matter what size, their business benefits every Oregonian in the form of jobs, educational opportunities, health care and wellbeing. The ability to compete is the engine that fuels our economy and, as many seem to have forgotten, produces the revenue for state and local budgets.

That said, Oregon's economy is running on fumes. During the 12 months prior to July we lost 28,000 manufacturing, 15,500 construction, and 25,100 trade and transportation jobs. At the same time, state government gained jobs. Our unemployment is among the worst in the nation and we are projected to come out of the recession later than the rest of the country.

The session was not without some successes, notably a major transportation package. But rather than living within their means, legislators raised taxes on job creators and passed measures damaging your ability to compete. These actions, passed during a severe recession, will increase and prolong our downturn. An independent study by well-known economist Randall Pozdena, Ph.D., estimates 43,000 more Oregonians will lose their jobs due to

the boost in business taxes alone. Meanwhile, partially due to federal stimulus money, the state's All Funds Budget increased nine percent over the previous biennium.

It needn't have happened. On your behalf, in my remarks at AOI's Annual Meeting last December, I challenged Oregon's leadership (some of whom were in attendance) to act boldly to create jobs. I stated that it was not inevitable that our prosperity decline, but we needed strong leaders making good choices focusing on job creation. The coming economic maelstrom would not be shared proportionately across the country. Some states would be winners and others losers. It was up to us to choose.

Since that December and while the legislature was in session, 100,000 Oregonians have lost their jobs. Why did it happen? Despite our intense efforts and those of others in alliance with AOI, Oregon's leadership failed by choosing to lead us down a pathway of decline. Rank and file legislators also failed; instead of directing their leadership towards creating jobs, they embraced legislation damaging jobs and prosperity for decades to come. More Oregonians will lose their jobs because of this legislature's actions.

In the end it comes down to a few simple and clear questions:

- Or are we prepared to contribute the time, the intensity and the financial resources to fight for Oregon's competitiveness and prosperity?
- You can help. You can assist AOI in continuing to be a potent, unified force by encouraging your colleagues, your Chambers of Commerce, and your business associations to join with us to force political change. You can become politically active by supporting business-oriented candidates, independently or through the AOI PAC, to help ensure they have the resources to successfully run for office.
- For the good of every Oregonian, the business community must chose to unite and become active as never before.
- The choice is yours, and I hope you choose to make a stand with us.
- Do we want a repeat of this session and continue down the road of certain decline?



Despite our intense efforts and those of others in alliance with AOI, Oregon's leadership failed by choosing to lead us down a pathway of decline.

UNITING THE BUSINESS COMMUNITY

Winning takes a team effort. An important part of the AOI program and strategy is to organize and unify Oregon's largest coalition of business groups—the Alliance of Oregon Business Associations.

The Alliance brings thousands of Oregon business people together to take action on important business issues.

AOI thanks our many business partner organizations for their hard work and support during the 2009 session:

- Albany Chamber of Commerce
- Associated Builders and Contractors
- Associated General Contractors
- Associated Oregon Industries
- Associated Oregon Loggers
- Beaverton Chamber of Commerce
- Beef Northwest
- Corvallis Chamber of Commerce
- Building Owners and Managers Association
- Hillsboro Chamber of Commerce
- Independent Community Banks of Oregon
- Independent Electrical Contractors of Oregon
- Medford/Jackson County Chamber of Commerce
- NFIB Oregon
- North Clackamas Chamber of Commerce
- Northwest Automotive Trades Association
- Northwest Food Processors Association
- Northwest Grocery Association
- Oregon Association of Broadcasters
- Oregon Association of Realtors
- Oregon Association of Nurseries
- Oregon Automobile Dealers Association
- Oregon Bankers Association
- Oregon Cattlemen Association
- Oregon Concrete & Aggregate Producers Assoc
- Oregon Farm Bureau Federation
- Oregon Forest Industries Council
- Oregon Home Builders Association
- Oregon Lodging Association
- Oregon Manufactured Housing Association
- Oregon Metals Industry Council
- Oregon Neighborhood Store Association
- Oregon Plumbing-Heating-Cooling Contractors
- Oregon Refuse & Recycling Association
- Oregon Restaurant Association
- Oregon State Chamber of Commerce
- Oregon Telecom Association
- Oregon Trucking Association
- Oregon Wheat Growers League
- Oregonians for Food and Shelter
- Pendleton Chamber of Commerce
- Professional Insurance Agents of Oregon/Idaho
- Roseburg Chamber of Commerce
- Salem Chamber of Commerce
- TechAmerica

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AOI OREGON BUSINESS REPORT



AOI BOARD OF DIRECTORS

The AOI Board of Directors represents a wide variety of businesses from every corner of the state. Every board member is dedicated to making AOI Oregon's leading business advocate, working to protect and advance your interests.

OFFICERS

Dan Harmon*	Chairman of the Board	Executive Vice President	Hoffman Corporation
Jay Clemens*	President & CEO	President & CEO	Associated Oregon Industries
Howard Werth	First Vice Chair	CFO	Leupold & Stevens Inc
Albert Gosiak*	Treasurer	President & CEO	Diamond Fruit Growers Inc.
Timothy Clevenger*	Secretary	Director Corporate Development	The Pape' Group Inc.
Ben Fetherston, Jr.*	Immediate Past Chair	Partner	Fetherston Edmonds LLP

BOARD MEMBERS

Tony Barnhart	CEO	Mid-Columbia Bus Co. Inc.
William Barr	Exec VP Health Care Operations	Regence BlueCross BlueShield OR
Richard Boyd	Co-CEO & President	Boyd Coffee Company
Douglas Carlson	Exec Vice President	Portland Regional Commercial Banking Wells Fargo
Steven Clark*	President & Publisher	Community Newspapers
Thomas Corry*	Sr Vice President	Bank of America Oregon
John Damon	Plant Manager	Kraft Foods Global Inc.
Justin Delaney	VP-Corporate Legal & Public Affairs	The Standard
Fred Duckwall	President	Duckwall Fruit
Karianne Fallow	Sr Mgr Pub Affairs/Govt Relations	Wal-Mart Stores Inc.
Daniel Field	Director External Affairs	Kaiser Permanente
Eric Forrest	Board Chair	Eugene Area Chamber of Commerce
Robert Freres Jr.*	Exec Vice President	Freres Lumber Co. Inc.
Candice Hatch P.E.*	Vice President	Bridgewater Group Inc.
David Hauser	President	Eugene Area Chamber of Commerce
Bradley Hicks	President & CEO	Medford-Jackson County Chamber of Commerce
Steven Holwerda	Board Chair	Portland Business Alliance
Paul Hurd*+	General Counsel & Secretary	Daimler Trucks North America LLC
Margaret Kirkpatrick*	VP & General Counsel	NW Natural
Brian Konen	Mill Manager	West Linn Paper Company
Peter Kratz	Exec Vice President Operations	Harry & David
Joel Kuntz	Vice President & General Counsel	ENTEK International LLC
Virginia Lang*	Director of Gov Relations	Qwest Communications International Inc.
Steven Marshall	President	The New Group
Patrick McCormick*	Partner	Conkling Fiskum & McCormick Inc.
Sandra McDonough	President & CEO	Portland Business Alliance
Gregory Miller*	Regional Public Affairs Manager	Weyerhaeuser Company
Jennifer Murray*+	VP Administration & Corp Secretary	Evraz Inc. NA
Neil Nelson*	President & CEO	Siltronic Corporation
Bill Nicholson	VP-Customers & Econ Development	Portland General Electric
Scott Parrish	President	A-dec Inc.
Patrick Reiten*	President	Pacific Power PacifiCorp
Christopher Robinson	Attorney / Owner	Christopher K. Robinson P.C.
Ronald Saxton*	Sr VP External Affairs	JELD-WEN inc.
David Schoellerman	Plant Manager	Carestream Health Oregon- Carestream Health Inc.
Jack Sebastian	Senior Vice President and CFO	NORPAC Foods, Inc.
Michael Siebers	President & CEO	Blue Heron Paper Company
Jeanne Staton*	President	Staton Companies
Craig Stone	Board Chair	Medford-Jackson County Chamber of Commerce
Alan Thayer Jr.*+	Managing Partner	Innovative Law Group
Warren Thompson*+	Partner	Windedahl Rangitsch & Thompson
Daniel Thorndike*+	General Counsel & Sec-Treasurer	Medford Fabrication
Elizabeth Warman*	Manager-St/Local Govt Relations NW	The Boeing Company
Steven Wildish	Vice President	Wildish Land Co.
Marcia Williams	Chief Public Affairs & Mkt Officer	Providence Health & Services - Oregon
Steven Zika	CEO	Hampton Affiliates

*On Executive Committee + Regional Vice Chair



AOI membership is distributed geographically, as well as across all business classifications, and between large and small employers.

AOI POLICY COUNCILS

The policies of Associated Oregon Industries are the result of work done by AOI members. Hundreds of AOI members provide input regarding issues impacting their businesses. AOI Policy Councils identify issues, study and deliberate the issues, and develop policy recommendations for the Board of Directors.

Although the 2009 Regular Legislative Session is in the books, the policy work continues. AOI Policy Councils, the AOI Board and the AOI Executive Committee continue to meet regularly to keep AOI policies up-to-date. Their updated work is available at www.aoi.org or in the e-newsletter *AOI Leading Issues*.

AOI is interested in your opinion; please contact the appropriate AOI policy manager to share your view.

AOI SPECIAL RECOGNITION — TRANSPORTATION

AOI Executive Committee members devoted time and energy in providing leadership and direction on the Oregon Transportation Package.



Pat Reiten
President
PacifiCorp
Pacific Power



Steve Clark
President & Publisher
Portland Tribune &
Community
Newspapers

AOI POLICY COUNCIL CHAIRS—2009

The strength of AOI is in the talent and commitment members bring to your association. Much of the difficult and detailed work done between sessions is undertaken by the AOI Policy Councils. These are chaired by a group of especially talented and dedicated members who donate their time to help your business succeed.

