

# OFB Review of the 2015 Legislative Session

**A**GRICULTURE WENT TO BATTLE FROM THE VERY START OF THE 2015 OREGON LEGISLATIVE SESSION.

Larger Democrat majorities immediately set their sights on passing “unfinished business” or legislation that failed to move in previous years, including the Low Carbon Fuel Standard (LCFS) and several costly labor-related bills. Ag employers and small businesses had to fight against highly publicized, emotion-inducing legislation, including mandated paid sick leave (which passed) and a minimum wage hike (which died).

OFB succeeded in stopping a lot of legislation that was harmful to Oregon agriculture, thanks to a strong OFB Government Affairs team, active Farm Bureau members, coalition partners, and friends in the legislature.

Their combined efforts were also critical to passing good bills and investments in Oregon’s natural resources: \$50 million in water infrastructure funding, investments in sage grouse work, \$3.3 million and an expansion for the Farm to School Program, and \$14 million in additional funding to OSU’s Statewides (Extension Service, Agriculture Experiment Stations, and Forest Research Lab).

Several legislators stood out as stalwart supporters of Oregon’s family farms, ranches, and timber producers. In the Senate, OFB relied on **Sen. Minority Leader Ted Ferrioli** (R-John Day), who held Republicans together on issues important to the ag community. Other standouts include **Sen. Betsy Johnson** (D-Scappoose), who stood with farmers and small timber producers and who was not afraid to cross party lines on important policy issues. **Sen. Chuck Thomsen** (R-Hood River) advocated for family agriculture on business and employment-related issues. Also special thanks to **Sen. Richard Devlin** (D-Tualatin), **Sen. Bill Hansell** (R-Athena), and **Sen. Arnie Roblan** (D-Coos Bay) for their support of Oregon agriculture in the Ways & Means Committee.

In the House, **Rep. Mike McLane** (R-Powell Butte) worked on behalf of ag and timber in his second long session as caucus leader. Of note, the chair of the House Agriculture & Natural Resources Committee, **Rep. Brad Witt** (D-Clatskanie), and chair of the House Committee on Rural Communities, Land Use & Water, **Rep. Brian Clem** (D-Salem), worked tirelessly on controversial issues facing Oregon agriculture. Newcomer **Rep. Jodi Hack** (D-Salem) also was a strong voice for farmers, ranchers, and small businesses this session.

Thanks also to **Rep. Caddy McKeown** (D-Coos Bay), **Rep. Cliff Bentz** (R-Ontario), **Rep. Val Hoyle** (D-Eugene), and **Rep. Andy Olson** (R-Albany) for their work with OFB on issues important to the ag producers in their communities.

OFB also thanks the **many Farm Bureau members** who took the time to engage with lawmakers this session. These volunteers called and wrote their legislators, testified in committees, gave media interviews, and discussed important policy issues with elected officials throughout the 2015 session. These efforts were critical to OFB’s successes in the Capitol, and we thank you for your passion and advocacy on behalf of Oregon agriculture. You make us Farm Bureau Proud!

## Bills That Passed

### **HB 2443, Fertilizer Fees:**

Increases registration fees on fertilizers, adds a tonnage fee on lime, and increases the product evaluation fee for soil enhancing products to bring parity to the system. SB 2443 also updates the fertilizer statute to be consistent with the national model language. *OFB supported; bill passed.*

### **HB 2509, Ag Mediation:**

Establishes statewide policy on ag coexistence. The result of a workgroup on GMOs and coexistence conflicts, HB 2509 provides incentives to neighboring farmers to work out disputes through a third-party mediator instead of government intervention. Growers may utilize either ODA or USDA's agriculture mediation programs. *OFB supported; bill passed.*

### **HB 2690, State Retirement for the Private Sector:**

Requires ALL employers who do not offer a retirement plan to enroll ALL employees in a state-sponsored retirement plan. Employees may opt out after enrollment. HB 2960 puts a

burden on employers for compliance and reporting, and puts employers at risk of a potential lawsuit. *OFB opposed; bill passed.*

### **HB 2764, Workers' Compensation:**

As passed by the House, HB 2764 would increase trial attorneys' fees and workers' compensation system costs by several percentage points. This would increase costs for employers. However, the Senate adopted an amendment agreed to by the Management-Labor Advisory Committee (MLAC) to maintain fairness in the system. It will still cost the system more as amended. *OFB neutral; bill passed.*

