

CITY OF PORTLAND

LEGISLATIVE REPORT



2007
SESSION

CITY OF PORTLAND COUNCIL:

**MAYOR TOM POTTER
COMMISSIONER SAM ADAMS
COMMISSIONER RANDY LEONARD
COMMISSIONER DAN SALTZMAN
COMMISSIONER ERIK STEN**

CITY OF PORTLAND

2007 LEGISLATIVE REPORT

Prepared by the Office of Government Relations:

Dan Bates, Director
Mark Landauer, Lobbyist
Martha Pellegrino, Lobbyist
Steffeni Mendoza-Gray, Intergovernmental Specialist
Matt Jaffe, Government Relations Associate
Lesley Kelly, Office Manager
Althea Gregory, Executive Assistant

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Introduction

The 2007 Legislative Session

Even before the 74th Legislative Assembly adjourned on the morning of June 28, the session was heralded by many as the most efficient in decades. In just 142 days, the legislature considered 2,744 bills and 176 memorials and resolutions.

For the first time in 16 years, Democrats held a majority in both chambers, albeit a narrow one in the House, in addition to all statewide elected offices. The Senate, with 18 Democratic Senators, 11 Republicans, and one Independent, remained under the leadership of Senate President Peter Courtney (D-Salem) and Majority Leader Kate Brown (D-Portland). Senator Ted Ferrioli continued his leadership of the Senate Republicans. Prior to the session, Portland Senator Avel Gordly (I-Portland) announced that she would become an Independent. However, Senate Democrats picked up another member when Ben Westlund (D-Tumalo) changed his party affiliation from Independent to Democrat. The Senate was largely an experienced body, adding only one new member, Sen. Larry George (R-Sherwood), who had not previously served in the Legislative Assembly.

As a result of the November 2006 elections, Democrats picked up four seats and took control of the House. House Speaker Jeff Merkley (D-Mid-Multnomah County) and Majority Leader Dave Hunt (D-Gladstone/Clackamas County) presided over the slim 31-29 Democratic majority. Representative Wayne Scott led the Republican caucus.

Early in the session, legislative leadership adopted strict deadlines for bill introduction and committee consideration that they adhered to throughout. As a result, there were fewer bills introduced, however the pace of legislative action remained active and brisk.

Legislative leadership went into the session aiming to increase the corporate minimum tax, increase the use of renewable energy, tackle identity theft and methamphetamine use, and provide increased funding for state troopers, education, and health care in rural communities. There was a good deal of overlap between the agenda set forth by legislative leadership and Governor Kulongoski, in his third session as the state's Chief Executive. The Governor's priorities included: a renewable fuel standard for biofuels, renewable energy incentives, healthcare for uninsured children, and increased funding for education. The Governor utilized his line item veto authority on two bills: SB 994 and SB 5549, stopping efforts to divert funding from the public purpose charge to debt relief for OMSI and

from 9-1-1 funds for the development of the Oregon Wireless Interoperability Network (OWIN).

Following reports in 2006 of legislators failing to report gifts received from lobbyists, legislative leadership exhibited an urgency to tighten the state's ethics laws. At the beginning of the session, House members adopted rules prohibiting gifts over \$10. In the final hours of the legislative session, the House passed SB 10 and HB 2595, which lower the annual gift limit to \$50 limit, close loopholes for the consumption of food and beverage, increase the frequency of reporting of lobbyist expenditures, and increase fines for ethics violations. Much of the language, however, is ambiguous and will need to be clarified. Legislators also took the first steps toward an annual session; a one month session in February 2008 will serve as an experiment.

In addition to the suspension of the 2005-07 corporate kicker and establishment of the Rainy Day Fund, there were numerous other accomplishments of the 2007 session. These accomplishments include: extension of non-discrimination protections to GLBT individuals, the establishment of same-sex domestic partnerships, and a statewide smoking ban. There were numerous pieces of environmental legislation passed this session, most notably: an aggressive renewable energy standard, tax breaks for the use of renewable energy systems, a renewable fuel standard modeled after the City of Portland's biofuels ordinance, an electronics recycling program, and expansion of the state's Bottle Bill.

The accomplishments of the 2007 Legislative Assembly were aided in no small part by favorable state economic forecasts and significantly increased state revenues. As a result, this past session saw historic levels of funding for education; Headstart and K-12 saw an 18 percent increase in funding, a total of \$6.245 billion over the next biennium. Likewise, higher education made significant gains with an operating budget of \$867.9 million and a capital construction budget of \$285 million to fund 28 capital projects.

The City of Portland fared well during the 2007 Legislative Assembly as the Legislature passed several of the City's major agenda items and made significant strides on other top priorities. The City's major wins included: funding for the Streetcar and Milwaukie Light Rail projects, extension of the 9-1-1 tax, and defeating an effort to preempt the City's Renewable Fuel Standard. The City also successfully supported legislation that increased tax incentives for renewable energy infrastructure and

protected the financing structure of several large renewable energy projects important to the City of Portland.

Despite the many accomplishments of the 2007 Legislative Assembly, there were nonetheless, some disappointments. These include:

- Failing to pass a document recording fee with revenues dedicated to funding affordable housing (HB 3551)
- Failing to expand discretionary design review authority (SB 891)
- Failing to pass a substantial transportation funding package

The difficulty in securing a three-fifths majority (36 votes) in the House made it tough for Democrats to pass any revenue-raising measures. Additionally, while early on in the session it appeared that there was an agreement to raise the corporate minimum tax, the votes to do so did not materialize.

The inability to reach a three-fifths majority in the House resulted in the referral of the Healthy Kids Program, a cigarette tax increase to pay for healthcare for uninsured children. Legislators sent a total of eight measures to the voters this session. In addition to the Healthy Kids Program, other referrals included a repeal of the state's double majority rule, a constitutional amendment requiring voter approval, and HB 3540, a bill addressing issues that arose from Ballot Measure 37.

Finally, as the session came to a close, some announcements foreshadowed coming changes in the Assembly. Senate Majority Leader Kate Brown (D-Portland) resigned her leadership post and announced that she would not be seeking re-election, leading to the election of Senator Richard Devlin (D-Tualatin) as Majority Leader. Following adjournment, House Minority Leader Wayne Scott (R-Canby), announced that he would not seek re-election. Succeeding Scott is Rep. Bruce Hanna (R-Roseburg) who was elected Minority Leader at the end of August.

We are grateful to the Mayor, members of the City Council, council staff, Bureau Directors, Legislative Liaisons, and innumerable bureau staff for their tireless support over this challenging, and successful session. Thank you very much for your efforts – we are proud to represent the City of Portland.

BILL SUMMARIES

Benefits

HB 2372 – Workplace Breastfeeding

The 2005 Legislative Assembly enacted SB 618, giving employers the option of providing unpaid rest periods for employees to express milk. The Department of Human Services implemented a Breastfeeding Mother Friendly Employer Project to encourage employers to support nursing mothers when they return to work. This bill makes unpaid rest periods mandatory for businesses with 25 or more employees and requires employers to provide a private place for employees to express milk, unless doing so would cause undue hardship on business operations.

Effective: January 1, 2008
Chapter 144

HB 2460 – Family Leave for Work Related Injuries

Under the Oregon Family Leave Act (OFLA) workers are entitled to a maximum period of twelve weeks of family leave within any one-year period. This bill redefines family leave, excluding leave taken by an employee who is unable to work because of a disabling, compensable injury under workers' compensation law. Employers may not reduce the amount of family leave available to an employee because of time off for a compensable work related injury. However, the bill stipulates that an employee automatically commences a period of family leave if he or she refuses an offer of suitable light duty or modified employment.

Effective: January 1, 2008
Chapter 633

HB 2467 – Employee Benefit Deductions

HB 2467 would have allowed an employer to make a deduction from an employee's wages for the purpose of making a contribution into the employee's individual benefits account, only if the employee is given written notice prior to the initial deduction being made. The bill required that the notification include a description of the benefits and the right to cancel the contribution. HB 2467 received a hearing in the House Workforce and Economic Development Committee, but did not advance out of committee.

HB 2485 – Family Sick Leave

The Oregon Family Leave Act (OFLA) requires employers of 25 or more employees to provide their workers with job-protected family leave. Under current law, family leave is unpaid, but employees are entitled to use any accrued paid vacation. HB 2485 requires employers to allow employees to use paid sick leave for family leave.

Effective: January 1, 2008
Chapter 635

HB 2575 – Family Leave Benefits Insurance Program

This bill proposed the creation of an employee-funded family leave benefits insurance program for employers of more than 25 employees. The program would have been funded with a premium of one cent per hour worked up to 40 hours per week for each employee. The initial benefit for a full-time employee would have been \$250 per week. This bill passed in the House but did not receive the needed votes on the Senate floor during the final days of the session. Similar legislation will likely be reintroduced in 2008 or 2009.

HB 2635 – Expansion of the Oregon Family Leave Act

The Oregon Family Leave Act (OFLA) requires employers with 25 or more employees to provide their workers with job-protected leave in cases of childbirth, adoption, and illness or injury of themselves or a family member. This bill expands the definition of “family member” covered under OFLA to include grandparent or grandchild. The bill makes it unlawful to deny or retaliate and covers conduct before, on or after the effective date.