Education & Workforce

Margaret Kirkpatrick

Vice President & General Counsel,
NW Natural

Employment Practices

Eileen Kunze

Vice President, Human Resources,
A-dec, Inc.

Environment & Energy

Greg Miller

Public Affairs Manager,
Weyerhaeuser Company

Dave Robertson

Vice President of Public Policy,
PGE

AOI PUBLIC POLICY TEAM

Jay Clemens

President & CEO
jayclemens@aoi.org

Betsy Earls

Vice President & Counsel
Policy Manager: Health Care, Retail
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John Ledger

Vice President of External Affairs
Policy Manager: Environment & Energy,
Transportation
johnledger@aoi.org

Environment & Energy Subcommittee

Air & Energy

Tom Wood

Partner,
Stoel Rives LLP

Water & Cleanup Subcommittee

Tom Lindley

Partner,
Perkins Coie LLP

Susan MacMillan

Senior Risk Manager,
URS Corporation

Fiscal Policy

Neil Nelson

President & CEO,
Siltronic Corporation

Health Care

John Worcester

Manager, Benefits & Compensation,
Evrax Inc. NA

Oregon Retail Council

Ed Ariniello

Vice President of Operations,
Joe's Sports Outdoor & More

J.L. Wilson

Vice President of Governmental Affairs
Policy Manager: Employment Practices
jlwilson@aoi.org

John Marshall

Contract Lobbyist
Policy Manager: Education and Workforce
Development, Fiscal Policy

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CHAMPIONS FOR OREGON JOBS & BUSINESS

This session 26 legislators scored 90 percent or higher on the AOI legislative voting scorecard. These are senators and representatives who believe that keeping your business competitive is the key to job growth.

SENATE

90%+



Ted Ferrioli
John Day



Larry George
Sherwood



Fred Girod
Stayton



Jeff Kruse
Roseburg



Bruce Starr
Hillsboro



Doug Whitsett
Klamath Falls



Chris Telfer
Bend

HOUSE

90%+



Cliff Bentz
Ontario



Vicki Berger
Salem



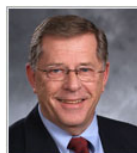
Kevin Cameron
Salem



Sal Esquivel
Medford



Tim Freeman
Roseburg



Bill Garrard
Klamath Falls



Vic Gilliam
Silverton



George Gilman
Medford



Bruce Hanna
Roseburg



John Huffman
The Dalles



Ron Maurer
Grants Pass



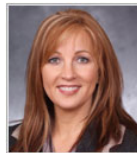
D. Richardson
Central Point



Greg Smith
Heppner



Sherrie Sprenger
Scio



Kim Thatcher
Salem



Jim Thompson
Dallas



Jim Weidner
McMinnville



Gene Whisnant
Sunriver



Matt Wingard
Wilsonville

SPECIAL MENTIONS

**Representative
Mike Schaufler**
Happy Valley

Tireless dedication
to job creation for all
Oregonians.



Four legislators showed unwavering leadership and dedication that resulted in the passage of Oregon's largest transportation package to help keep Oregon companies competitive, as well as creating jobs.



**Representative
Terry Beyer**
Springfield



**Representative
Vicki Berger**
Salem



**Senator
Rick Metsger**
Mt Hood



**Senator
Bruce Starr**
Hillsboro



HB 2001 [Jobs & Transportation Act of 2009] ...will generate 4,600 full-time jobs each year, creating more Oregon jobs than any other bill this session. "This bill is about creating jobs for Oregon families in the short and long terms."

— Senator Bruce Starr

LEGISLATOR SCORECARD

AOI recorded more than 1,370 individual votes on bills, in committee and on the floor. The results are telling.

Although votes are only a part of how legislators can help or hinder business, they are an objective indicator. The Legislative Scorecard shows what percent of votes, with no weighting or

skewing, each legislator cast in support of business and jobs on a set of important bills (pages 10 and 11) .

SUMMARY OF LEGISLATIVE SCORES		
	SENATE	HOUSE
HIGHEST	100%	100%
LOWEST	12%	8%
AVG	49%	51%
MEDIAN	32%	30%

This session showed an unprecedented range of scores. Although 36 of the 90 legislators scored at least 70 percent, a minimum pro-business and pro-jobs benchmark, many of the scores were the lowest in memory, as was the average score for both bodies.

SENATE

Senator	District	Score
Larry George	13 R	100%
Chris Telfer	27 R	100%
Doug Whitsett	28 R	95%
Fred Girod	9 R	95%
Ted Ferrioli	30 R	94%
Jeff Kruse	1 R	93%
Bruce Starr	15 R	93%
Frank Morse	8 R	87%
Brian Boquist	12 R	83%
Jackie Winters	10 R	80%
Jason Atkinson	2 R	79%
David Nelson	29 R	75%
Joanne Verger	5 D	43%
Martha Schrader	20 D	40%
Ginny Burdick	18 D	32%
Rick Metsger	26 D	32%
Betsy Johnson	16 D	30%
Bill Morrisette	6 D	21%
Peter Courtney	11 D	21%
Mark Hass	14 D	21%
Margaret Carter	22 D	19%
L. Monnes Anderson	25 D	19%
Floyd Prozanski	4 D	18%
Richard Devlin	19 D	18%
Jackie Dingfelder	23 D	15%
Vicki Walker	7 D	15%
Rod Monroe	24 D	15%
Alan Bates	3 D	14%
Suzanne Bonamici	17 D	13%
Diane Rosenbaum	21 D	12%

Senate makeup: Democrats 18

Republicans 12

HOUSE

Representative	District	Score	Representative	District	Score
Sal Esquivel	6 R	100%	Tobias Read	27 D	30%
George Gilman	55 R	100%	Suzanne VanOrman	52 D	30%
Bill Garrard	56 R	97%	Betty Komp	22 D	29%
Greg Smith	57 R	95%	Jules Bailey	42 D	29%
Ron Maurer	3 R	95%	Greg Matthews	50 D	29%
Jim Thompson	23 R	95%	Judy Stiegler	54 D	29%
Gene Whisnant	53 R	95%	Larry Galizio	35 D	25%
Bruce Hanna	7 R	95%	Chris Edwards	14 D	24%
Matt Wingard	26 R	95%	Arnie Roblan	9 D	24%
Tim Freeman	2 R	95%	Chris Garrett	38 D	23%
Cliff Bentz	60 R	94%	Dave Hunt	40 D	23%
Vic Gilliam	18 R	93%	Brent Barton	51 D	23%
D. Richardson	4 R	93%	Nick Kahl	49 D	22%
Sherrie Sprenger	17 R	92%	David Edwards	30 D	21%
Kim Thatcher	25 R	92%	Jean Cowan	10 D	20%
Kevin Cameron	19 R	91%	Chuck Riley	29 D	20%
Jim Weidner	24 R	90%	Chris Harker	34 D	19%
Vicki Berger	20 R	90%	Carolyn Tomei	41 D	19%
John Huffman	59 R	90%	Michael Dembrow	45 D	19%
Wayne Krieger	1 R	86%	Tina Kotek	44 D	18%
Andy Olson	15 R	85%	Phil Barnhart	11 D	17%
Scott Bruun	37 R	84%	Peter Buckley	5 D	17%
Bill Kennemer	39 R	78%	Chip Shields	43 D	17%
Mike Schaufler	48 D	70%	Mary Nolan	36 D	16%
Bob Jenson	58 R	59%	Jefferson Smith	47 D	16%
Deborah Boone	32 D	41%	Nancy Nathanson	13 D	15%
Terry Beyer	12 D	36%	Brian Clem	21 D	15%
Jeff Barker	28 D	35%	Mitch Greenlick	33 D	14%
Brad Witt	31 D	33%	Sara Gelser	16 D	11%
Paul Holvey	8 D	30%	Ben Cannon	46 D	8%