### **HB 3125, Food Processing Personal Property Exemption:**

Expands food production tax exemption to bakery, dairy, egg, and grain processors. HB 3125 encourages job growth in the food processing industry in Oregon, helping producers keep costs down and remain viable. *OFB supported; bill passed.*

### **HB 3188, Predator Control Funding Districts:**

Allows certain counties to adopt a voluntary funding mechanism to pay for

county predator control services (i.e. USDA APHIS Wildlife Services). As timber revenues continue to decline, it is critical that counties are able to provide predator management to help prevent costly depredation on livestock and timber. *OFB supported; bill passed.*

### **HB 3549, Pesticide Reform Package:**

Faced with over two dozen pesticide bills this session, OFB participated in two workgroups to find consensus on how to move forward with pesticide regulations. HB 3549 allocates resources to ODA and the Pesticide Analytical & Response Center (PARC) to conduct adequate investigations, creates a new aerial applicators' certificate, and increases penalties for pesticide violations. It does not include additional reporting or new notification requirements. *OFB supported; bill passed.*

### **SB 324, Low Carbon Fuel Standard (LCFS):**

Requires mandatory reduction of carbon content of fuels through a cap-and-trade of carbon credits. Although the LCFS is estimated to increase the cost of fuel for

families and businesses anywhere from 4 cents to \$1.06 per gallon, the hidden tax will not fund road infrastructure improvements. *OFB opposed; bill passed.*

### **SB 341, Agritourism Liability Protection:**

Addresses the issue of farm liability protection for certain recreation activities. SB 341 provides liability protection to agritourism operators who post certain notices on their property, enabling them to more readily obtain liability insurance for their activities. *OFB supported; bill passed.*

### **SB 454, Mandatory Paid Sick Leave:**

Requires employers with 10 or more employees outside of Portland to offer employees paid sick leave. One hour is accrued for every 30 hours worked, and paid sick leave can be used after 90 days of employment. Hours may be carried over for 180 days after termination of employment and up to 40 hours may be carried over to the next year. SB 454 places a significant burden on ag producers who need a reliable workforce during the critical time of harvest and must track hours for all seasonal and temporary positions. *OFB opposed; bill passed.*

### **SB 864, Estate Tax**

**Fix:** Modifies estate tax provisions to facilitate transfers between family members when part of the natural resources property is out of state. SB 864 determines eligibility for the natural resources tax credit based on the ratio of in-state property to the in-state portion of the gross estate. This should facilitate transitions of the family farm from one generation to the next. *OFB supported; bill passed.*

### **SB 534, Airport**

**Annexation:** Authorized cities to extend water and sewer services to airports outside the city's boundaries without first annexing the airport into the city. *OFB opposed; bill passed.*

## **Bad Bills Killed by OFB Involvement**

### **HB 2004/ SB 130/ SB 332, Preemption on Minimum Wage:**

Removed the state preemption that prohibits local governments from setting their own minimum wage requirements. These bills would allow for a patchwork of minimum wage regulations throughout the state. *OFB opposed; bills died.*

### **HB 2008/ HB 2009/ HB 2012/ SB 327/ SB 682/ SB 610, Minimum Wage Increase:**

Bills increased Oregon's minimum wage in increments to \$10.75/hour by 2016, \$12.20/hour by 2017, \$13.50/hour by the end of 2017, or \$15/hour by 2018. An amendment was introduced to HB 2012 at the end of session to increase state minimum wage to \$13/hour by 2018 and remove the preemption on minimum wage to allow local governments to set their own wage. *OFB opposed; bills died.*

### **HB 2010/ HB 3377/ SB 888, Mandatory Predictable Flexible Scheduling:**

Required employers to discuss creating a personalized schedule with their employees if he/she has: a health condition, caregiving responsibilities for children or the elderly, a second job, or is attending school or job-training. HB 3377 also would require employers to provide a written schedule 21 days in advance and compensation if the employer made changes to that schedule after the three weeks. *OFB opposed; bills died.*

### **HB 2105, Personal Property Tax Exemptions:**

Under current law, personal property of farmers and farm operations, such as machinery, equipment, inventory, annual or perennial plants or crops, and irrigation tools, are exempt from annual property taxation. This bill repealed those exemptions after 2018. *OFB opposed; bill died.*