Effective: January 1, 2008
Chapter 777

HB 2801 – Stem Cell Research

This bill would have established a 13-member Human Stem Cell Research Committee within the Department of Human Services (DHS). The bill directed the committee to develop guidelines for research involving

derivation or use of human stem cells and to report guidelines to the Legislative Assembly, the Governor, and Oregon Health and Sciences University. This bill remained in the House Elections, Ethics and Rules Committee upon adjournment.

HJR 18 – Access to Healthcare as a Fundamental Human Right

This bill would have amended the Oregon Constitution, declaring access to healthcare a fundamental right of every legal resident of Oregon. The bill directed the Legislative Assembly to implement a health care system to provide legal residents access to effective and affordable health care, and would have referred the proposed amendment to Oregon voters. The bill did not pass out of committee.

SB 3 – Oregon Healthy Kids Program

A top priority for the Governor and legislative leadership this session was the Oregon Healthy Kids Program, which would provide health care to uninsured children throughout Oregon. The Healthy Kids legislation increases tobacco taxes by \$0.845 per pack and directs a portion of the increased revenues to provide health insurance to uninsured children throughout the state. Additionally, certain provisions contained in SB 37, the Rural Health Safety Net bill (see below) were added, which would provide funding for the Office of Rural Health, enabling the office to provide grants to rural health care providers.

This legislation was introduced a number of times, however proponents could not garner enough support for the bill to obtain the three-fifths majority vote needed to pass in the House. Ultimately, leadership moved the Healthy Kids program forward by introducing it as a constitutional amendment and referring it to Oregon voters. SB 3 will appear on the November 2007 ballot.

Effective: July 6, 2007
Chapter 788

SB 37 – Rural Health Safety Net

SB 37 would have funded the Emergency Medical Services Enhancement Account. Additionally, it would have assisted isolated Rural Health Clinics in the forms of technical and financial support as well as provided seed

money for Rural Health Viability Grants, which were authorized by the 2001 Legislature but never received the authorized appropriation.

A portion of SB 37 was included in the Healthy Kids Initiative, which passed as SB 3 (see page 3). That proposal will now go to voters in the November 2007 election. In addition to expanding coverage for children, passage would fund and direct the Office of Rural Health to award rural health care providers grants to promote any of the following goals: (1) replacement or renovation of aging rural hospitals; (2) modernization of capital equipment; (3) preservation of access to local health services in rural areas through short-term support of vulnerable rural health care providers; (4) expansion of community health educational opportunities; (5) development of incentives for the creation of long-term, sustainable approaches to providing improved health care services and increased access to quality health care in rural areas; (6) development of collaborative approaches that sustain access to quality rural health care; (7) expanding or sustaining health care for financially and physically vulnerable rural populations; and (8) providing operational support for rural health centers that are not federally qualified health centers.

SB 37, which was introduced by Senate Interim Committee on Public Health moved, through several committees before landing in the Joint Ways and Means Committee where it remained upon the legislature's adjournment.

SB 329 – Healthy Oregon Act

SB 329 takes aim at reforming and expanding the Oregon Health Plan. The bill creates the Oregon Health Fund program, which will serve a number of goals, including: (1) decreasing the number of children and adults without health insurance; (2) ensuring universal access to health care; (3) containing health care costs; and (4) addressing issues regarding the quality of health care services.

Additionally, the bill creates the Oregon Health Fund Board, charged with developing a plan to provide essential health services to all Oregonians. The board will consist of seven members who will be aided by professional staff from the Oregon Health Policy Commission, the Office for Oregon Health Policy and Research, the Health Services Commission, and the Medicaid Advisory Committee. The board will create subcommittees to examine financing, systems of delivery, benefits, eligibility and enrollment of health care policies. They will also establish a federal policy committee to study the impact of federal laws on health care goals and ask the

Oregon congressional delegation to take action. The Board's first progress report to the legislature will occur by the end of the 2008 session.

SB 329 includes some of the elements of former Governor John Kitzhaber's Archimedes Movement, such as examining the impacts of federal legislation and rules on Oregon's ability to maximize health coverage.

Effective: June 28, 2007
Chapter 697

SJR 4 – Referral of the Oregon Healthy Kids Program

This bill was the vehicle by which the legislature put the Healthy Kids Program on the 2007 ballot.

Filed with the Secretary of State on July 6, 2007

Building Codes

HB 2109 – Authority of the Construction Contractors Board

Trade licensees, such as electricians and plumbers, are often also licensed as construction contractors. These two licenses are granted by the Building Codes Division (BCD) and the Construction Contractors Board (CCB), respectively. This bill grants the authority to – but does not require – the CCB to sanction the contractor’s license in instances where the trade license has been sanctioned.

Effective: January 1, 2008
Chapter 114

HB 2117 – Landscaping Contractors and Businesses

HB 2117 is a housekeeping bill which corrects terminology regarding individuals and businesses performing landscaping services. The bill changes the terms “landscape contractor” and “landscape business” to “landscape construction professional” and “landscape contracting business” respectively. The new terminology aligns statutes relating to landscape contractors and resolves any conflicting terminology regarding licensing and competency.

Effective: January 1, 2008
Chapter 541

HB 2405 – Statewide Electronic Permitting

HB 2405 expands the existing electronic building code information and permitting system. The bill authorizes municipalities that operate a building inspection program to participate in the e-permit system. The system will be funded through a surcharge on permit fees, and will offer electronic information, permitting, and the ability to electronically submit plans for review, 24 hours a day.

The 2003 Legislative Assembly, through SB 713, directed the Building Codes Division to identify the resources necessary to develop a statewide electronic permit system for all building inspection permits issued by local jurisdictions. Subsequently, the 2005 Legislature passed HB 3097, which

initiated a targeted implementation of the system in the Metro Tri-County region.

Effective: May 2, 2007
Chapter 69

HB 2478 – Administration of Building Inspection Programs

This bill authorizes the Oregon Department of Consumer and Business Services (DCBS) to establish uniform permit, inspection, and Certificate of Occupancy requirements under the state building code. This includes building inspection standards, inspection procedures, and rules to establish uniform forms for certificates of occupancy. DCBS must establish a process for a municipality to address conditions that are unique to the municipality's enforcement of the state building code, or that are not addressed by the rules establishing uniform requirements. The bill also establishes a moratorium on cities or counties assuming new building permit programs until July 1, 2010. However, the moratorium does not apply to jurisdictions that already provide a partial building inspection program, or to jurisdictions assuming programs from the DCBS.

Finally, HB 2478 requires that any public body administering and enforcing a building inspection program must ensure that all persons required to be licensed have the valid license required for any building permit. The DCBS director may impose a civil penalty up to \$25,000 against a public body for not complying with this requirement.

Effective: June 22, 2008
Chapter 549

HB 2540 – Rehabilitation of Downtown Structures

This bill would have authorized the Oregon Department of Consumer and Business Services (DCBS) to adopt a vintage downtown rehabilitation code that waives one or more of the state building code standards when a commercial or multi-family residential structure located in a vintage downtown district is rehabilitated. The new code would have met all state building code standards that involve fire or life safety unless waived by the Oregon State Fire Marshal. Introduced at the request of the City of Hillsboro, the bill received a public hearing but did not advance beyond the House Workforce and Economic Development Committee.

HB 2548 – Reciprocating Conveyor Mechanic Licenses

A reciprocating conveyor is a self-contained, power-driven stationary device that moves bulk material, packages or other objects on a platform and is equipped with safety guards along a predetermined horizontal, inclined or vertical path between loading and discharge points. HB 2548 removes the regulation of these devices from the Elevator Safety Law and establishes new mechanisms for the Department of Consumer and Business Services (DCBS) to establish a licensing system to regulate the installation, alteration, repair, maintenance and operations of a reciprocating conveyor.

Effective: January 1, 2008
Chapter 642

HB 2654 - Legislative Recommendations Made by the Construction Claims Taskforce

The 2005 Legislative Assembly created the Construction Claims Taskforce to address increasing construction claims and rising contractor liability insurance premiums. HB 2654 contains a number of recommendations made by the taskforce, and requires contractors to maintain liability insurance for completed operations in the same amounts as those required by current law for personal injury and property damage. The bill also expands the Construction Contractors Board's ability to suspend or refuse to issue a license and to issue civil penalties.

Effective: January 1, 2008
Chapter 648

SB 192 – Expanded Authority to Apply Sanctions Against Building Trades Licensees

The Department of Consumer and Business Services (DCBS) and certain professional boards have the authority to deny, suspend, condition, or revoke an entities' authority to perform work or conduct business for failure to comply with Oregon statutes or administrative rules, or engaging in any other act that is sanctionable. SB 192 expands DCBS authority to sanction a licensee to include (1) not only licensees, but applicants, business owners, or principals, and (2) broadens the scope of sanctionable

acts to include similar disciplinary actions taken by other states in relation to their construction standards or licensing.

Effective: January 1, 2008
Chapter 306

SB 193 – Expansion of Authority for the Board of Boiler Rules

SB 193 delegates DCBS and the Board of Boiler Rules the administrative authority to determine the responsibility for various required inspections. This includes who may conduct the inspection, the training that inspector must obtain, and the frequency of inspections required by law. The bill also clarifies the difference between operating permits and installation, alteration or repair permits.