House makeup: Democrats 36

Republicans 24

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VOTES USED IN THE SCORECARD

For House Members

BILL	TOPIC	FLOOR OR COMMITTEE	AOI POSITION
HB 2001	Jobs and Transportation Act. Increases fees, gas tax, funds construction.	Trans	+
HB 2001 A	Jobs and Transportation Act. Increases fees, gas tax, funds construction.	Revenue	+
HB 2001 B	Jobs and Transportation Act. Increases fees, gas tax, funds construction.	JtTrans	+
HB 2001 B	Jobs and Transportation Act. Increases fees, gas tax, funds construction.	Floor	+
HB 2116 A	Imposes 1% on commercial health insurance premiums.	Health	-
HB 2116 B	Imposes 1% on commercial health insurance premiums.	JtWays&MeansSub	-
HB 2116 B	Imposes 1% on commercial health insurance premiums.	Revenue	-
HB 2116 C	Imposes 1% on commercial health insurance premiums.	JtWays&Means	-
HB 2116 C	Imposes 1% on commercial health insurance premiums.	Floor	-
HB 2157 A	Disconnects Oregon definition of income from IRS Code as of 2009.	Revenue	-
HB 2157 A	Disconnects Oregon definition of income from IRS Code as of 2009.	Floor	-
HB 2184 A	Added additional types of containers to recycling system.	Env&Water	-
HB 2184 B	Added additional types of containers to recycling system.	Floor	-
HB 2184 B	Added additional types of containers to recycling system.	Env&Water	-
HB 2186 A	DEQ to ban some tires, mandate low carbon fuels.	Env&Water	-
HB 2186 B	DEQ to ban some tires, mandate low carbon fuels.	Floor	-
HB 2186 C	DEQ to make rules imposing low C fuel standards in OR, other studies.	Floor	-
HB 2414 B	"Yes" means "No" and "No" means "Yes" on referrals.	JtWays&Means	-
HB 2584 A	Allows indirect purchasers to sue when defendant violates state antitrust law.	Judiciary	-
HB 2584 A	Allows indirect purchasers to sue when defendant violates state antitrust law.	Floor	-
HB 2649 A	Increases personal income taxes.	Revenue	-
HB 2649 A	Increases personal income taxes.	JtWays&Means	-
HB 2649 A	Increases personal income taxes.	Floor	-
HB 2821 A	Prohibits requiring employee use vacation leave when taking family leave.	Bus&Labor	-
HB 2821 A	Prohibits requiring employee use vacation leave when taking family leave.	Floor	-
HB 2940 A	Expands inclusion of biomass into renewable portfolio standard.	Sustain&EconDev	+
HB 2940 A	Expands inclusion of biomass into renewable portfolio standard.	Floor	+
HB 2940 B	Expands inclusion of biomass into renewable portfolio standard.	Floor	+
HB 2952 A	Facilitates permitting of some small scale alternative energy projects.	Sustainability	+
HB 2952 A	Facilitates permitting of some small scale alternative energy projects.	Floor	+
HB 3052	Clarifies employers do not need to accommodate Medical Marijuana.	Floor	+
HB 3058 A	Streamlines Permitting for transportation, pipeline projects.	Sustain&EconDev	+
HB 3058 A	Expedited LNG, road and utility siting.	Rules	+
HB 3058 A	Streamlines permitting for transportation, pipeline projects.	Floor	+
HB 3405 A	Increases corporate income taxes and business filing fees.	Revenue	-
HB 3405 A	Increases corporate income taxes and business filing fees.	JtWays&Means	-
HB 3405 A	Increases corporate income taxes and business filing fees.	Floor	-
HB 3507	Limits Employer Workplace Communication.	Rules	-
HB 3507	Limits Employer Workplace Communication.	Floor	-
HB 3507	Limits Employer Workplace Communication.	JtWays&Means	-
SB 284 B	Extends timeline for product liability lawsuits.	Rules	-
SB 284 B	Extends timeline for product liability lawsuits.	Floor	-
SB 519 A	Limits Employer Workplace Communication (AOI Amendment).	Rules	+
SB 519 A	Limits Employer Workplace Communication.	Rules	-
SB 519 A	Limits Employer Workplace Communication.	Floor	-
SB 596 A	Prohibits sale of most products containing DECA.	Env&Water	-
SB 596 A	Prohibits sale of most products containing DECA.	Floor	-
SB 880 B	Dept of Rev to establish unfair tax amnesty program.	JtWays&Means	-
SB 880 B	Dept of Rev to establish unfair tax amnesty program.	Floor	-



With over 1,600 members around Oregon, AOI Policy Councils evaluate and determine which bills to track and take action on from the hundreds of bills that impact member firms.

VOTES USED IN THE SCORECARD

For Senate Members

BILL	TOPIC	FLOOR OR COMMITTEE	AOI POSITION
HB 2001 B	Jobs and Transportation Act. Increases fees, gas tax; funds construction.	JtTrans	+
HB 2001 B	Jobs and Transportation Act. Increases fees, gas tax; funds construction.	Floor	+
HB 2116 B	Imposes 1% tax on commercial health insurance premiums.	JtWays&Means Sub	-
HB 2116 C	Imposes 1% tax on commercial health insurance premiums.	JtWays&MeansFullCom	-
HB 2116 C	Imposes 1% tax on commercial health insurance premiums.	Floor	-
HB 2157 A	Disconnects Oregon definition of income from IRS Code as of 2009.	Finan&Rev	-
HB 2157 A	Disconnects Oregon definition of income from IRS Code as of 2009.	Floor	-
HB 2186 B	DEQ to ban some tires, mandate low carbon fuels.	Env&NR	-
HB 2186 C	DEQ to make rules imposing low C fuel standards in OR, other studies.	Rules	-
HB 2186 C	DEQ to make rules imposing low C fuel standards in OR, other studies.	Floor	-
HB 2414 B	"Yes" means "No" and "No" means "Yes" on referrals.	JtWays&Means	-
HB 2584 A	Allows indirect purchasers sue when defendant violates state antitrust law.	Judiciary	-
HB 2584 A	Allows indirect purchasers sue when defendant violates state antitrust law.	Floor	-
HB 2649 A	Increases personal income taxes.	JtWays&Means	-
HB 2649 A	Increases personal income taxes.	Floor	-
HB 2940 B	Expands inclusion of biomass into renewable portfolio standard.	Rules	+
HB 2940 B	Expands inclusion of biomass into renewable portfolio standard.	Floor	+
HB 2952 A	Facilitates permitting of some small scale alternative energy projects.	Env&NR	+
HB 2952 A	Facilitates permitting of some small scale alternative energy projects.	Floor	+
HB 3405 A	Increases corporate income taxes and business filing fees.	JtWays&Means	-
HB 3405 A	Increases corporate income taxes and business filing fees.	Floor	-
HB 3507	Limits Employer Workplace Communication.	JtWays&Means	-
HB 3507	Limits Employer Workplace Communication.	Floor	-
SB 80 A	DEQ to impose GHG limits on utilities, industry, gasoline & NG by rule.	Env&NR	-
SB 284 A	Extends timeline for product liability lawsuits.	Judiciary	-
SB 284 B	Extends timeline for product liability lawsuits.	Rules	-
SB 284 B	Extends timeline for product liability lawsuits.	Floor	-
SB 519 A	Limits Employer Workplace Communication.	Commerce	-
SB 519 A	Limits Employer Workplace Communication.	Rules	-
SB 519 A	Limits Employer Workplace Communication.	Floor	-
SB 596 A	Prohibits sale of most products containing DECA.	Env&NR	-
SB 596 A	Prohibits sale of most products containing DECA.	Floor	-
SB 880 B	Dept of Rev to establish tax amnesty program.	JtWays&Means	-
SB 880 B	Dept of Rev to establish tax amnesty program.	Floor	-
SB 966 A	Creates Benefit Ins. Program to employees taking family leave.	Commerce	-

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AOI OREGON BUSINESS REPORT



JOB KILLER LEGISLATION

Even though Oregon was suffering the second highest unemployment rate in the nation and the worst economy in decades, the Legislature pressed forward on an agenda that now threatens economic recovery and Oregon jobs.

Between the Legislature's January 12, 2009 opening and its June 29, 2009 closing, more than 2,600 bills and other measures (resolutions, memorials, etc.) appeared in the Senate or House. AOI Policy Managers worked with legislators, AOI members, and other business groups as these business bills emerged, moved into hearings, and were altered by amendments. Many bills supported by AOI became law, and numerous "Job Killer" bills were successfully blocked. In cases where a bill was detrimental to the

business community but clearly destined to pass, AOI worked to amend the bill so as to make it less onerous or—if possible—more beneficial. Nevertheless, a number of bills passed to the Governor's desk over the strong objections of the nearly united business community.

A few examples illustrate the aggressive action of the Legislature, with the AOI member's position and the results:

- Drive up all forms of energy costs by granting DEQ unilateral authority to impose Cap & Trade on utilities, industries, business, automotive gasoline, and home heating, all by rule. Opposed—Blocked
- Drive up costs and risks to business by mandating that many independent contractors be classified as employees and creates criminal sanctions against misclassification. Opposed—Blocked
- Drive up legal exposure through new lawsuits against employers if employee claims that workplace is an "abusive work environment." Opposed—Blocked
- Limit commercial and retail operations by granting DEQ wide authority to ban types of tires, retail and commercial products that "vent" CO₂, all by rule. Opposed—Blocked
- Increase worker and employer risk by forced employer accommodation of medical marijuana in the workplace. Opposed—Blocked
- More new taxes through a business activity tax on C-corporations based on a percentage of total gross receipts, dividends and employee compensation. Opposed—Passed
- Drive up health costs through unprecedented recovery of "medical monitoring" costs against manufacturers if plaintiff shows that exposure to product may increase health risks. Opposed—Blocked
- Imposition of a "carbon tax." Opposed—Blocked
- Increase legal liability by new employment discrimination lawsuit opportunities for job applicants if applicant believes they were denied job because a relative already works or has worked for employer. Opposed—Blocked
- Increase unemployment insurance (UI) taxes on employers to cover costs for \$50 million "summer jobs" diversion from UI fund, new benefits for dependents of unemployment claimants, and new benefits for part time workers. Opposed—Blocked
- Impose mandatory restrictions of CO₂ in excess of those required by any other state in the nation. Opposed—Blocked
- Drive up business costs by allowing environmental and other natural resource permits open to third party lawsuits. Opposed—Blocked
- Slow construction and increase costs by requiring environmental impact statement for any state construction. Opposed—Blocked
- Damage your competitiveness by putting your tax information online by requiring corporations doing business in Oregon to file tax disclosure statements with the Secretary of State who will make them available to the public via the Internet. Opposed—Blocked

The 2009 Oregon Legislature consists of 30 Senators and 60 House Representatives. To pass, most bills require a simple majority—16 in the Senate and 31 in the House. Revenue raising measures (except for fee increases) require a 3/5ths (60%) Yes vote. Veto overrides require a 2/3rds Yes vote.



A tax increase can be regarded as a decrease in the Gross State Product of Oregon... The result is an estimated reduction of 10,747 private sector jobs. — Senator Doug Whitsett, R- Klamath Falls

PRO-BUSINESS LEGISLATORS NEEDED

Astoundingly, 60 percent of all legislators failed to meet the minimum pro-business, pro-jobs Scorecard threshold of 70 percent, with a majority below 40 percent. Clearly, this is a legislature out of tune with employers and economic recovery.

If there is a lesson to be learned from the 2009 legislative session, it is that we need a stronger business-minded legislature. A look at the AOI Legislature Scorecard shows which legislators have supported AOI efforts more than 70 percent of the time on the core business issues such as tax policy, energy, environment, workforce and health care.

A Scorecard rating above the 70 percent threshold indicates a legislator understands the necessity of a strong business climate for job creation and the economic health of Oregon. 2010 gives Oregon businesses a chance to put more pro-business legislators in the capitol.

Here's where to start to make a difference next session:

- Join with AOI members already preparing for the 2010 elections by making an investment in time and funds to the AOI Prosperity PAC (Political Action Committee). The PAC finds and funds pro-business and pro-jobs candidates that we must have serving in the Oregon Legislature.