### **HB 2386, Cease & Desist:**

Allowed the Commissioner of the Bureau of Labor & Industries (BOLI) to issue a temporary but immediate cease and desist if he/she has "reason to believe" that the employer is engaging in unlawful wage practices. *OFB opposed; bill died.*

### **HB 2598/ SB 920, Livestock and Antibiotic Use:**

Prohibited the use of antibiotics for any nontherapeutic purposes, including some medical purposes in food-producing animals. These bills created conflicting federal and state regulations, required annual reporting of the use of any medical antibiotics used on food animals without a scientific purpose, and put Oregon food producers at a competitive disadvantage. *OFB opposed; bills died.*

### **HB 2666, Aggregate:**

Changed the land use policy for processing aggregate operations by: heightening the standard that a farmer would have to meet to prove an impact on their operations, substituting other permit approvals for the analysis of impacts to farmers required under the land use statutes, and limiting the zone of impacts to farms that can be considered by local government. *OFB opposed; bill died.*

### **HB 2674/ HB 2675/ HB 3121/ HB 3122/ HB 3554/ SB 207, GMOs:**

The 2015 Legislative Session continued to target genetically engineered/genetically modified organisms and production methods. Bills were introduced to implement bans, control areas, or market preferences that would exclude GMOs or other patented crops. *OFB opposed; bills died.*

### **HB 2718, Fertilizer Fee Expansion:**

Oregon Environmental Council's bill to increase the limit on soil-enhancing products' registration fees to fund soil scientists and research grants. HB 2718 increased the tonnage cap on these products by 77%. It also mandated a change to the composition of the Fertilizer Research Committee. *OFB opposed; bill died.*

**HB 3310/ SB 824/  
SB 823, California  
Clean Diesel:**

Imposed varying provisions of California's Truck & Bus Regulation on Oregon agriculture and small businesses. These bills increased registration fees for off-road vehicles and required significant investments in diesel particulate retrofits or in new trucks entirely. *OFB opposed; bills died.*

**SB 716, Industrial Lands:**

Authorized Clackamas, Multnomah, and Washington Counties to designate 150 to 500 acres of land outside of urban growth boundaries to develop one large-lot industrial reserve. *OFB opposed; bill died.*

## Unresolved Issues

Several public policy priorities got no traction during the 2015 Legislative Session. OFB will continue to watch these issues as they resurface on the ballot and in future sessions.

**Taxes**

After several years of tax reform chatter, the legislature again failed to move this discussion forward. This does not mean the issue goes away. We expect the February 2016 session

will be an avenue to convene debate around a commercial activity tax or gross receipts tax. Proposals to amend Oregon's property tax policy also are expected, as local governments continue to struggle with the limitations set in Measure 5.

Several initiative petitions have been filed to increase taxes on businesses and individuals. These proposed ballot measures would increase taxes by nearly \$3 billion, tripling the fiscal impacts of Measures 66/67!

**Labor**

The 2015 session left employers feeling battered. Mandatory paid sick leave was the biggest hit to Oregon businesses. Several lawmakers openly admitted that this bill was imperfect and adjustments are needed in the 2016 February session. OFB will continue to fight for provisions that better reflect the unique needs of agricultural producers.

Other concerning labor issues are building momentum. The filing of an initiative petition to set Oregon's minimum wage at \$15 has prompted Senator Michael Dembrow to convene a wage workgroup. Additionally, House Speaker Tina

Kotek announced plans to increase the statewide minimum wage to \$13 and remove the state preemption to allow local governments to set an even higher rate. Oregon already has the second-highest minimum wage in the country, and annual indexing to the CPI is difficult for farmers to maintain.

Another legislative workgroup on mandatory flexible scheduling is expected to convene shortly. Portland City Commissioners are rumored to be preparing a flexible scheduling ordinance. These proposals would require employers to offer flexible schedules unless they have a bonafide business reason not to.

During the session, an impressive number of agriculture employers engaged with legislators and committees. OFB staff will continue our aggressive work protecting employers' rights — but actual farmers' voices and stories are critical to the discussion.

**Transportation**

Despite negotiations during the final months of session, the Senate, House, and Governor were unable to come to an agreement on a

last-minute transportation package. The latest version repealed the LCFS and replaced it with a gas tax to fund needed infrastructure improvements and several beneficial projects. Unfortunately, the package died due to strong opposition from environmentalists. Without a full repeal of the LCFS, it is unlikely that a transportation package will pass in the near future, and this issue will be revisited.