Effective: July 1, 2007
Chapter 487

For other bills relating to Building Codes, please see:

- HB 3313 – Rehabilitation of Illegal Drug Manufacturing Sites (Pg. 61)

Civil Rights

HB 2007 – Establishment of Same-Sex Domestic Partnerships

A landmark piece of equal rights legislation, HB 2007 establishes domestic partnerships for same-sex couples. The bill defines a domestic partnership as a civil contract entered into by two qualified adults of the same sex, at least one of whom must be an Oregon resident. The bill establishes that couples who enter into a domestic partnership contract are granted the same responsibilities, privileges, immunities, rights and benefits of married couples. Furthermore, the bill requires that Oregon Circuit Courts hear disputes relating to domestic partnerships, so long as the partnership was created and filed in Oregon. The City of Portland presented testimony in both legislative chambers in support of this bill.

The domestic partnership legislation was requested by the Governor's Taskforce on Equality in Oregon, which was established in 2006 following the incremental defeat of similar legislation in 2005. This issue has been highly controversial in Oregon ever since Multnomah County began issuing marriage licenses to same-sex couples in March 2004. Moreover, in November 2004, Oregon voters passed Measure 36, a constitutional amendment declaring that only marriage between one man and one woman is legally recognized by the state. Opponents of same-sex marriage and domestic partnerships embarked on efforts to refer HB 2007 to Oregon voters, but failed to gather enough signatures to put the referendum on the November 2008 ballot.

Effective: January 1, 2008
Chapter 99

HB 2260 – Unlawful Employment Discrimination

Current statute defines unlawful discrimination based on a protected class in a variety of areas such as: real estate transactions, public accommodations, and workers compensation, but not for employment practices. This bill aligns remedies available for employment discrimination based on an employees' protected class (race, religion, color, sex, national origin, marital status, sexual orientation or age) with

those that are already available for similar types of discrimination. The bill provides for compensatory and punitive damages and other relief.

Effective: January 1, 2008
Chapter 280

SB 2 – Inclusion of Sexual Orientation in Non-Discrimination

Thirty years after a similar bill was first introduced in the Oregon Legislature, the 2007 Assembly passed a bill to prohibit discrimination on the basis of sexual orientation. Specifically, SB 2 prohibits discrimination against gay, lesbian, bisexual or transgendered persons in employment, housing, public accommodation, public services, public education, adult foster homes, or foster parenting. Like HB 2007 (pg. 10), SB 2 was a recommendation of the Governor’s Taskforce on Equality in Oregon.

Amendments were added to the bill that exempt religious organizations if the organization’s bona fide religious belief about sexual orientation and employment, housing and facilities be directly related to the institution’s operations in a nonprofit capacity or closely connected to the institution’s primary purpose.

The City of Portland actively supported this bill and provided testimony describing the City’s experience implementing similar non-discrimination legislation at the local level. As with HB 2007, opponents embarked on efforts to refer SB 2 to Oregon voters, but failed to gather enough signatures to put the referendum on the November 2008 ballot.

Effective: January 1, 2008
Chapter 100

SB 420 – Environmental Justice Taskforce

This bill creates a 12-member Environmental Justice Taskforce to be appointed by the Governor and funded through the Governor’s office. The taskforce will consider environmental justice issues and make recommendations to state agencies. The measure directs state agencies to report annually to the taskforce and to assist in the work of the taskforce by ensuring that persons affected by a natural resource agency’s decisions have a direct voice in those decisions. Environmental

justice issues generally pertain to environmental problems that disproportionately affect minority and low-income communities.

Effective: January 1, 2008
Chapter 909

SB 725 – Discrimination in Property Transactions

This bill makes Oregon’s statutes regarding discrimination in property transactions “substantially equivalent” with federal law in the provision of substantive rights, procedures, remedies, and judicial review provisions. The bill expands the definition of discrimination based on disability to include the failure to design and construct a multi-family dwelling as required by the federal Fair Housing Act. The bill also enables the Bureau of Labor and Industries (BOLI) to contract with the U.S. Department of Housing and Urban Development (HUD) to investigate federally-based housing discrimination complaints.

Effective: January 1, 2008
Chapter 903

Collective Bargaining

HB 2891 – Labor Union Signature Cards

Currently, workers may ask to be recognized as a collective bargaining unit after 30 percent of employees sign cards or petitions and present them to the Employment Relations Board. At that point, the Board schedules an election. Alternatively, if 50 percent of employees sign cards or petitions for collective bargaining, the employer may recognize the union. If the employer chooses not to recognize the union, the board will schedule an election. HB 2891 changes the process for the situation when 50 percent of the workers present cards to the board. In that circumstance, the board recognizes the union and no election is held. An election may be held, however, if 30 percent of the workers in the bargaining unit issue a request for an election within 14 days.

Effective: July 27, 2007
Chapter 833

SB 400 – Public Employee Collective Bargaining

SB 400 modifies the definition of “employment relations” under the Public Employee Collective Bargaining Act (PEBCA) to include safety issues that impact on-the-job safety of employees, or staffing levels that significantly impact on-the-job safety of the employees. Prior to this bill, both safety and staffing were mandatory subjects only if it could be shown that they had a “direct and substantial” impact on employee safety. If it could not be shown, these issues were considered permissive subjects of bargaining only if the parties agreed to do so.

The prior standard was established as part of collective bargaining reforms passed by the 1995 Legislative Assembly (SB 750). It requires bargaining of safety and staffing issues only if they have a “direct and substantial effect on the on-the-job safety of employees.” Labor representatives have argued during the past several sessions that the “direct and substantial effect” language has prevented discussion of employee safety. SB 400 was the defining collective bargaining legislation passed this session; the bill was a duplicate of SB 321 and SB 446, which were narrowly defeated in the 2005 and 2003 legislative sessions respectively.

Effective: January 1, 2008
Chapter 141

SB 401 – Supervisory Employees under Public Employee Collective Bargaining Law

SB 401 was a duplicate of SB 320, which failed in the 2005 session. The bill would have placed public safety supervisors in a bargaining unit if they did not have the authority to impose economic discipline. This bill remained in the Senate Commerce Committee upon adjournment.

SB 402 – Arbitration Criteria in Public Collective Bargaining

Similar to SB 319, which failed in the 2005 session, this bill would have changed the criteria used by interest arbitrators to make awards in public safety collective bargaining agreements. Currently, arbiters are directed by statute to give priority to “the interest and welfare of the public.” SB 402 would have lowered the importance of this criterion by including it among a longer list of criteria to be considered by arbitrators. This bill remained in the Senate Commerce Committee upon adjournment.

Consumer Protection

HB 2202 – Regulation of Check-Cashing Businesses

The 2006 Oregon Population Survey found that 11 percent of Oregonians do not have bank accounts. Thus, check-cashing businesses, an industry which Oregon does not currently regulate, may be the only way for many individuals to cash a check. HB 2202 requires check-cashing businesses to obtain a license from the Department of Consumer and Business Services (DCBS) and establishes a licensing and regulatory program. The bill also limits check-cashing fees.

Effective: June 12, 2007
Chapter 358

HB 2203 – Payday and Title Loan Restrictions

This bill is a continuation and clarification of the payday loan bill (SB 1105) that was passed during the 2006 Special Session. HB 2203 creates protections for consumers residing in Oregon who receive payday loans over the internet, mail, telephone or by other out-of-state institutions. This bill extends the payday loan and title loan restrictions to out-of-state lenders and authorizes the Department of Consumer and Business Services (DCBS) to create a database to track payday and title loans.

Effective: June 19, 2007
Chapter 472

HB 2204 – Regulation of Car Title Loans

Prior to this bill, Oregon had no limit on the interest rates or fees that car title lenders could charge for short-term loans secured by the title of the borrower's vehicle. HB 2204 changes that, mirroring the regulation of payday lenders that passed during the 2006 special session (SB 1105). This bill limits the maximum rate of interest on a title loan to 36 percent and prohibits making a loan for a period of less than 31 days.

Effective: July 1, 2007
Chapter 473

HB 2205 – Regulation of Payday Lenders

This bill closes a loophole in SB 1105 (the payday lender regulation passed in the 2006 Special Session). Following the bill's passage, several payday lenders applied for conventional lending licenses to evade the regulations. This bill codifies the rules that were adopted by the Department of Consumer and Business Services (DCBS) in December 2006 to provide distinctions between consumer finance loans and short-term payday or title loans.

This bill passed the House 42-16; however, given the passage of HB 2871 (see below), a similar measure, the bill remained in the Senate Rules Committee upon adjournment.

HB 2314 – Debt Collection Agencies

House Bill 2055, which was passed by the 2003 Legislative Assembly, allowed public agencies and businesses to charge a debtor for fees charged by a collection agency for recovery costs. HB 2314 clarifies that the fee added by the agency or business does not need to be identical to the fee that is charged by the private collection agency. The bill stipulates that the added fee can be less than or equal to, but not greater than, the amount charged by the collection agency.