Contact J.L. Wilson, Vice President of Governmental Affairs at 503-588-0050 or jlwilson@aoi.org.
- Share this publication with your colleagues and friends and urge them to join with thousands of Oregon employers by becoming AOI members and uniting Oregon's business community. To stay up to date on issues, AOI activity or membership, go to www.aoi.org.

Only four senators up for re-election supported Oregon employers in the 2009 Session.

CONTESTED SENATE SEATS IN 2010			
Senator		District	Score
Alan Bates	3	D-Ashland	14%
Suzanne Bonamici	17	D-Beaverton	13%
Peter Courtney	11	D-Salem	21%
Richard Devlin	19	D-Tualatin	18%
Larry George	13	R-Sherwood	100%
Betsy Johnson	16	D-Scappoose	30%
Rick Metsger	26	D-Mt Hood	32%
Rod Monroe	24	D-Portland	15%
Bill Morrisette	6	D-Springfield	21%
Frank Morse	8	R-Albany	87%
Floyd Prozanski	4	D-Eugene	18%
Martha Schrader	20	D-Canby	40%
Bruce Starr	15	R-Hillsboro	93%
Chris Edwards	14	D-Eugene	24%
Jackie Winters	10	R-Salem	80%

The Summary of the Top 127 Bills That Affect Oregon Businesses

There was no shortage of bills—more than 2,600 bills and other measures—good and bad. Many of these bills are complex and broad in scope. The full content of these bills and legislative staff reports can be found at: www.leg.state.or.us/bills_laws/.

Measures beginning with an "SB" (as in SB 345) originated in the Senate. Those with an "HB" originated in the House. An alphabetic postfix indicates the bill was amended; for example, SB 345 B was amended twice. An amended bill may be almost identical or completely different from its progenitor.

Bills may only be introduced by a legislator, individually or as a legislative committee. Legislators and committees routinely introduce bills and amendments at the request of the Governor or other outside interests, including AOI.

The AOI Legislative Report organizes these important business bills by issue area—Education and Workforce, Employment Practices, Energy and Environment, Fiscal Policy, Health Care, Retail, Tort and Transportation. It's a summary that dramatically illustrates the need for pro-business legislators. ►

2009 Regular Legislative Session

AOI OREGON BUSINESS REPORT



EDUCATION & WORKFORCE

Some Advancement, Some Held Back a Grade

The drop in state revenue stifled most proposals for improvements or investments. Existing policies were maintained with reduced funding in the hope that long-term damage could be averted until the state's economy rebounds.

While 2009-11 funding for Oregon's Pre-Kindergarten Education Program (Head Start), one of AOI's top priorities, was essentially held harmless compared to 2007-09, the number of program spots available is expected to decline.

Resources for the Engineering and Technology Industry Council (ETIC), another AOI priority, were reduced to roughly \$32.6 million for 2009-11, down from the current biennium's funding level of \$37.3 million.

There were; however, several bright spots in an otherwise gloomy legislative session for AOI's workforce improvement agenda. The Department of Community Colleges and Workforce Development was given authority to proceed with the development and implementation of the Career Readiness Certificate (HB 2398); the Joint Boards of Education were directed to begin development of applied baccalaureate degree programs at the state's universities (HB 3093); the Workforce Investment Board and Economic and Community Development Department were required to develop a Green Jobs Growth Initiative (HB 3300); and a new Career and Technical Education Collaboration Task Force was created to make recommendations on better ways to create a high-wage, high-skill sustainable workforce.

The session was also disappointing on the workforce development front as several of AOI's policy priorities failed to become law. A proposal conceived by La-

bor Commissioner Brad Avakian, and supported by AOI, to restructure, reorganize and streamline workforce development system governance (HB 2399) was heard on several occasions by the House Business and Labor's Subcommittee on Workforce Development but failed to advance; neither of the measures to create the Unemployment Insurance Wage Option Program (SB 828 and HB 3483) were ever given serious consideration; and the proposal to create an early incentive for parents to begin saving early for college under the 529 College Savings Program (SB 477) – the so-called "Baby Bill" – died in committee.

Bill Summaries—All Passed

HB 2398 Creates Career Readiness Certification Program (CRC) to **certify workplace and college readiness skills**; provides Department of Community Colleges and Workforce Development (CCWD) rulemaking authority to administer CRC program; requires CCWD to develop and implement a workforce delivery system focused on skill and talent development that shall include a workforce training inventory of occupations; provides rulemaking authority to CCWD to implement an integrated workforce delivery system; establishes a program to make grants to pilot projects that promote hands-on experience and education in the fundamentals of architecture, the construction trades and engineering to high school juniors and seniors; requires CCWD to include a process for certification of instructors; provides CCWD rulemaking authority for certifying instructors; creates Youth Employment Enhancement Fund; provides, subject to the availability of federal Workforce Investment Act funds, that CCWD shall establish Summer Youth Employment

program for 14-through 24-year-olds that reestablishes meaningful summer work; and provides CCWD rulemaking authority to implement a summer youth program.

HB 2732 **Creates the Career and Technical Education Collaboration Task Force** and designates membership; requires task force to identify collaborations and partnerships among schools, community colleges, labor, business and industry; requires the task force to identify existing collaborations and make recommendations regarding increasing collaborative efforts and using partnerships for purposes of sharing facilities and resources and developing a high-skill, high-wage sustainable workforce; and requires the task force to submit a plan to the interim committee related to education and workforce development.

HB 3093 Requires the Joint Boards of Education (Boards) to develop **plan for offering applied baccalaureate degree program** at community colleges and state institutions of higher education; requires Boards to consider offering four types of applied baccalaureate degree programs - career ladder program, inverse program, management ladder program, and work experience program.

HB 3300 Defines green jobs; directs the Oregon Workforce Investment Board and the Economic and Community Development Department to develop a **Green Jobs Growth Initiative** for creating and sustaining family-wage green jobs in Oregon.



Our company tries very hard to pay living wages for our positions and our production employees average \$15/hour. Dave Savensky, COO, Structus Building Technologies— Bend, OR

EMPLOYMENT PRACTICES

Legislature Hits Sour Note on Employment Bills

2009 will be remembered for the slew of bills that either created new unlawful employment actions against employers or expanded on existing laws. The legislature proposed over a dozen pieces of legislation that would increase an employer's liability with new unlawful employment practices, passing six of these measures. In many cases, AOI blocked these measures or worked to curb the most harmful effects of these bills.

But AOI could not stop the worst employment-related bill in nearly 20 years – the “Employer Gag Bill” – which aimed to curb employer speech on critical matters pertaining to union organizing, pending legislation, or ballot measures that may have a direct bearing on employers. And once again, the legislature shortchanged the workplace safety needs of Oregon employers by killing AOI's proposal to clarify that employers are not required to accommodate medical marijuana use by employees.

Bill Summaries—All Passed

SB 462 Creates “Alternative Base Year” for purposes of determining eligibility of **unemployment insurance benefits**. This bill is needed in order to collect \$90 million in federal funds to help protect solvency of Oregon's unemployment trust fund.

SB 519 The “Employer Gag Bill” **prohibits employer from taking adverse employment action against employee who declines to attend meetings** or participate in employer “communication” concerning employer's views on political, religious or union matters. Creates new protected class of employees based on whether or not they elect to attend

employer meeting or participate in employer communication.

SB 786 Requires employer to provide reasonable **accommodation for religious garb** in the workplace. Requires employer to provide reasonable accommodation of religious observance or practice of employee. AOI added provisions to help make the bill less stringent, but the bill will still be onerous for many employers.

SB 874 Amends the Oregon **disability discrimination laws** to align with the recently enacted federal ADA Amendments Act. Employers with as few as six employees are now subject to the broader definition of “disability,” and are forced to speculate about the effect of an impairment if the employee were to discontinue using mitigating measures.

SB 928 Prohibits employers from taking adverse employment actions toward **employee who is victim of domestic violence, sexual assault, or stalking**. AOI helped make the bill less onerous on employers.

HB 2744 Requires covered employers to provide up to two weeks of **family leave** to employees who are spouses of military members that are deployed or on active duty during period of military conflict. AOI worked to ensure this leave is folded into Oregon's existing family leave law. While it is an additional qualifying leave, it does not provide for additional leave time beyond current law.

HB 3140 Extends the Employment Department's “Workshare” program from six months to one year for participating employers. This program allows employers to **reduce hours of employees up to 40%** during economic

down time and allows those employees to collect partial unemployment benefits.

HB 3162 Makes discrimination against employee who **reports violation of state or federal laws**, rules or regulations an unlawful employment practice.

HB 3256 Establishes new unlawful employment practice against employers who take adverse employment action against members of the volunteer uniformed services by virtue of their military service. AOI worked to remove harmful provisions of this bill that would allow the Attorney General to begin suing employers for various alleged unlawful employment practices.

Bill Summaries—All Failed

SB 57 Creates **new unlawful employment practice** against employer if employer discriminates against employee or job applicant based on the fact that a member of the employee's family or applicant's family works or has worked for that employer.

SB 427 Allows employer to adopt and enforce **comprehensive drug-free workplace program**, including drug and alcohol testing policies. Exempts employers from civil actions under certain conditions when employer has adopted comprehensive policy.

SB 463 Allows **unemployment insurance benefits for part-time workers** seeking only part-time work. Costs employers an additional \$35 million per biennium in unemployment claims costs.

SB 638 Requires granting employees an **additional 35 hours per year of school activity** leave in addition to current family leave requirements.

2009 Regular Legislative Session

AOI OREGON BUSINESS REPORT



EMPLOYMENT PRACTICES

SB 707 Provides that employer who discloses **information about current or former employee's job performance** to prospective employer of employee is presumed to be acting in good faith and immune from civil liability unless presumption is rebutted by clear and convincing evidence.

SB 727 Establishes unlawful employment practice for subjecting employees to **"abusive" work environments**.

HB 2497 / HB 3052 / SB 426 Expands the ability of employers to prohibit use of **medical marijuana** in the workplace.