**Carbon Regulations**

We expect climate change advocates will continue to push clean diesel legislation. However in the nearer term, the low carbon fuels legislation will be challenged at both the ballot box and in the courts. An initiative petition has been filed to repeal SB 324. The petitioners have until July 2016 to collect signatures.

The low carbon fuels legislation is also facing a legal challenge from impacted petroleum companies, which is currently pending at the Oregon Court of Appeals. OFB and other fuel-dependent industries will likely get involved in the lawsuit to ensure the court fully understands the impacts of this legislation.

# 2015 House Votes

## Bill number & subject description

Y=Yes

N=No

E=Excused

A=Absent

Representatives	Percent/Grade	HB 2007 Wage Disclosure	HB 2960 Retirement	HB 2764 Workers Comp	HB 3125 Food Processing	HB 3549 Pesticides	SB 324 LCFS	SB 341 Agri-tourism	SB 454 PSL	SB 864 Estate Tax
<b>Desired vote</b>		N	N	N	Y	Y	N	Y	N	Y
Jeff Barker-D	67%	Y	E	N	E	E	N	Y	Y	Y
Phil Barnhart-D	22%	Y	Y	Y	Y	N	Y	N	Y	Y
Greg Barreto-R	100%	N	N	N	Y	Y	N	Y	E	Y
Brent Barton-D	26%	E	Y	Y	Y	Y	Y	N	Y	E
Cliff Bentz-R	100%	N	N	N	E	Y	N	E	N	Y
Deborah Boone-D	50%	Y	Y	Y	Y	E	N	Y	Y	Y
Peter Buckley-D	33%	Y	Y	Y	Y	N	Y	Y	Y	Y
Knute Buehler-R	100%	N	N	N	Y	Y	N	Y	N	Y
Brian Clem-D	67%	Y	Y	N	Y	Y	Y	Y	N	Y
John Davis-R	100%	N	N	N	E	Y	N	E	N	Y
Margaret Doherty-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Sal Esquivel-R	100%	E	E	N	E	Y	N	E	E	Y
Paul Evans-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Shemia Fagan-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Lew Frederick-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Joe Gallegos-D	50%	Y	Y	Y	Y	Y	Y	Y	Y	E
Vic Gilliam-R	100%	N	N	N	Y	Y	N	Y	N	Y
David Gomberg-D	44%	Y	N	Y	Y	Y	Y	N	Y	Y
Chris Gorsek-D	25%	Y	Y	Y	Y	N	Y	E	Y	Y
Mitch Greenlick-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jodi Hack-R	100%	N	N	N	Y	Y	N	Y	N	Y
Cedric Hayden-R	100%	N	N	N	Y	Y	N	E	N	Y
Dallas Heard-R	100%	N	N	N	Y	Y	N	Y	N	E
Ken Helm-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Paul Holvey-D	33%	Y	Y	Y	Y	N	Y	Y	Y	Y
Val Hoyle-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
John Huffman-R	100%	N	N	N	Y	Y	N	Y	N	Y
Mark Johnson -R	100%	N	N	N	Y	Y	N	Y	E	Y
Bill Kennemer-R	100%	N	N	N	Y	Y	N	Y	N	Y
Alissa Keny-Guyer-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Betty Komp-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Tina Kotek-D	38%	Y	Y	Y	Y	Y	Y	E	Y	Y
Wayne Krieger-R	100%	N	N	N	Y	Y	N	Y	N	Y
Ann Linger-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
John Lively-D	56%	Y	Y	Y	Y	Y	Y	Y	N	Y
Caddy McKeown-D	71%	Y	N	N	E	Y	N	E	Y	Y
Susan McLain-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mike McLane-R	100%	N	N	N	Y	Y	N	Y	N	Y
Nancy Nathanson-D	33%	Y	Y	Y	Y	Y	Y	N	Y	Y
Mike Nearman-R	100%	N	N	N	Y	Y	N	Y	N	Y
Rob Nosse-D	33%	Y	Y	Y	Y	N	Y	Y	Y	Y
Andy Olson-R	100%	N	N	N	Y	Y	N	Y	N	Y
Julie Parrish-R	100%	N	N	N	Y	Y	N	Y	N	Y
Carla Piluso-D	29%	Y	Y	Y	Y	Y	Y	E	Y	E
Bill Post-R	100%	N	N	N	Y	Y	N	Y	N	Y
Dan Rayfield-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Tobias Read-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jeff Reardon-D	44%	Y	Y	Y	Y	Y	Y	Y	Y	Y
Greg Smith-R	100%	N	N	N	Y	Y	N	Y	N	Y
Barbara Smith Warner-D	33%	Y	Y	Y	Y	N	Y	Y	Y	Y
Sherrie Sprenger-R	100%	N	N	E	Y	Y	N	Y	N	Y
Duane Stark-R	100%	N	N	N	Y	Y	N	Y	N	Y
Kathleen Taylor-D	25%	Y	Y	Y	Y	N	Y	E	Y	Y
Jessica Vega Pederson-D	29%	Y	Y	Y	E	Y	Y	E	Y	Y
Jim Weidner-R	100%	N	N	N	Y	Y	N	Y	N	Y
Gene Whisnant-R	100%	N	N	N	Y	Y	N	Y	N	Y
Gail Whitsett-R	100%	N	N	N	Y	Y	N	Y	N	Y
Jennifer Williamson-D	33%	Y	Y	Y	Y	Y	Y	N	Y	Y
Carl Wilson-D	100%	N	N	N	Y	Y	N	Y	N	Y
Brad Witt-D	56%	Y	Y	Y	Y	Y	N	Y	Y	Y