Effective: May 30, 2007
Chapter 204

HB 2871 – 36% Cap for Consumer, Title, and Payday Loans

SB 1105, which passed during the 2006 Special Session, prohibited payday lenders from charging more than 36 percent per annum, excluding a one-time origination fee of \$10 for each \$100 loaned. However, since the enactment of SB 1105, payday lenders have been looking for loopholes and moving into less regulated areas of title loans and consumer finance loans. This bill closes these loopholes by capping the interest rate for all consumer finance loans at 36 percent, bringing them in line with payday loans.

Effective: July 1, 2007
Chapter 603

SB 965 – Subprime Lending Practices

This bill was a response to lending practices that have led to a growing foreclosure rate in Oregon and elsewhere. While Oregon's overall foreclosure rate is lower than the national average, it has increased 40 percent from 2005 to 2006. Many homebuyers, who were previously unable to buy or refinance have been able to borrow through nontraditional, higher-cost loan products. Many of these products include provisions such as: adjustable rates, balloon payments, interest-only or negative amortizations, and substantial prepayment penalties.

SB 965 would have codified federal standards for any lender offering nontraditional loans instead of prohibiting any particular type of loan. The bill would have also provided explicit enforcement authority for the Department of Consumer and Business Services (DCBS). The bill passed the Senate overwhelmingly. However, upon arriving in the House, it faced significant opposition by the mortgage industry and ultimately stalled in the House Elections, Ethics and Rules Committee.

For other bills relating to Consumer Protection, please see:

- SB 583 – Oregon Consumer Identity Theft Protection Act (Pg. 102)

Economic Development

HB 2206 – Workforce Skill Up Fund

HB 2206 would have established the Skill Up Fund and the Apprenticeship Support Account within the Skill Up Fund, in order to address concerns regarding a pending shortage of skilled workers. Both funds would have been administered by the Department of Community Colleges and Workforce Development, depositing ten percent of the total monies into the Apprenticeship Support Account. The remaining money would have been utilized to allocate grants among local and regional workforce investment boards according to the size of the labor force, unemployment rate and the number of employers.

The bill passed out of the House Workforce and Economic Development Committee, however it stalled in the Joint Ways and Means Committee.

HB 3264 – Reporting of Development Subsidies

HB 3264 would have required local governments to create a public report on the development subsidies granted to various types of recipients. Specifically, this bill would have: (1) required the Oregon Economic and Community Development Department (OECDD) to submit an annual Unified Economic Development Report to the Legislature; (2) required the standardized application for the receipt of any type of “development subsidy;” (3) prohibited local governments from granting “development subsidies” unless strict job, wage, and benefit requirements are met; (4) penalized recipients of these subsidies if they fail to meet detailed requirements; and (5) required local governments to file wide-ranging reports with OECDD describing the subsidies they provide.

The bill would have broadly defined “development subsidy” programs to include any kind of government grant, loan, waiver, exemption, or subsidy, and specifically defined urban renewal as a subsidy program. This bill, as well as others, prompted the creation of a workgroup which recommended requiring an annual OECDD report to examine the functionality of economic development programs. The bill remained in the House Revenue Committee upon adjournment.

HB 3363 – Development Subsidies: Local Government Reporting

This bill proposed nearly identical requirements to those summarized in HB 3264 (pg. 18), except that it: (1) exempted any project \$25,000 or less from the reporting and other requirements for “development subsidies;” and (2) defined “development subsidy” more broadly to include any government program providing a “benefit to a recipient.” The bill was referred to the Workforce and Economic Development Committee where it remained upon adjournment.

HB 3418 – Main Street Historic Program

HB 3418 would have established the Main Street program within the Oregon Parks and Recreation Department, the agency that currently oversees historic preservation efforts. The bill moved to the Joint Ways and Means Committee, but was held there while funding for the program was considered as part of the co-chairs’ budget. The final budget included \$500,000 in funding, plus funding for a staff person, but placed the programs within the Oregon Economic and Community Development Department (OECDD) as an economic revitalization program.

HB 5035 – Funding for Signature Research Center: Oregon Translational Research and Drug Development Institute

HB 5035 was the budget bill that, among other things, funded the development of the Oregon Translational Research and Drug Development Institute (OTRADI), a public-private program through the Oregon Innovation Council and one of two new signature research centers. OTRADI will focus on developing and commercializing new drugs to fight infectious diseases. The institute will provide access to drug development resources that many companies cannot afford to build themselves – including screening, pre-clinical models, chemical libraries and lead optimization – thereby bridging the gaps between research, development and commercialization in the area of infectious disease. This bill allocates \$5.25 million to the development of OTRADI.

Effective: July 3, 2007
Chapter 735

HB 5036 – Lottery Bonds

HB 5036 was the omnibus lottery bond bill authorizing the issuance of lottery-backed bonds for certain purposes. In the bill there were eight specific projects which received funding: (1) \$21.43 million to the Oregon Economic and Community Development Department (OECDD) for infrastructure investments through the Community Development Fund; (2) \$50 million for the Oregon Department of Higher Education for capital improvements at Oregon's public colleges and universities; (3) \$16 million for the Oregon Department of Housing and Community Services for construction of homeless facilities; (4) \$7 million to the City of Hillsboro for the development of a parking garage; (5) \$60 million to OECDD over the next three biennia for the Coos Bay Channel Deepening Project; (6) \$3 million to Oregon Public Broadcasting for capital improvements; (7) \$250 million to the Oregon Department of Transportation (ODOT) for the Milwaukie Light Rail expansion; and (8) \$20 million to ODOT for the Portland Streetcar Project.

Effective: July 3, 2007
Chapter 746

SB 21 – Coos Bay Channel Fund

This bill would have established the Coos Bay Channel Fund for the deepening and widening of the navigation channel. Specifically, the bill would have authorized the issuance of \$60 million in lottery bond funds in specified increments: \$5 million on July 1, 2007, \$10 million on July 1, 2009, and \$45 million on July 2, 2011. While the bill stalled in the Joint Ways and Means Committee after passing out of the Senate Business, Transportation and Workforce Development Committee, its provisions were ultimately included in SB 5036 (see above).

SB 151 – Sunset Extension of Enterprise Zones

SB 151 extends the current sunset date for the enterprise zone program from June 30, 2009 to June 30, 2013. Additionally, the bill directs the Legislative Revenue Office and an interim legislative committee to conduct a cost/benefit study of the enterprise zone program and issue a report to the 2009 Legislature. The study will examine the degree to which the incentives are significantly affecting investments and employment in the zones as well as the statistical change in measures of local economic hardship.

In the waning days of the session, SB 151 became a vehicle for numerous proposed amendments which would have placed new limits on the use of enterprise zone property tax incentives. Many of the amendments were sought by the Special Districts Association of Oregon in response to their concerns about the cost of incentives for new job creation. Most amendments failed to gain approval, including those that would have ended the enterprise program in urban areas, provided an "opt out" for special districts, and placed a cap on the amount of property taxes exempted for each "annual living wage" job created by the qualifying firm.

Effective: January 1, 2008
Chapter 888

SB 185 – Renewable Energy and Sustainable Technologies Signature Research Center

SB 185 directed the Oregon Innovation Council to establish a signature research center focused on renewable energy, and other sustainable, biologically-based products and services. This bill was referred to the Senate Committee on Business, Transportation and Workforce Development, where it remained upon adjournment. The provisions of SB 185 were included in SB 580 (Pg. 22); however, funding was ultimately provided through SB 5508 and HB 5035.

SB 350 – OECDD Reform

The 2005 Legislature, through a budget note to HB 5164, directed the Economic and Community Development Commission to establish a process to review all of the statutory direction given to the department for consistency with the department's legislatively adopted goals and outcome measures. SB 350 is the result of this process. The provisions contained in this bill:

- Add two members to the Economic and Community Development Commission;
- Prohibit ex-officio Legislative Commission members from receiving compensation;
- Modify reporting time frames to allow OECDD to report as needed, compared to annually;
- Direct OECDD to pay premiums on employee fidelity bonds;
- Establish and provide for the operation of foreign trade offices;

- Increase the allowable percentage of the Brownfield's Redevelopment Fund (BRF) that can be awarded from 40 percent to 60 percent;
- Add remedial investigations as allowable expenses under the BRF;
- Change the Economic Stabilization and Conversion Fund to the Business Retention Fund and add transition plans or restructuring plans as eligible costs;
- Require Small Business Development Center grant applications to collaborate with other state agencies and state-supported organizations;
- Remove the statutory reference to the Ports Division;
- Add "Community Development Project" as a category under Infrastructure Projects;
- Allow for the transfer of funds within the Community Development Fund, including the Water Fund and the Special Public Works Fund; and
- Direct OECDD to move less from statutory authority to administrative rule.

Effective: July 17, 2007
Chapter 804

SB 542 – Construction of Superstore Retailers

SB 542 would have required that a city or county prepare and review an economic impact report prior to approving or disapproving an application for a permit to construct a retail building larger than 100,000 gross square feet. This bill was referred to the Senate Business, Transportation and Workforce Development Committee where it remained upon adjournment of the Legislature.