HB 2503 / SB 893 Prohibits discrimination in employment if discrimination is based on person's status as a **medical marijuana cardholder** or their use of medical marijuana outside of the workplace.

HB 2692 Establishes that employee who returns to work after taking **family leave** is entitled to be restored to available equivalent position instead of being restored to same position of employment held by employee before taking leave.

HB 2821 Prohibits covered employers from requiring employees to use accrued **vacation leave** when taking family leave.

HB 2881 Prohibits employer from terminating employee for **medical marijuana** use without first requiring employment-related marijuana drug testing and review of results by medical review officer.

HB 2890 Establishes new guidelines for **classification of employees and independent contractors**. The intent of the bill is to reduce the number of independent contractors. Levies criminal penalties against employers who mis-classify employees.

HB 2903 Reduces to 72 hours minimum time before first day of employment that employer is required to notify employee in a written employment offer that **arbitration agreement** is required as condition of employment.

HB 3045 Grants recipient of unemployment insurance benefits \$25 weekly **allowance for each dependent child** living in household. Triggers significant unemployment tax rate hikes on employers.

HB 3135 Authorizes **unemployment benefits** for striking workers whose job is filled by permanent or temporary replacement.

HB 3160 / SB 966 Creates **Family Leave Benefits Insurance Program** to provide paid benefits to employees taking family leave. Increases taxes on workers by 2 cents per hour to fund up to \$300 per week in benefits for up to six weeks.

HB 3500 Raids the **Unemployment Insurance Trust Fund** of \$50 million to create a temporary summer jobs program.



AOI members employ more than 200,000 people and Oregon's employer community has no interest in assuming new payroll costs.

ENVIRONMENT & ENERGY

Job Killers Avoided—For Now

A tight coalition of AOI, other business interests, and private labor unions effectively, although at great effort, bottled up or amended most proposals seriously damaging to jobs. In the end, three weaknesses proved lethal to the most radical proposals: (1) a nearly complete absence of quantitative analysis of environmental benefits and economic impacts; (2) a wholesale devolution of authority from the legislature to regulatory agencies; (3) the inability of Governor's Office/activist groups to seek or accept compromises that would have effectively reduced Greenhouse Gas (GHG) through economically alterative means.

The most threatening measure, SB 80, granted full and unimpeded authority to the DEQ to implement a GHG Cap & Trade system on utilities, businesses, auto gasoline, home heating, and other sectors all by agency rulemaking. In addition, the measure would have set Draconian GHG reduction goals into law. As an example of the nature of the legislation, if every home in Oregon that heated with natural gas or oil, along with every non-utility industrial facility in the state, all disappeared into the Pacific Ocean, the state would be a little more than 50% on its way to meeting 2020 reductions mandated in the bill. This unsuccessful measure was the number one environmental priority of the Governor's Office/activists groups.

Bill Summaries—All Passed

SB 101 Sets performance standards for **coal fire** plants.

SB 102 Allows DEQ to require replacement of antiquated **wood stoves** with high efficiency unit upon sale of house in areas suffering from wood smoke.

SB 103 Allows DEQ to impose and collect fees for **"registration"** in lieu of permitting for small sources, thereby reducing fee impacts.

HB 2186 Initially allowed DEQ to mandate and ban types of tires, consumer and retail goods, truck aerodynamics equipment, and mandate low carbon fuel. Most elements of the bill were eliminated or turned into study efforts, except that allowing DEQ to impose **low carbon fuels**.

HB 2940 Expands use of **biomass** for purposes of meeting state goals. Governor Vetoed.

HB 2952 Modifies state air laws to facilitate some **small scale energy** projects.

Bill Summaries—All Failed

SB 80 Cap & Trade. See Text above.

SB 962 Opens all natural resource/ environmental permits to **third party lawsuit**.

HB 2534 State NEPA. Requires state **Environmental Assessments** for construction by state.

HB 3058 **Facilitates permitting** of "linear projects," such as highways, pipelines and transmission lines.



FISCAL POLICY

Disappointments for Business and Job Creation—Oregonian’s Jobs Take Back Seat to Revenue Demands

As the recession deepened, employment and tax revenue fell. The February, 2009 revenue forecast showed the state’s 2007-09 budget \$855 million short and the projected general fund/lottery revenues for 2009-11 down \$1.9 billion, or 15 percent, from the December 2008 projections. By the May forecast and after pending reductions, the 2007-09 budget was short again and 2009-11 general fund/lottery revenues were off another \$524 million - now down a total of \$2.4 billion from the December estimate.

On the spending side, the legislature relied on the “essential budget level” while using federal stimulus dollars and draining the state’s rainy day reserve funds. The result was a budget \$800 million short, the balance to be filled with “new state revenues.”

Ignoring offers from AOI and the business community to consider temporary and broad-based revenue-raising measures, the legislature enacted a \$733 million package of personal, corporate and business tax increases (HB 2649 and HB 3405).

In order to preserve tax revenue otherwise lost due to the federal American Recovery and Reinvestment Act, and over the objections of AOI and other business groups, the legislature ended the connection to the federal definition of taxable income for certain components benefiting business and stimulating the economy such as bonus depreciation and Section 179 expensing.

Additionally, a tax amnesty program opposed by AOI and other business associations, will impose significant penalties on taxpayers who, after the six-week amnesty period, file an amended return showing unreported or underreported

tax liability (SB 880). Two proposals supported by AOI and other business groups languished and failed to become law; a proposal to modify the calculation of the personal and corporate income tax kicker refunds and deposit excess revenue into the state’s Rainy Day Fund (SJR 29), and to expand capital investment through creation of the Oregon New Markets Development Program (SB 878).

On the sparse positive side, the Business Energy Tax Credit was the only credit substantially modified (HB 2472), although other personal and corporate income tax credits were assigned specific sunset dates in 2012, 2014 or 2016 (HB 2067) and will be subject to review by subsequent legislatures. In addition, successful AOI bills limited the ability of the Department of Revenue to retroactively apply its rules to open tax years (was SB 498) and the procedure for seeking orders protecting taxpayer information during tax court appeals was improved (SB 609).

Bill Summaries—All Income Taxes Passed

SB 40 Requires income tax surplus **kicker refunds** to be calculated after allowance for taxes imposed by another state.

SB 180 Requires an affiliated group that files a consolidated return to include certain entities in their **state tax return**; pertains to real estate investment trusts and regulated investment companies; changes the Department of Revenue rulemaking authority from mandatory to permissive.

SB 181 Adds clarity pertaining to the removal of **inter-company sales and expenses** associated with sales for **intangible property**; clarifies that the

expenses are to be added back to the return when the sales to a related member for the use of intangible property had been excluded from the return; allows the corporation to claim a tax credit if tax has been paid on the income from the sales.

SB 182 Adopts a uniform definition of a **“financial institution”** and replaces the two definitions currently in statute; applies to tax years that are subject to appeal, adjustment, audit or refund for certain entities.

SB 621 Increases the annual cap on the amount of tax credits for contributions to the **Oregon Production Investment Fund** from \$5 million to \$7.5 million; clarifies the definition of expenses eligible for reimbursement.

SB 880 Establishes personal, corporate and inheritance **tax amnesty** from October 1 through November 19, 2009; directs Department of Revenue to waive penalties and one-half interest payments that would otherwise be due for taxpayers who come forward during amnesty period; limits amnesty participants to those who have not received a notice of deficiency from the Department of Revenue; establishes 25 percent additional post-amnesty penalty for those who could potentially participate in amnesty but choose not to; places proceeds from amnesty in a separate Amnesty Fund.

HB 2004 Establishes the **Oregon Political Party Fund**; each contribution, up to \$3 per taxpayer, reduces the amount of tax refund due; Department of Revenue to list all major and minor parties in the instructions.



While Oregon's new tax hikes will help the state close its projected budget shortfall, spend more on transportation infrastructure, and subsidize health insurance for more Oregonians, much of the new legislation drifts away from sound tax policy in favor of short-sighted political patchwork. — TAX FOUNDATION, July 2009 Fiscal Fact

FISCAL POLICY

HB 2068 Clarifies that certain **tax credits** (the biomass producer credit, the business energy tax credit, the credit for contributions to the Oregon Production Investment Fund, and the diesel engine re-power/retrofit credit) may be sold or transferred only to C-corporations, S-corporations, or personal income taxpayers; clarifies that an income or corporate excise tax credit that is transferable may be transferred or sold only once, unless specifically stated otherwise in statute; requires the Department of Energy to establish a formula to determine the transfer price of credits.

HB 2073 Directs revenue collected from corporate income and excise tax rates above 6.6 percent to the **Oregon Rainy Day Fund**; directs Department of Revenue to estimate collections resulting from corporate rates above 6.6 percent prior to the end of each biennium and then deposit estimated amount into Rainy Day Fund on or before June 30 of each odd-numbered year; first applies to the 2013-15 biennium.

HB 2078 Establishes a connection date of May 1, 2009 to the federal definition of **taxable income** and most other provisions; maintains a December 31, 2008 connection date for bonus depreciation, the discharge of indebtedness, and Section 179 expensing; maintains a December 31, 2008 connection date for deduction of unemployment compensation if HB 2649 fails to become law; establishes a continuous tie – a “rolling reconnect” – to the federal definition of taxable income as of January 1, 2011; eliminates the Residential Energy Tax Credit and the Business Energy Tax Credit for gasoline-hybrid vehicles and refines definitions related to the biomass tax credit. Other provisions.

HB 2157 Updates date of **connection to certain federal laws** from December 31,

2007 to December 31, 2008; ends the continuing connection to the federal definition of taxable income and connects to the definition as of December 31, 2008; includes income tax provisions pertaining to the definition of charitable organizations, federal Adjusted Gross Income (for the purposes of Oregon’s Elderly Rental Assistance and Senior Deferral programs), rules for S-corporation representation before magistrate, the Department of Revenue, and the Oregon Tax Court; provides a way for a taxpayer to have interest or penalties canceled for tax deficiencies that are attributable to the federal law connection changes in this act; clarifies that taxpayers must file an amended return for changes in Oregon’s law due to these federal tax law changes for tax years before January 1, 2010; and allows the Department of Revenue to make changes to tax returns that do not file amended returns. Other provisions.