# 2015 Senate Votes

## Bill number & subject description

Y=Yes N=No

E=Excused

A=Absent

Senators	Percent/ Grade	SB 324 Low Carbon Fuel Standard	SB 341 Agri- tourism Liability Protection	SB 864 Estate Tax	SB 454 Paid Sick Leave	HB 2007 Wage Trans	HB 2960 Retirement	HB 3549 Pesticides
<b>Desired Vote</b>		<b>N</b>	<b>Y</b>	<b>Y</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>
Herman Baertschiger Jr.-R	100%	N	Y	Y	N	N	N	Y
Alan Bates-D	43%	Y	Y	Y	Y	Y	Y	Y
Lee Beyer-D	43%	Y	Y	Y	Y	Y	Y	Y
Brian Boquist-R	100%	N	Y	Y	N	N	N	Y
Ginny Burdick-D	43%	Y	Y	Y	Y	Y	Y	Y
Peter Courtney-D	43%	Y	Y	Y	Y	Y	Y	Y
Michael Dembrow-D	29%	Y	Y	Y	Y	Y	Y	N
Richard Devlin-D	43%	Y	Y	Y	Y	Y	Y	Y
Chris Edwards-D	43%	Y	Y	Y	Y	Y	Y	Y
Ted Ferrioli-R	100%	N	Y	Y	N	N	N	Y
Sara Gelsler-D	43%	Y	Y	Y	Y	Y	Y	Y
Fred Girod-R	100%	N	Y	Y	N	N	N	Y
Bill Hansell-R	100%	N	Y	Y	N	N	N	Y
Mark Hass-D	43%	Y	Y	Y	Y	Y	Y	Y
Betsy Johnson-D	100%	N	Y	Y	N	N	N	Y
Tim Knopp-R	100%	N	Y	Y	N	N	N	Y
Jeff Kruse-D	100%	N	Y	Y	N	N	N	Y
Laurie Monnes Anderson-D	43%	Y	Y	Y	Y	Y	Y	Y
Rod Monroe-D	43%	Y	Y	Y	Y	Y	Y	Y
Alan Olsen-R	100%	N	Y	Y	N	N	N	E
Floyd Prozanski-D	43%	Y	Y	Y	Y	Y	Y	Y
Chuck Riley-D	43%	Y	Y	Y	Y	Y	Y	Y
Arnie Roblan -D	43%	Y	Y	Y	Y	Y	Y	Y
Diane Rosenbaum-D	43%	Y	Y	Y	Y	Y	Y	Y
Chip Shields-D	43%	Y	Y	Y	Y	Y	Y	Y
Elizabeth Steiner Hayward-D	43%	Y	Y	Y	Y	Y	Y	Y
Kim Thatcher-R	100%	N	Y	Y	N	N	N	Y
Chuck Thomsen-R	100%	N	Y	Y	N	N	N	Y
Doug Whitsett-R	100%	N	Y	Y	N	N	N	Y
Jackie Winters-R	100%	N	Y	Y	N	N	N	Y