SB 580 – Establishment of Signature Research Centers

This bill would have authorized the Oregon Innovation Council to establish two "signature research centers;" one for the development of renewable energy technologies and emerging sustainable products and services, and another center for drug development and commercialization. The bill would have authorized the council to contract with private, not-for-profit companies for the administration of the centers. Furthermore, the bill directed both centers to maximize collaborative ventures among research institutions, the federal government and private industry. This bill passed out of the Business, Transportation and Workforce Development

Committee with a “do pass” recommendation; however it stalled in the Joint Ways and Means Committee. Funding for the signature research centers was ultimately provided through SB 5508 (Pg. 24) and HB 5035 (Pg. 19).

SB 581 – Funding for the Oregon Innovation Council

SB 581 would have allocated funding to the Oregon Innovation Council from the Administrative Services Economic Development Fund (lottery revenues) for the 2007-09 biennium for the following purposes: (1) accelerating private sector collaboration to promote Oregon traded sector industries; (2) supporting the development of the ocean wave energy industry; (3) assisting the food processing industry in international competitiveness; (4) enhancing opportunities for seafood companies; (5) increasing the capacity of the Oregon University System to support value-added manufacturing; (6) supporting the Oregon Nanoscience and Microtechnologies Institute; (7) establishing Bio-Economy and Sustainable Technologies Centers; and (8) establishing the Translational Research and Drug Development Institute.

The bill stalled in the Joint Ways and Means Committee after moving out of the Business, Transportation and Workforce Development Committee. Funding for the Oregon Innovation Council was ultimately provided through two budget bills, SB 5508 (Pg. 24) and HB 5035 (Pg. 19).

SB 635 – Oregon Film and Video Office

SB 635 alters the maximum reimbursement for a single film or television series to the sum of ten percent of employee compensation for work done in Oregon, and 20 percent of all other expenses paid in Oregon. Furthermore, the bill reduces the expense threshold to qualify for reimbursement from \$1 million to \$750,000.

Effective: September 27, 2007
Chapter 815

SB 637 – Identification of Industrial Land Sites

SB 637 would have directed the Oregon Economic and Community Development Department (OECDD) to work with local governments and agencies to identify and prioritize up to 25 sites for industrial or traded

sector uses. This bill was referred to the Senate Environment and Natural Resources Committee, where it did not receive a hearing and remained upon adjournment of the Legislature.

SB 783 – Enterprise Zone Employment Standards

SB 783 would have required that businesses receiving enterprise zone property tax exemptions, and contractors working for firms that receive enterprise zone property tax exemptions, meet wage, safety and employment standards. The bill was referred to the Senate Business, Transportation and Workforce Development Committee where it remained upon adjournment of the Legislature.

SB 5508 – OECDD Budget

While the Oregon Economic and Community Development Department (OECDD) received a significant operating increase of \$23.5 million in General and Lottery funds, many of the Governor’s proposed strategic investments were either reduced or left unfunded. Most notable to cities was the elimination of a provision that would have provided \$100 million in lottery-backed bonds to re-capitalize the Community Development Fund. This fund contains the Special Public Works Fund and the Water Fund, which provide assistance to cities for infrastructure development; partial funding was ultimately provided through the lottery bond bill (HB 5036, see page 20).

SB 5508 also substantially amended the Regional Investment Program by eliminating the program’s funding, but then restored \$2 million to be divided among the 13 “Regional Boards.” A budget note was added for OECDD to:

- Develop minimum standards for the administration of the regional boards;
- Determine the ability of regional boards to carry out their functions;
- Develop the criteria for prioritizing regional “Needs and Issues” and infrastructure projects; and
- Approve a statistically valid and auditable methodology for prioritizing, funding, tracking, and reporting for regional board grant and loan activities.

SB 5508 also funded the Oregon Innovation Council, which received a total of \$22.9 million for the following programs:

- Oregon Nanoscience and Microtechnologies Institute (ONAMI) - \$9 million;
- BioEconomy and Sustainable Technologies Institute (BEST) - \$2.5 million;
- Manufacturing Competitiveness Initiative - \$2.9 million;
- Ocean wave energy research - \$4.2 million;
- Food Processing Innovation and Productivity Center - \$3.4 million; and
- Community Seafood Initiative - \$900,000.

Finally, the bill secured funding in the next biennium for a “telecommunications coordinator” position within OECDD. The position has been critical to providing technical assistance in communities and supporting increased utilization of telecommunications infrastructure. In place since 1999, the telecommunications coordinator has served as the representative for the department on telecommunications issues, and primary staff to the Oregon Telecommunications Coordinating Council (ORTCC). The ORTCC was created by legislation in 2001 to develop recommendations for the Governor and legislators on the status and improvements in the state telecommunications system and to coordinate local and state telecommunications plans.

Effective: July 12, 2007
Chapter 760

SJR 26 – Rose Festival

This resolution, which was requested by the City of Portland, encouraged all Oregonians to participate in events celebrating the centennial of Portland’s Rose Festival. SJR 26 passed in both chambers unanimously.

Filed with the Secretary of State.

Education

HB 2525 – Schools Facilities SDCs

HB 2525 would have added K-12 schools and classrooms to the definition of “facilities” that are eligible capital improvement projects for system development charges (SDCs). The bill contained a provision exempting affordable housing from the imposition of an SDC. The Education Innovation Subcommittee of the House Education Committee held a hearing on the bill but it did not advance prior to the adjournment of the Legislature.

HB 3185 – School Garden Programs

HB 3185 would have directed the Department of Education to establish a school garden program, through which, grants would be awarded for garden-based education programs and field trips to educational farms. This bill was a part of a trio of bills pertaining to farm-to-school programs, HB 3307 & HB 3476 (see below) and would have appropriated money from the General Fund. Like its companion bills, HB 3185 stalled in the Joint Ways and Means Committee.

HB 3307 – Farm to School Programs

This bill would have directed the State Department of Agriculture to consult with the Department of Education in order to help establish a farm-to-school program. The Department of Agriculture would have been required to assist school districts in identifying products and suppliers, develop procurement strategies, and link ingredient suppliers with primary and secondary breakfast/lunch programs. Like HB 3476 (see below) the bill stalled in the Joint Ways and Means Committee.

HB 3476 – Farm to School Programs

HB 3476 would have directed the Department of Education to establish a farm-to-school program and reimburse school districts that utilize Oregon agricultural products seven cents for every meal served. The City of Portland supported the bill. The bill passed out of the House Education Committee with a “do pass” recommendation, but did not advance prior to adjournment.

HB 5012 – Community College Budget

Community colleges did not fare well upon the release of the Joint Ways and Means co-chairs' proposed budget; the co-chairs' budget was a full \$71 million less than the community colleges' target budget of \$529 million. In the end, the Legislature raised the community college budget to \$500 million, making the support fund increase parallel (by percentage) to the K-12 increase over the prior biennium. Community colleges proposed an "escalator concept" amendment to this bill which would have guaranteed that any revenues beyond what the state economist had predicted in May (up to \$20 million) would go first to the community college budget. The amendment failed in the Education Subcommittee of the Joint Ways and Means Committee. Community college advocates plan to reintroduce the concept in the upcoming February 2008 special session.

Effective: July 1, 2007
Chapter 698

HB 5019 – Pre-K and Department of Education Budget

Education operations, grants-in-aid, and funding of Oregon's pre-Kindergarten program are some of the key elements of this budget bill for the Oregon Department of Education. The bill allocates an additional \$39 million to Head Start/Oregon Pre-K to enroll 1,400 more eligible 3- and 4-year-olds. Early on, advocates believed that this would enable 80 percent of eligible students to participate. However, mid-way through the session the federal poverty guidelines were adjusted. This made additional families eligible, thus the new funding covers only 74 percent of eligible children.

Effective: July 1, 2007
Chapter 699

HB 5020 – K-12 Education Budget Package

HB 5020, the statewide operating budget for K-12 education throughout the state, represents the highest funding level for K-12 education in Oregon history. HB 5020 allocates \$5.985 billion over the 2007-09

biennium. When combined with HB 5021 (see below), the total sum allocated is \$6.24 billion.

Effective: July 1, 2007
Chapter 700

HB 5021 – School Improvement Fund Grant Appropriation

The K-12 education budget was split into two bills, HB 5020 which allocated \$5.985 billion (see above) and HB 5021 which allocates \$260 million to the School Improvement Fund (SIF) to support programs that are directly related to increases in student achievement. The activities funded in this bill include: (1) early childhood support, including pre-kindergarten and full-day kindergarten; (2) class-size reduction, focusing on K-3; (3) summer programs, and before- and after-school programs; (4) mentoring, teacher retention, and professional development; (5) remediation, alternative learning, and student retention; (6) services to at-risk youth; (7) vocational education; (8) literacy programs; and (9) other research-based student-improvement strategies approved by the State Board of Education.

Effective: July 1, 2007
Chapter 701

HJR 13 – Exclusion of School Districts for Measure 50

This resolution, promoted by State Treasurer Randall Edwards, would have included a provision in Oregon's Constitution enabling the state to issue general-obligation bonds to pay for a portion of K-12 school construction costs – similar to a provision that already exists for post-secondary education. The measure sent the issue to the voters. Additional language was proposed to expand the constitutional definition of "capital" so that these monies could be used for a wider range of expenditures. Under the existing definition, a school could have used bond proceeds to build a library, but not the bookcases in it. Neither the original resolution, which passed the House, nor the amendment, which was offered in the Senate, made it all the way through the process. Similar bills have been introduced every session since 2001.