HB 2180 Requires the Department of Energy, in consultation with the Public Utility Commission and the Economic and Community Development Department, to prepare a report on the financial aspects of **wind energy and conservation projects** certified under the Business Energy Tax Credit (BETC) program.

HB 2472 Establishes grounds for mandatory denial of preliminary certification for the **Business Energy Tax Credit (BETC)** for projects exceeding \$5 million that fail to meet certain criteria; imposes numerous limitations. Governor Vetoes

HB 2649

Increases the current 9 percent marginal personal **income tax rate** as follows:

Tax Years	Taxable Income Level	Marginal Rate
2009, 2010 & 2011	\$250,000 to \$500,000 joint (\$125,000 to \$250,000 single)	10.8 percent
	Above \$500,000 joint (\$250,000 single)	11 percent
2012 and thereafter	Above \$250,000 joint (\$125,000 single)	9.9 percent

Phases out the federal tax subtraction as follows:

Adjusted Gross Income	Federal Tax Deduction
Less than \$250,000 joint (\$125,000 single)	\$5,500
\$250,000 to \$260,000 joint (\$125,000 to \$130,000 single)	\$4,400
\$260,000 to \$270,000 joint (\$130,000 to \$135,000 single)	\$3,300
\$270,000 to \$280,000 joint (\$135,000 to \$140,000 single)	\$2,200
\$280,000 to \$290,000 joint (\$140,000 to \$145,000 single)	\$1,100
Above \$290,000 joint (\$145,000 single)	-0-

Exempts up to \$2,400 of unemployment compensation from state income taxes for the 2009 tax year.

The estimated 2009-11 revenue impact: \$472 million.

HB 2653 Removes exception to the standard income apportionment formula to allow for the use of a double-weighted sales factor for **forest products industry** taxpayers that manage between 300,000 and 400,000 acres in Oregon and process at least 20 percent of their total wood chip supply for papermaking from sawmill residue generated within Oregon; and exempts corporations from penalty and interest due to underpayment of taxes attributable to the increased level of taxes contained in HB 3405 for tax year 2009.

HB 3082 Directs the Department of Revenue to implement a pilot project that requires **occupational licensees** to demon-



FISCAL POLICY

strate compliance with personal income tax laws, corporate income or excise tax laws, or cigarette or other tobacco tax laws.

HB 3405

- Increases the current \$10.00 **corporate minimum tax** imposed on C-corporations as follows:

Oregon Sales	Tax
Less than \$500,000	\$150
\$500,000 to \$1 million	\$500
\$1 million to \$2 million	\$1,000
\$2 million to \$3 million	\$1,500
\$3 million to \$5 million	\$2,000
\$5 million to \$7 million	\$4,000
\$7 million to \$10 million	\$7,500
\$10 million to \$25 million	\$15,000
\$25 million to \$50 million	\$30,000
\$50 million to \$75 million	\$50,000
\$75 million to \$100 million	\$75,000
Over \$100 million	\$100,000

- Increases the current \$10 corporate minimum tax imposed on S-corporations to \$150.
- Imposes a new **“entity tax”** of \$150 on businesses filing a partnership return.
- Creates a second marginal **corporate income tax rate** increased from the current 6.6 percent as follows:

Tax Years	Taxable Income Level	Tax Rate
2009 and 2010	More than \$250,000	7.9 percent
2011 and 2012		7.6 percent
2013 and thereafter	More than \$10 million	7.6 percent

- Increases Secretary of State Corporation Division filing fees from \$50 to \$100 for domestic corporations and to \$275 for foreign corporations.

- Increases fee to file a five-year uniform commercial code financing statement from \$10 to \$15.
- Increases the application fee for a four-year notary public commission from \$20 to \$40.
- 2009-11 estimated revenue impact: \$261 million.

Bill Summaries— All Property Taxes Passed

SB 183 Specifies timeline for filing an application for a reduction of the **maximum assessed value (MAV)** of a demolished or removed property; other clarifications.

SB 192 Makes changes in the historic property special assessment program; requires property owners applying for **historic property partial tax** exemptions to submit and implement a preservation plan for participating property; establishes the initial 10-year period of partial tax exemption, an application fee, certification procedures, and reporting requirements; establishes methods of benefit calculation; lists conditions for the initial term disqualification from the program.

SB 394 Changes mandatory minimum refund of **overpaid property taxes** to more than \$10 and stipulates that tax collector cancel uncollected deficient property taxes of \$10 or less when property taxes are collected in advance of extension on the tax roll.

SB 395 Allows counties to serve notice of required personal **property tax delinquency warrants** by means of one publication in a newspaper of general circulation in the county and by first-class mail to persons named in notice.

SB 495 Eliminates **property tax exemption** for an out-of-state city or an out-of-state public entity of any intangible or tangible property, property rights or property interests in or related to the Pacific Northwest AC Intertie, as referenced in a written agreement between the U.S. Energy Department and the city or the public entity.

SB 594 Permits **property tax exemption** claim for qualified cemetery and crematory property regardless of claimant’s organizational structure or the state of organization.

HB 2161 Updates central assessment statutes (ORS 308.505 to 308.565); permits an appeal to waive or reduce a **delinquency penalty** within 30 days from the mailing of the notice; and changes the lien date for taxes levied on mutual and cooperative electric distribution systems to March 1 of each year from February 1.

HB 2162 Stipulates that the 30-day **property tax appeal** period will trigger at the time of delivery when the final order of the local board of property tax appeals is personally delivered to the appellant.

HB 2475 Extends the **cargo container** property tax exemption to June 30, 2014.

HB 2700 Clarifies procedures for late filing of **property tax exemption** by certain eligible entities and public bodies; creates a late filing procedure for first-time filers and public entities with good and sufficient cause for late exemption filing.

HB 3112 Redefines environmentally sensitive **logging equipment** as logging equipment originally manufactured after 1992; and extends the sunset of exemption from property taxation for environmentally sensitive logging equipment and skyline and swing yarders from 2012 to 2018.



Oregon will increase the government's take by joining Hawaii at the inglorious summit of personal income tax rates; only those two states will have an 11 percent tax rate on the books — TAX FOUNDATION, July 2009 Fiscal Fact

FISCAL POLICY

Bill Summaries— Miscellaneous Passed

SB 34 Authorizes increase in employer **payroll tax** for transit districts from seven-tenths to eight-tenths of one percent of wages paid; and requires any increase to be phased in over ten years, with a maximum 0.02 percent annual increment.

SB 300 Grants authority to Department of Revenue, under its **tobacco enforcement** and auditing program, to examine premises of person or place of business and imposes civil penalties for refusal of access.

SB 498 Prohibits the Department of Revenue from applying an administrative rule that would change any particular of a **tax return or report** (such as income, expense, deduction or credit) if the return or report was timely filed and the particulars were treated consistent with administrative rules in effect at that time.

SB 609 Allows for decisions of the magistrate involving **protective orders** to be appealed to the regular division of the tax court and allow to stay the case on merits until the request for a protective order is resolved; requires that certain appeals to the regular division of the tax court be expedited and determined within 90 days, unless the tax court determines additional time is needed.

SB 690 Allows the Department of Revenue to **disclose taxpayer information** to local law enforcement agencies and others.

HB 2014 Requires collection of school district **construction taxes** by a government entity including a state agency or official that issues a permit for structural improvements; exempts construction of nonprofit long-term and residential care facilities and nonprofit continuing care retirement communities; increases fees.

HB 2067 Assigns most income and corporate **excise tax credits** one of three sunset dates – January 1 of 2012, 2014, or 2016; excludes the personal exemption credit, the credit for taxes paid to another state, the claim of right income credit, and the corporation surplus refund credit.

HB 2214 Extends the period for which **forest products** harvest taxes are imposed and establishes rates for the extended period; provision for additional rates.

HB 2308 Allows a trustee, personal representative or executor to apply to the Oregon Department of Revenue for a determination of the amount of **inheritance tax owed**; and allows for a discharge from further tax liability to be issued following payment.

HB 2672 Increases the tax on **moist snuff** to \$1.78 an ounce or a \$2.14 per can minimum.



HEALTH CARE

Most Proposed Mandates Atrophy, But Health Care Tax Proliferates

Reform took center stage in health care debates this session. Building on the work of the Oregon Health Fund Board, several bills were introduced to reorganize the health care delivery system, create efficiencies, and expand the Oregon Health Plan population. Consumer advocates proposed legislation to provide greater oversight to health insurance companies, and just about everyone had an idea for an insurance mandate. When the dust settled, though, most mandates had been taken off the table in exchange for the imposition of a health insurance premium tax.

Bill Summaries—All Passed

SB 862 Provides for creation of limited number of multi-share community health plans. **Multi-share plans** are non-profit corporations through which employers, communities and insured members all pay a share of the cost of basic health coverage. The plans are intended to cover those who do not qualify for Medicaid, cannot afford traditional insurance on their own, and do not have coverage through their employers.

HB 2009 Creates the **Oregon Health Policy Board (OHPB)**, a nine member board which oversees the development and implementation of health care policy in Oregon. The OHPB is to carry out its work through the Oregon Health Authority (OHA), an agency that will take over administration of the current Addictions and Mental Health division, public health insurance programs (Oregon Health Plan, Healthy Kids, etc.), the Public Health division, office of Private Health Partnerships, OMIP (Oregon's high risk pool), PEBB, and OEBS.

The bill eliminates the Oregon Health Fund Board and the Oregon Health Policy Commission (HB 2009), and **sets deadlines** for the next two years.