SB 46 – Pre-K Funding

SB 46 would have dedicated \$40 million from the General Fund to the Department of Education for the Oregon pre-Kindergarten program. Oregon statute requires funding for 50 percent of eligible children for Oregon pre-Kindergarten programs as of 1999 and all eligible children by 2004. The bill received a public hearing in the Education and General Government Committee, but stalled in the Joint Ways and Means Committee. The pre-K funding package was included in HB 5019, allocated \$39 million to the state's pre-K program and Headstart (see pg. 27).

SB 334 – Oregon Student Assistance Commission

The Oregon Opportunity Grant is a program of the Oregon Student Assistance Commission (OSAC) and provides grants to qualified students attending public and private universities in Oregon. The program is the state's primary student financial aid program.

SB 334 requires that OSAC change the way that it calculates grant amounts in the Oregon Opportunity Grant program. Currently, Opportunity Grants are based on the cost of attendance but do not take income level into consideration. SB 334 changes this, requiring the use of the "Shared Responsibility Model," which calculates award amounts by taking into consideration a student's income level, family size, and the cost of attendance. Furthermore, the bill requires OSAC to report to the Legislature or the Emergency Board prior to implementing the changes.

Effective: July 17, 2007
Chapter 802

SB 366 – School Impact Fees

SB 366 was sponsored by Stand for Children as an alternative to bills the group sponsored in previous legislative sessions that would allow the creation of a system development charge (SDC) for schools. This bill would have authorized school districts to establish an impact fee on new lots or parcels, capping the fee at \$6,500 per lot or parcel. The bill would have also required county recording officers to administer the collection of the fee, and authorized counties to assess a charge of up to one percent to cover administrative costs. Mid-way through the session Stand for Children abandoned this bill and joined with the Oregon Home Builders

Association in sponsoring SB 1036, which allows schools to levy a construction excise tax. This bill remained in the Senate Finance and Revenue Committee upon adjournment.

SB 761 – SDCs for K-12 Schools and Community College Facilities

SB 761 would have added facilities at K-12 schools and community colleges to the definition of eligible capital improvement projects for system development charges. The bill was referred to the Senate Finance and Revenue Committee where it remained upon adjournment.

SB 1036 – School Facility Excise Tax/Local Government Preemption

SB 1036 authorizes school districts to impose an excise tax on new construction and use those funds for facility construction, maintenance and refurbishing. The school tax is capped at \$1 per square foot for residential and \$0.50 per square foot of commercial/industrial property. The bill also imposes a preemption on local governments from enacting any new construction excise taxes – the preemption is set to sunset in 2018.

SB 1036 was the result of collaboration between education groups such as Stand for Children, OSBA, OEA, OSEA, COSA, and the Oregon Home Builders Association (OHBA). The City, along with other local governments, sought an alternative to the preemption. Yet the momentum Salem to pass legislation that provided a new source of revenue for K-12 capital construction and maintenance was significant, and efforts to stop the preemption were unsuccessful.

Effective: September 27, 2007
Chapter 829

SB 5515 – Oregon University System Operating Budget

SB 5515, the operating budget for the Oregon University System (OUS), represented the largest increase in student programs and services since 1999. The bill allocated a total of \$867.9 million over the 2007-09 biennium, an 18.2 percent increase from the 2005-07 biennium. For Portland State

University this meant \$20.6 million allocated for enrollment growth and \$10 million for faculty salary increases and recruitment and retention efforts.

Effective: June 28, 2007
Chapter 702

SB 5516 – Higher Education & Community College Capital Construction

SB 5516 is the budget bill appropriating money for higher education capital construction projects. The bill appropriated a total of \$285 million for 28 capital construction projects around the state.

For the second successive session, community colleges asked the Legislature to consider a prioritized list of capital construction projects to upgrade campus facilities; the request included \$103 million in upgrades and new construction. In March, the Ways and Means co-chairs released their original budget proposal, and the capital construction list was virtually zeroed out. Ultimately the Legislature agreed to restore funding and allocated \$40 million for community college capital construction projects. Of the funds allocated for community college capital construction, Portland Community College received \$7.5 million for the construction of a workforce development center in Washington County.

The Oregon University System fared significantly better than community colleges. Between the General Fund, bonds, and Lottery dollars, Portland State University received \$52 million for capital construction projects alone. This allocation makes it possible for PSU to renovate Lincoln Hall, renovate and upgrade Science Building 2, and add additional space in the redevelopment of the PCAT block. The additional funds for PCAT will match funds from the City of Portland's contribution of \$10 million.

Effective: July 12, 2007
Chapter 761

SB 5529 – Operating Budget for OHSU

This bill allocated \$87 million from the general fund over the 2007-09 biennium for OHSU's operating budget. This bill represents an 18 percent increase over funding during the last biennium. The increased funding will

allow for expansion of the nursing school resulting in the training of an additional 162 nurses.

Effective: July 1, 2007
Chapter 534

For other bills relating to education, please see:

- SB 242 – Safe Routes to Schools (Transportation, pg. 124)
- SB 45 – Schools/Parks Combined SDC (Parks, pg. 79)
- HB 2019 – School Impact Fees/Park SDC Cap (Parks, pg. 79)
- SB 336 – School Facility Planning (Land Use, pg. 75)
- HB 3318 – Campus Public Safety Officers (Public Safety, pg. 97)
- HB 5036 – Lottery Bonds (Economic Development, pg. 20)

Emergency Communications

HB 2197 – Funding for 9-1-1 Emergency Reporting System

This bill, similar to HB 2692 (see below), would have eliminated the sunset on the 9-1-1 tax making it permanent. The bill remained in committee upon adjournment.

HB 2369 – 9-1-1 Tax Extension

HB 2369 extends the sunset provision of the 9-1-1 tax until the year 2014. Under current law, every phone line capable of reaching a 9-1-1 call center is assessed a tax of \$0.75 per month. Revenue from the tax is deposited into a dedicated account and a portion of those funds are distributed by the Office of Emergency Management to local 9-1-1 call centers.

Effective: January 1, 2008
Chapter 629

HB 2692 – Elimination of Sunset on 9-1-1 Tax

This bill, which was introduced at the request of the City of Portland, would have made the 9-1-1 tax permanent and would have also indexed the tax once every five years. The bill received two hearings and was scheduled for a work session by the House Revenue Committee on several occasions. Ultimately the bill did not receive the necessary support for passage.

HB 3520 – Emergency Communications

This bill would have modified the definition of a 9-1-1 jurisdiction and required the merger or consolidation of smaller 9-1-1 emergency reporting system providers, otherwise known as Public Safety Answering Points (PSAP). The bill was introduced and remained in the House Committee on Government Accountability and Information Technology until adjournment.

SB 136 – Oregon Wireless Interoperability Network

This bill would have established the Oregon Wireless Interoperability Council (OWIC) as an independent department of state government. OWIC would have been responsible for planning, constructing, and managing an interoperable, statewide emergency services communication system, otherwise known as the Oregon Wireless Interoperability Network (OWIN).

In Oregon, police, fire, and other emergency first responders from different jurisdictions are often times unable to communicate with each other. SB 136 was part of a package of legislation designed to address that problem. The bill did not move out of the Joint Ways and Means Committee.

SB 994 – Oregon Wireless Interoperability Network/9-1-1 Tax Shift

SB 994 makes the statutory modifications required to implement budget changes contained in the end-of-session omnibus spending bill. One section of SB 994 shifted \$9 million of 9-1-1 tax revenue to the Office of Emergency Management to fund the planning and engineering services for the Oregon Wireless Interoperability Network (OWIN). The Governor, however, has vetoed that tax shift.

Effective Date: August 9, 2007
Chapter 911 *sections 2, 3 and 5 vetoed

For other bills relating to Emergency Communications, please see:

- HB 2401 – Retirement for 9-1-1 operators (PERS, pg. 81)
- SB 871 – Exemption from Disclosure of Audio Recording of Voice of Caller to 9-1-1 Emergency Center (Public Records, pg. 85)

Employment

HB 2070 – Unfair Labor Practice Filing Fees

This bill increases the fee from \$100 to \$250 to file an answer with the Employment Relations Board in regards to unfair labor practice proceedings under public employee's collective bargaining law. The bill also creates the Employment Relations Board Administrative Account in which fees will be deposited for payment of Board-incurred expenses.

Effective: July 1, 2007
Chapter 296

HB 2139 – Confidentiality of Mediation Proceedings

HB 2139 clarifies public records law so that the mediation of workplace interpersonal disputes between employees of a public body may be treated as confidential and exempt from public records disclosure.

Effective: January 1, 2008
Chapter 12

HB 2254 – Personnel Records

Employees may request a copy of, or view, their personnel files, although under current law, there is no specified timeframe for an employer to comply. This bill requires employers to respond to a request within 45 days. The employer and employee may agree to a time extension if the records are not readily available. The bill also establishes a civil penalty of up to \$1,000 for violations.

Effective: January 1, 2008
Chapter 276

HB 2255 – Unlawful Discrimination for Filing a Wage Claim

Introduced at the request of the Bureau of Labor and Industries (BOLI), HB 2255 makes retaliation against an employee for asserting wage claims an unlawful employment practice.