HB 2009 DEADLINES	HB 2009 REQUIRED ACTIONS
2009	Oregon Health Authority to develop a strategic plan to start to slow the rate of diabetes caused by obesity and other environmental factors by the year 2010.
January 1, 2010	Office for Oregon Health Policy and Research (OHPR) shall create and maintain a health care workforce database; health care workforce regulatory board shall report health care workforce data to OHPR.
October 1, 2010	OHPB to establish the Public Health Benefit Purchasers Committee.
December 21, 2010	Develop and submit a plan to the legislature to provide and fund access to affordable, quality health care for all Oregonians by 2015.
	Develop and submit a plan to the legislature on recommendations for the Oregon Health Insurance Exchange.
	Develop and submit a plan to the legislature with recommendations for a publicly owned health benefit plan operating within the exchange.
	Investigate and report to the legislature on the feasibility and advisability of future changes to the health insurance market in Oregon, including the possibility of an: <ul style="list-style-type: none"> • individual mandate • a payroll tax to incentivize employers to provide health insurance • expansion of the exchange to include a premium assistance program • implementation of interoperable electronic health records system.
June 30, 2011	Transfer of functions from Department of Human Services to Oregon Health Authority to be complete.

Other (non-deadline) duties of the OHA include:

- Develop one or more insurance products designed to provide more affordable options for the small group market;
- Create an all-claims, all-payer database;
- Develop uniform contracting standards for purchase of health care.

Other (non-deadline) duties of the OHPB, to be carried out by the OHA:

- Set up the Oregon POLST registry and POLST Registry Advisory Committee;
- Establish a Health Information Technology Oversight Council within the Oregon Health Authority;
- Create a Statewide Health Improvement Program to prevent chronic disease and reduce utilization of medical care;
- Develop a premium assistance program for moderate-income individuals;
- Establish evidence-based clinical standards and practice guidelines for use by all providers;
- Approve and monitor community

centered health initiatives such as those established in SB 862;

- Establish a baseline benefit package that will be required of all health benefit plans offering coverage through the Exchange.

HB 2116 Imposes two taxes: a one percent assessment all on **commercial health insurance premiums, Medicaid managed care plans, and the Public Employees' Benefit Board**; and a separate assessment on **large hospitals**. In addition, the measure establishes the Health Care for All Oregon Children program. The health insurance premium assessment will be used to fund the Health Care for All Oregon Children program; the Hospital assessment will be used to fund the Oregon Health Plan Standard program.

The premium assessment is expected to provide funding for nearly 80,000 children during the 2009-11 biennium; the hospital assessment will double the OHP Standard population from an average monthly caseload of approximately 25,000 low-



As cost shifting drives higher rates, some businesses are being forced to choose between providing adequate health benefits and providing jobs. — Betsy Earls, AOI Testimony May 28, 2009

HEALTH CARE

income adults to 50,000 during the 2009-11 biennium. Both assessments begin October 1, 2009, and sunset on September 30, 2013.

HB 2433 Extends eligibility for **health insurance benefits** from six months to nine months for former employees of companies with fewer than 20 employees, with 65 percent of the costs subsidized through the American Recovery and Reinvestment Act of 2009. Stipulates that employees of larger companies will receive the same extension under the Consolidated Omnibus Budget Reconciliation Act.

HB 2755 Requires Department of Consumer and Business Services (DCBS), in collaboration with Office of Health Policy and Research, to conduct a study of reinsurance alternatives and other mechanisms to spread risk for individual and **small employer group health insurance** markets.

Bill Summaries—All Failed

HB 2122 Increases **tobacco tax** and use funds for public health care, health promotion and transportation services for seniors.

HB 2849 Directs **SAIF Corporation** to develop a recommended state medical malpractice insurance program to be administered by the Corporation.

HB 2608 Requires DCBS to adopt rules allowing insurers to offer **health insurance policies** excluding benefits or coverage of certain conditions and services otherwise required by law (mandates).

HB 3293 Directs DCBS to develop rules to **allow health insurers** to use financial incentives or penalties to reinforce positive behaviors and discourage negative (unhealthy) behaviors.

HJR 18 Refers a constitutional amendment to the voters creating an obligation on the state to provide **equal access** to effective,

medically appropriate and affordable health care to all legal residents as a fundamental right.

Bill Summaries—Mandates Passed

SB 9 Removes sunset on requirement that health insurers provide coverage for **treatment of inborn errors** of metabolism such as phenylketonuria (PKU).

SB 24 Requires health benefit plans to provide coverage of medically necessary, evidence based telemedical **health services**, if health service is otherwise covered by the benefit plan. Mandate not limited to areas underserved by physicians.

SB 316 Requires health benefit plans to cover routine costs of care for members enrolled in **clinical trials**. Does not require plan to cover any cost associated with clinical trial.

SB 381 Requires health benefit plan to provide coverage of medically necessary treatment for traumatic brain injury, and adds orthotic and prosthetic devices to lists of **required coverage**.

SB 734 Requires health insurers to provide payment, coverage, or reimbursement of at least \$500 for qualified **tobacco use cessation programs** for members age 15 years or older.

HB 2506 Requires health benefit plans to **include coverage** for licensed professional counselors and licensed family therapists acting within their scope of practice.

HB 2589 Requires insurers to provide coverage for **hearing aids** for children under 18 years of age and for those 18 years and older that are eligible as a dependent under a health benefit plan and enrolled in an accredited educational institution.

HB 2794 Requires health benefit plans to

include coverage of the human **papilloma virus vaccine** for female beneficiaries between 11 and 26 years of age.

HB 3496 Exempts requirement that health insurance cover nonprescription **elemental enteral formula** from Oregon's statutory requirement that all mandates sunset after six years.

Bill Summaries—Mandates Failed

SB 864 Prevents health insurers from denying coverage for prescription medication for a particular indication solely on the basis that the indication had not been approved by the FDA, as long as the Oregon Health Resources Commission determined that the drug is recognized as effective for the treatment of that disease or disorder.

HB 2361 Requires health benefit plans to cover non-prescription drugs containing **pseudoephedrine** for allergies, if plan covered other prescription drugs for allergies.

HB 2656 Equates mandated health insurance coverage of biological child with mandated coverage of **adopted child**.

HB 2689 Requires health benefit plans to cover services provided by a **chiropractic physician**.

HB 2780 Requires health benefit plans to cover treatment for **infertility**.

HB 2925 Requires health benefit plans to cover a 90-day supply of prescription medication if prescribed by patient's physician.

HB 3000 Requires health benefit plans to cover treatment plans developed for **autistic patients** under the age of 21.

HB 3023 Requires health benefit plans to continue coverage of dependents past the age limit for that plan under certain conditions.

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AOI OREGON BUSINESS REPORT



RETAIL AFFAIRS

Most Bad Bargains Passed up, or Put on Layaway for Next Session

Although many bills that would have negatively affected retailers were introduced, relatively few made it all the way through the process.

Almost all of the most harmful bills opposed by AOI were either stopped or amended in committee this session. Several different product stewardship proposals, a bottle bill expansion and a tax on birdseed were all defeated. In some areas, however, work will be ongoing. The paint manufacturers joined together to support a pilot product stewardship program for architectural (non-commercial) paint, and work groups were formed on other issues.

Bills Summaries—All Passed

SB 204 Clarifies that Construction Contractors Board residential bonds will be applied to pay claims against residential contractors and commercial bonds will be applied to pay claims against commercial contractors.

SB 227 Increases fine for knowingly furnishing **alcohol to a minor** or someone who is visibly intoxicated from \$350 to at least \$500 for first conviction, from \$500 to at least \$1,000 for a second conviction and from \$1,000 to \$1,500 for a third conviction.

SB 328 Subjects persons who violate the **Unlawful Debt Collection** Practices Act to the provisions of the Unlawful Trade Practices Act.

SB 596 Expands list of flame retardant chemicals designated as hazardous substances to include **decabrominated diphenyl ether (decaBDE)**. Prohibits introduction of any product containing more than one-tenth of one percent by mass of decaBDE into commerce, unless it is a replacement part for product manufactured

before January 1, 2011.

HB 2323 Increases value **thresholds for stolen property**. Current law thresholds are as follows: theft in the third degree is loss of property worth less than \$50, theft in the second degree is a loss of property between \$50 and \$750; theft in the first degree, a felony, involves loss of \$750 or more. Current law also has a lower value threshold for the crime of theft by receiving. HB 2323 increases the value thresholds as follows: Theft 3 = under \$100, Theft 2 = \$100 up to \$1000, and Theft 1 = loss greater than \$1000. HB 2323 also eliminates the lower value threshold for theft by receiving. The value threshold for the offenses of theft of services, criminal mischief and fraudulent use of a credit card are similarly adjusted.

HB 2365 Prohibits selling, offering for sale or distributing **novelty lighters**.

HB 2371 Limits situations in which retailer may **swipe or store information** from a driver license, driver permit, or identification card.

HB 3037 Creates pilot program for **architectural paint** stewardship program.

HB 3127 Prohibits a business from undertaking **locksmith services** unless the business is licensed by the Construction Contractors Board (CCB) and has an owner or employee certified as a locksmith.

HB 3343 Under current law, if a clerk at a store **sells alcohol to a minor**, the clerk may be charged with a Class A misdemeanor and will be fired. HB 3343 B provides that if a clerk who has taken an alcohol server education class sells alcohol to a minor, the offense is a Class A violation. The fine increases with each offense (from \$350 to \$720). The third

offense becomes a Class A misdemeanor with a mandatory \$1,000 fine. A fourth offense is a Class A misdemeanor with a fine not less than \$1000 and 30 days imprisonment.

Bill Summaries—All Failed

SB 386 Makes an attempt or threat to collect a debt that the collector knows or should know does not exist an **unlawful collection practice**.

HB 2141 Expands the definition of **“hazardous substance”** to include any substance that poses a risk to public health and safety as a result of irreversible harm or chronic health effects in individuals exposed to the substance.

HB 2184 Establishes a **beverage container return rate** goal of at least 80 percent by 2015. If Department of Environmental Quality (DEQ) determined that the return rate was not at least 80 percent, the refund value would increase to at least 10 cents. Adds a deposit to sports drinks, coffee, tea, juice and other non-carbonated beverage containers effective January 1, 2013.