Effective: January 1, 2008
Chapter 278

HB 2258 – Payment of Wages

HB 2258 requires an employer, upon notice of wage payment error, to pay the employee by the next payday if the amount is less than five percent of the employee's wages. If the amount is more than five percent of the employee's wages, the employer must pay within three business days.

Effective: January 1, 2008
Chapter 453

HB 3339 – Unemployment Insurance

This bill allows an individual, out of work due to a lockout, to apply for unemployment insurance benefits if the Director of the Employment Department has been satisfactorily shown that the individual is: (1) unemployed due to a lockout; (2) not participating in, financing, or directly interested in the labor dispute that caused the individual's unemployment; or (3) does not belong to a grade or class of workers who are participating in, financing, or directly interested in the dispute. The measure does not change current statute, which prohibits employees who choose to strike from receiving unemployment insurance benefits.

Effective: January 1, 2008
Chapter 600

HB 3539 – Religious Accommodation

HB 3539 would have required employers to provide reasonable accommodation to an employee's religious observances or practices unless providing the accommodation would impose undue hardship upon the employer. Furthermore, the bill would have required that employers

allow employees to use vacation or other available leave as an accommodation to a religious observance or practice. Finally, HB 3539 would have prohibited occupational requirements that restrict the ability of an employee to wear religious clothing, to take time off for days of religious significance, or to participate in religious observances or practices if the activities have only temporary or tangential impacts on the employee's ability to perform his or her job functions. This bill passed in the House by a comfortable margin, but ultimately stalled in the Senate Rules Committee.

SB 194 – Unemployment Tax

The Office of Administrative Hearings (OAH) is responsible for hearing appeal actions issued by the Unemployment Tax Section of the Oregon Employment Department. Currently, the Director of the Employment Department can only make decisions regarding the reconsideration of a case if there is: (1) a clerical error, (2) a calculation error, or (3) an omission of facts. SB 194 expands the grounds on which the Director may reconsider a case. Misinformation provided by a party to the department and errors caused by the misapplication of law are now eligible grounds.

Effective: January 1, 2008
Chapter 88

SB 465 – Drug Free Workplace

This bill was introduced by the Judiciary Committee at the request of the Drug Free Workplace Legislative Work Group in response to a 2006 Oregon Supreme Court ruling, *Washburn v. Columbia Forest Products, Inc.*, on Oregon's medical marijuana law as it relates to workers. This bill would have clarified that nothing in the Oregon Medical Marijuana Act (OMMA) would preclude an employer from establishing or enforcing a policy to maintain a drug-free workplace. Large employers argued for the ability to enforce a drug-free policy against employees that are impaired at work. Meanwhile, workers' rights groups contested that the law would unfairly punish an employee who uses medical marijuana outside of the workplace, however is not impaired at work. Despite late session activity, this bill remained in committee upon adjournment.

SB 1035 – Workplace Bullying

Current unlawful employment practices include discrimination due to race, color, religion, sex, national origin, marital status, age or disability. SB 1035 would have expanded unlawful practices to include subjecting an employee to “harassment, intimidation, or bullying.” The bill defined “harassment, intimidation, or bullying” as “any persistent verbal or physical act of an employer or employee, unrelated to the employer’s legitimate business interests, that a reasonable person would find threatening, intimidating, humiliating, hostile or offensive.” This legislation and similar legislation in other states is being promoted by the Workplace Bullying Institute. This legislation remained in the Senate Rules Committee upon adjournment.

For other bills related to Employment, please see:

- SB 400 – Public Employees Collective Bargaining (Collective Bargaining, pg. 13)
- SB 2 – Sexual Orientation Non-Discrimination (Civil Rights, pg. 11)
- HB 2007 – Same-Sex Domestic Partnerships (Civil Rights, pg. 10)
- HB 2260 – Unlawful Employment Discrimination (Civil Rights, pg. 10)
- HB 2854 – Police Officers’ “Bill of Rights” (Public Safety, pg. 94)
- HB 2021 – Prevailing Wage Liability (General Government, pg. 57)
- HB 2140 – Public/Private Partnerships (General Government, pg. 58)

Energy

HB 2210 – Statewide Renewable Fuel Standard

A top priority of the Governor and Legislative leadership, HB 2210 establishes a statewide Renewable Fuel Standard for biodiesel (2%) and ethanol (10%) and contains a package of tax incentives to stimulate the development, distribution, and use of biofuels in Oregon. The bill expands property tax incentives for biofuel and production facilities for certain fuel additives, establishes a new tax credit for farmers that grow feedstocks used in biofuel production, and creates an income tax credit for consumer use of biofuel. Moreover, HB 2210 prohibits the sale of gasoline that contains MTBE and certain other additives. The bill also requires state agencies to use biodiesel for backup power generation, modifies the site certificate exemption criteria for ethanol and biodiesel production facilities to preclude coal-fueled facilities, and allows certain farm biofuel production facilities on land zoned for exclusive farm use.

Although a number of attempts were made to preempt the City of Portland's Renewable Fuel ordinance, Portland was successful in protecting its program.

Effective: September 27, 2007
Chapter 739

HB 2211/HB 3201 – Business Energy Tax Credit

HB 2211 expands the Business Energy Tax Credit (BETC) in an effort to incentivize the development and use of renewable energy systems. The bill increases the tax credit for renewable energy systems installed by businesses from 35 percent to 50 percent and increases the project cost limit from \$10 million to \$20 million. The bill also stipulates that the costs of constructing facilities to manufacture renewable energy systems and components are eligible for the increased tax credit for renewable energy. This tax credit also supports transportation facilities and programs that reduce energy use during commutes to or from work or school (i.e. transit passes and Portland's Transportation Options program).

Other components of the bill include: (1) eligibility of combined heat power projects (CHP) for the increased tax credit; (2) an increase in the size of hydro-electric projects eligible for the tax credit, from one

megawatt to ten megawatts; and (3) a repeal of the offset of federal tax credits for projects which receive a federal and state credit.

The bill clarifies the ability of investor-owned utilities to serve as pass-through partners for purposes of transferring the tax credit to others with little or no tax credit liability. It also provides incentives to builders of high performance homes that reduce purchased energy use to near zero on an annual basis and makes homebuilders eligible for installation of renewable energy systems in new homes, but at the value of the Residential Energy Tax Credit.

In the last days of the session HB 2211 was amended into a single tax credit bill, HB 3201 (pg. 109).

Effective: September 27, 2007
Chapter 843

HB 2212 / HB 3201 – Residential Energy Tax Credit

HB 2212, like HB 2211 (above) was included in HB 3201 (pg. 109) and passed at the very end of the legislative session. This bill allows for the use of the Residential Energy Tax Credit (RETC) for more than one qualifying item in the same year. The bill also increases the maximum tax credit for fuel cells and wind generation from \$1,500 to \$6,000 over four years.

Effective: September 27, 2007
Chapter 843

HB 2479 – Utility Taxation

This bill proposed to exclude from a utility's calculation of taxes paid, any tax savings resulting from investment credit of an affiliate regulated in another state. The bill remained in the House Revenue Committee upon adjournment.

HB 2565 – Minimum Energy Efficiency Standards

During the 2005 Legislative Assembly, HB 3363 was passed; the bill set energy efficiency standards for a suite of electronic appliances and equipment and was modeled after the standards adopted by California and other western states. Subsequent to the passage of HB 3363, the

California Energy Commission modified its energy efficiency standards and effective dates for several products. HB 2565 revises Oregon law related to establishing minimum energy efficiency standards for certain devices, including refrigerators, icemakers, and certain lamps, thereby conforming Oregon law to California standards and operative dates. The bill also gives the State Department of Energy administrative rulemaking authority to modify minimum energy efficiency standards.

Effective: June 12, 2007
Chapter 375

HB 2620 – Solar Mandate for Public Buildings

HB 2620 requires that the state or local governments devote at least 1.5 percent of construction or renovation costs of a building to solar energy technologies, if the building receives state funds. The bill allows the use of passive solar investments as a means to meet the requirement, if passive solar reduces overall energy use by at least 20 percent. The Department of Energy will establish rules and forms for determining the appropriateness and cost-effectiveness of the 1.5 percent requirement.

Additionally, the requirement carries over to future projects by the entity if the project is determined to be inappropriate or not cost-effective for solar use. This requirement added on to the existing statutory requirements of state agencies to design and build state buildings to meet energy efficiency savings requirements.

Effective: January 1, 2008
Chapter 310

HB 2785 – Expedited Application for Hydroelectric Projects

This bill establishes an expedited process to obtain a hydroelectric certificate. Eligible projects must be within an artificial water delivery system, fall under an existing water right and meet the Federal Energy Regulatory Commission (FERC) license exemption. Certificates issued under the expedited process are not granted a priority date, nor are they granted a specific right for hydroelectric purposes. Certificates only authorize the use of an existing water certificate. Under the bill, the Oregon Water Resources Department is allowed to charge a \$500 processing fee. The bill is designed to accommodate small hydroelectric

projects on existing delivery systems in order to help defray the system pumping costs.