HB 2270 Requires that **shipping and handling fees** in consumer goods transactions be reasonably based on the actual cost of preparing, packaging, processing, mailing and delivering goods.

HB 3060 Creates **product stewardship** program to be administered by Oregon Department of Environmental Quality.

HB 3327 Requires that certain residential general contractors working on projects greater than \$20,000 tour the residence with the property owner and provide an itemized and detailed description for each feature of **proposed construction work**.



AOI has over 300 members who identify themselves as retailers.

TORT REFORM

Risk vs. Reward – Risk Goes Up, Reward Goes Down

The risks to Oregonians who operate or establish a business in Oregon took a jump this session. Not only was their exposure to tort claims expanded, their ability to recover costs when they successfully defend themselves was constricted.

Bill Summaries—All Passed

SB 284 Increases the statute of ultimate repose for **product liability actions**, including wrongful death, to ten years or to the statute of ultimate repose of the state in which the product was manufactured or imported from—whichever is later. The bill applies to causes of action arising after the effective date, except in cases involving halide or mercury vapor light bulbs. These lawsuits are exempt from any statute of repose whatsoever, and the law applies to them retroactively. Manufactured homes are exempt from the entire bill.

SB 306 Increases the demand limit amount of **small tort actions** from \$5,500 to \$7,500, and further increases the amount to \$10,000 in 2012. Increases the demand limit for small contract actions from \$5,500 to \$10,000. Current law (ORS 20.080 and 20.082) allows a plaintiff to recover attorney fees under small tort or contract actions in situations where a defendant refuses a written demand (settlement offer) from the plaintiff, and the plaintiff goes on to receive a judgment for at least as much as that demand from the court. SB 306 raises the demand limits of the respective statutes.

SB 311 Product of the Oregon Tort Claims Task Force, which was appointed to address problems created by the ruling in *Clarke v. OHSU*. The bill increases **per claim and per occurrence limits** in

actions against public bodies, and includes escalators on those limits based on CPI.

HB 2584 Repeals the **Illinois Brick rule** by allowing indirect purchasers, including consumers and businesses, to file lawsuits for alleged antitrust injuries. Allows a lawsuit filed by the Department of Justice to be given precedence over a private plaintiff's suit, if the DOJ files the action within thirty days on behalf of the same class of people.

HB 2585 Repeals Oregon Rules of Civil Procedure K (ORCP K). Under current law, ORCP K states that a **class action lawsuit** cannot be brought for recovery of statutory minimum penalties for any class member as provided in ORS 646.638 (the Unlawful Trade Practices Act), 15 U.S.C. 1640(a) (the Truth in Lending Act), or any similar statute. HB 2585 repeals this statute.

HB 3111 Changes the award of attorney fees from the prevailing party to the prevailing plaintiff in **Unlawful Trade Practices Act** cases. Defendants may only recover attorney fees if the court finds that the plaintiff had no objectively reasonable basis for bringing the lawsuit.

Bill Summaries—All Failed

SB 807 Allows plaintiff in a civil action based on use of **tobacco**, or exposure to tobacco, to recover the costs of medical monitoring for disease without showing present injury, if the plaintiff establishes that he or she has an increased risk of disease because of that use or exposure.

HB 2802 Increases Oregon's current \$500,000 noneconomic damages cap on wrongful death and other **statutorily created torts** to \$1.5 million. Directs State

Court Administrator to annually adjust the amount of noneconomic damages that may be awarded, beginning in 2010. This adjustment is to be based on changes in the Portland-Salem, OR-WA Consumer Price Index.



TRANSPORTATION

A Boost to Business and Jobs - Transportation was a Big Win this Session

After years of transportation infrastructure under-funding, businesses in Oregon were experiencing narrowing profit margins as a result of higher distribution costs and stagnant productivity due to highway freight limitations and unpredictable traffic bottlenecks.

AOI Board members chaired Oregon's Transportation Vision Committee and the Transportation Governance Committee, while the AOI Research & Education Foundation provided research and analysis. AOI also worked with major trade groups and legislators to help move this vital legislation forward.

Bill Summary — Passed

HB 2001 Jobs & Transportation Act of 2009 provides for deferred maintenance on roads and bridges, bond proceeds to relieve bottlenecks, improve facilities and safety, as well as improvements to marine ports, rail systems, transit and airports. An estimated 6,700 jobs will be created each year.

Funding:

- Provides cities and counties with 50 percent of the \$300 million raised. Cities and counties will split approximately \$140 million annually to maintain roads and fund additional multi-modal projects in local communities.
- Sets aside an additional \$100 million for rail, marine, air, transit and train projects under the Connect Oregon III Program.
- Uses \$70 million annually to bond \$1 billion worth of road projects to reduce congestion and improve freight mobility.

Environmental Provisions:

- Creates an Urban Trails Fund
- Codifies environmental rules drafted under OTIA III Project;
- Increases funding for transit under companion bill SB 334 (passed just before HB 2001 on a 32-38 vote)

- Increases use of federal flex funds for bike routes
- Increases for elderly and disabled transit
- A least cost planning model taking environmental issues into account
- Requires greenhouse gas emissions planning in the Metro region
- Incentives for use of electric vehicles
- Establishes pilot projects for congestion pricing and "pay as you drive" insurance

REVENUE SOURCES						
Fee	Applicability	Increase	Current	New	Date	
Vehicle Title	General	\$22	\$55	\$77	10/2009	
Salvage Title	General	\$10	\$17	\$27	10/2009	
Registration	Cars, etc.	\$16	\$27	\$43	10/2009	
Registration	>8,001 #GVW	2X / wt class			2010	
Registration	Farm Vehicle	1.5X / wt class			2010	
License Plate	All	\$10 each	\$0	\$10	10/2009	
Trip Permits	Heavy	\$22	\$21	\$43	10/2009	
Trip Permits	Light	\$10	\$20	\$30	10/2009	
Trip Permits	Registration wt Trip	\$2.50	\$5	\$7.50	10/2009	
Trip Permits	10—Day	\$5	\$10	\$15	10/2009	
Custom Plate	Vanity Plates	\$25	\$25	\$50	10/2009	
ID Card	Individuals	\$10			10/2009	
Gas Tax	Gallage	6 cents	24 cents	30 cents	Dependent*	
Diesel Tax	Gallage	6 cents	24 cents	30 cents	Dependent*	
Road Assessment	Heavy Truck, Axel Eqv	1.4 cents	5.7 cents	7.1 cents	1/1/2010	
Weight Mile Tax	Heavy Trucks	24%			1/1/2010	
Flat Rate Trucks	Chips / 100#	\$6.03	\$24.62	\$30.65	1/1/2010	
Flat Rate Trucks	Sand-Gravel / 100#	\$1.18	\$6.05	\$7.53	1/1/2010	
Flat Rate Trucks	Farm / 100#	\$1.23	\$5	\$6.23	1/1/2010	
Flat Rate Trucks	Log / 100#	\$1.49	\$6.10	\$7.59	1/1/2010	

* Takes effect when the employment rate improves 2% in 2 consecutive quarters, or by 2011

Identified Modernization Projects

Region 1 – Portland Metro, \$294 Million
 US 26/Glencoe Interchange, Troutdale Interchange, Sunrise Phase, Shutte Road Interchange, I/5 I/205 New Lane, US/26 New Lane Cornell, OR City Jug Handle, Hood River Interchange, Sellwood Bridge/Hwy 43.

Region 4 – Central Oregon \$74 Million
 Biggs, Crooked River, OR 140 K Falls, Murphy Road US/97 Interchange, US/97 Reroute Phase 2.

Region 2 – Lane, Coast, Valley, \$363 Million
 OR 6/101 Intersection, Newberg Dundee, Woodburn Interchange, Beltline System Improve, Mill Creek Industrial Access, Beltline/Delta Hwy, Kuebler Interchange.

Region 5 – Eastern Oregon, \$80.2 Million
 Westland Road, 1-84 Spring Climb, OR 207/OR 206, Chico Road, OR 82 Alternate Joseph, Pierce Rd., Chandler Lane, Region 5 Chain Up, NW Washington Ave., Izee-Paulina, Monroe St./Hwy 20, Baker Co. Projects, Grant Co. Projects, Harney Co. Projects, Malheur Co. Projects, Union Co. Projects, Umatilla Co. Projects, City of Nyssa, City of Heppner, City of Milton-Freewater, City of Ontario, Port of Umatilla, Port of Morrow.

Region 3 – Southern Oregon, \$149.1 Million
 OR 42 County Line Curves, OR 62 Corridor Improvements, Fern Valley Interchange, I/5 Sutherlin Truck Climb, I/5 Seaton Truck Climb.



All public and private business interests represented expressed common cause and the joint desire to get something done here. — Pat Reiten, President, Pacific Power and Chair Gov's Transportation and Vision Committee

NOTES

Bill Nomenclature

Bills beginning with SB originated in the Senate, those with HB originated in the House. Bills ending with a letter (e.g., SB 1000 A, SB 1000 B, etc.) indicate amended versions. Amendments may change text of bill significantly. References to Ways & Means Committee refer to a joint budget committee. Bill passing out of this or any joint committee must receive a separate majority of both Senate and House committee members. Such bills need not go through a further committee hearing on either side, at the discretion of leadership.

Disclaimer

Every effort has been made to ensure the accuracy of the report; however, because of the number and complexity of bills, readers should seek appropriate expertise before taking actions based on the content of this document. Many bills have multiple impacts and the information in this report is summary only and not all inclusive of a bill's scope. AOI is not responsible for actions or decisions taken pursuant to the contents of this report.

For Detailed Information

Full text of bills	www.leg.state.or.us/searchmeas.html
History of Senate bills	www.leg.state.or.us/09reg/pubs/senmh.html
History of House bills	www.leg.state.or.us/09reg/pubs/hsemh.html
Staff summaries	www.leg.state.or.us/comm/sms/SMS09Frameset.html
General legislative information	www.leg.state.or.us/index.html
Find Your Legislator	www.leg.state.or.us/findlegsltr/

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2009 Regular Legislative Session

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