Effective: January 1, 2008
Chapter 657

HB 2925 – Small Wave Energy Facility Licensing Exemption

This bill provides that wave energy projects located within Oregon's Territorial Sea an exemption from needing to obtain a water right permit and related licensing requirements of the Water Resources Department. The exemptions will only be granted to projects which: (1) do not exceed five megawatts, and (2) do not require a federal license under the Federal Power Act in order to construct or operate the project.

Effective: May 30, 2007
Chapter 212

HB 3488 – Solar Property Tax Incentives

HB 3488 establishes two ways to increase renewable, particularly solar energy use. First, the bill amends an existing statute that allows a utility to front the cost of energy conservation projects to a customer, which is repaid through the customer's electric bill. The bill provides the same ability to a renewable energy company. Secondly, the bill provides a tax incentive for third-party investment in large renewable energy systems that would offset the energy use of a facility – a net-metering system – which is owned by a public entity or non-profit organization. The City of Portland supported this bill as it would make the installation of large-scale net-metering solar systems on its buildings more feasible. This bill will allow the City to proceed with plans to use a net-metering system on the East Portland Community Center pool and work with a third-party investor who will front the installation costs of the 90-kilowatt photovoltaic system.

Effective: September 27, 2007
Chapter 885

SB 87 – Public Purpose Charge Increase

The public purpose charge (PPC) is a surcharge added to the electricity and natural gas bills of utility customers served by investor-owned utilities

(Portland General Electric, PacifiCorp, etc.). The PPC funds renewable energy projects, energy efficiency projects, and low-income weatherization services. Prior to the 2007 Legislature's action, the PPC was scheduled to sunset in 2012.

SB 87 would have eliminated the sunset on the existing PPC and given the Public Utility Commission (PUC) the authority to increase the PPC to five percent. This bill never received a hearing but the legislature extended the PPC until 2026 in passing SB 838 (pg. 44).

SB 375 – Energy Efficiency Standards for Appliances

This bill establishes minimum efficiency standards for home and commercial appliances and prohibits the sale or installation of products that do not meet such standards. The energy efficiency standards contained in this bill are identical to standards recently adopted by the State of California, the acknowledged market leader.

Effective: January 1, 2008
Chapter 649

SB 443 – Public Purchase of Investor-Owned Utilities

SB 443 establishes a process for cities and counties to negotiate for the purchase of an investor-owned utility when they are impacted by its potential sale. If, and when, negotiations are successful and the Public Utility Commission (PUC) approves the acquisition, the Governor is required to activate a public corporation, Oregon Community Power (OCP), to purchase and operate the electric utility. The bill creates a mechanism to evaluate purchase proposals and provides the authority to negotiate public acquisition and bond issuance.

Effective: July 17, 2007
Chapter 807

SB 461 – Low Income Energy Assistance

SB 461 increases the total amount collected on retail, investor-owned residential and commercial electric bills that goes to fund the state's low-income energy assistance program. The bill specifies that the total amount collected statewide in 2008 will be \$15 million. The bill does not

allow individual assessments to rise in years after 2008, but allows the total amount collected to increase based on load growth and increases in the number of customers.

Electricity industry restructuring legislation (SB 1149) passed by the 1999 Legislative Assembly, required, among other things, that private electric utilities collect a total of \$10 per year from their customers to fund a program to assist low-income customers in paying their electric bills. The state program, which is known as Oregon Energy Assistance is administered by the Housing and Community Services Department.

Effective: July 27, 2007
Chapter 837

SB 819 – Tax Credit/Kicker Refund Adjustment

SB 819 revises Oregon Tax Code so that purchasers of tax credits do not have the value of their tax credits reduced by a kicker refund. This change benefits pass-through partners for the Business Energy Tax Credit as well as individuals and businesses that buy tax credits. This bill was critical to several of the City's renewable energy projects.

Effective: September 27, 2007
Chapter 896

SB 838 – Renewable Portfolio Standard

SB 838 establishes a Renewable Portfolio Standard (RPS) for electricity. The bill requires that 25 percent of Oregon's electric load come from new, renewable energy by the year 2025. The bill sets interim targets of five percent by 2011, 15 percent by 2015, and 20 percent by 2020. The RPS requirement applies to electric utilities and any electricity service supplier that serve at least three percent of Oregon's electric load – this covers Oregon's three largest electric utilities, which account for over 75 percent of Oregon's electric load. The bill allows for smaller utilities to meet a lower standard, but requires every utility to integrate renewable energy into future planning to meet future energy needs.

Eligible renewable resources include wind, solar, wave, geothermal, biomass, hydropower, and other renewable resources that were operational after January 1, 1995. Eligible generating facilities do not

have to be located in Oregon, but at least 80 percent of the electricity from these facilities must serve Oregon loads.

Finally, the bill allows for additional energy efficiency measures above the three percent public purpose charge already dedicated to energy conservation. The bill also extends the public purpose charge, currently used to fund energy efficiency projects through the Energy Trust of Oregon, through 2026.

Effective: June 6, 2007
Chapter 301

SB 994 – Omnibus Spending Bill/Public Purpose Charge

Of the many provisions contained in SB 994, one would have shifted \$4.6 million in Public Purpose Charge revenue to the Oregon Museum of Science and Industry for debt payments. The Governor exercised his line-item veto authority and vetoed this provision.

Effective: August 9, 2007
Chapter 911 **Sections 2, 3 and 5 were vetoed*

SB 1050 – Energy Facility Siting

SB 1050 would have required the Oregon Department of Energy (DOE) to confer with local governments impacted by the siting of an energy facility prior to DOE approving such a siting. The bill received one hearing in the Senate Rule Committee but was ultimately never reported out of committee. Local governments and the state are preempted by federal law from approving or disapproving the siting of certain energy facilities.

For other bills relating to Energy, please see:

- HB 2628 – Model Local Ordinance for Light Pollution (Environment, pg. 47)

Environment

HB 2018 – Local Community Right to Know Programs

In 2001, the state enacted a “Toxics Right to Know” program and preempted all cities, except Eugene, which already had a program, from enacting a local program. Under the Eugene program, all facilities that store or manufacture certain toxics are subject to a fee no greater than \$2,000 per facility. HB 2018 would have increased the maximum amount that could be imposed upon any single facility from \$2,000 to \$10,000. This bill, which was introduced by Eugene’s legislative delegation, received a hearing in the House Energy and Environment Committee where it remained upon adjournment.

HB 2118 – Underground Injection Controls

The federal government began the Underground Injection Control (UIC) Program in 1974 as part of the Safe Drinking Water Act. The Department of Environmental Quality (DEQ) assumed primary enforcement responsibility for the UIC program in 1984. The program’s goal is to protect underground freshwater supplies from contamination due to UIC’s. The funding for this program was insufficient to adequately monitor UIC’s throughout the state, so the DEQ began to turn the program back over to the EPA. Portland joined with other cities including Gresham and Redmond, in a coalition to build support for a fee proposal sufficient to fully fund the state program.

Effective: June 4, 2007
Chapter 297

HB 2172 – Refitting or Replacement of Diesel School Bus Engines

This bill directs the Environmental Quality Commission (EQC) to establish a goal to reduce the risk of cancer from diesel engine emissions to no more than one case per million by 2017 and to substantially reduce risks to school children by 2013. HB 2172, known as the Clean Diesel Bill, provides incentives for all private and public entities that operate diesel engines by granting tax credits for diesel engines that are repowered, retrofitted or replaced. The bill caps the total amount of tax credits allowed at \$3 million per biennium. HB 2172 authorizes school districts to claim expenditures from the State School Fund as a match on federal and

private grants and loans to repower or retrofit old diesel engines. Although the bill does not specify how much money is allotted for school districts to repower or retrofit old diesel engines, the funds cannot be deducted from State School Fund transportation grants.

Effective: September 27, 2007
Chapter 855

HB 2288 – Oregon Food Policy Council

This bill would have created the Oregon Food Policy Council. Consisting of 15 members, the council would have been charged with reviewing state and local food system issues, for the purpose of recommending improvements to the links between food producers, consumers and policy makers. This bill, which was requested by the Governor, did not move out of the Joint Ways and Means Committee prior to adjournment.

HB 2294 – Expansion of Fish Screening Programs

Beginning in 1991, the Oregon Department of Fish and Wildlife (ODFW) began a fish screening cost-sharing program for water diversions of less than 30 cubic feet per second (cfs). The cost-share program was funded through a surcharge on sport fishing licenses and the state general fund. In 1999, the Legislature directed ODFW to include in the cost-share program, fish passage projects and screening projects at diversions greater than 30 cfs. This bill expands the ODFW Fish Screening Cost-Share program to include water diversions of any size and modifies the ODFW fish screening goal from 75 water diversions per year to 150 diversions per biennium. The bill also eliminates cost expenditures limits for ODFW and requires the department to be responsible for all maintenance.

Effective: January 1, 2008
Chapter 625

HB 2628 – Model Local Ordinance for Light Pollution

HB 2628 recommends that local building officials and the Oregon Department of Energy (DOE) evaluate relevant statutes, ordinances, and building codes to ensure strong regulation of outdoor light fixtures. The bill also requires that the DOE review a forthcoming model lighting ordinance to be issued by the Illumination Engineering Society of North America and

the International Dark-Sky Association, and report their findings to the 2009 Legislature.

Effective: January 1, 2008
Chapter 551

HB 2978 – Pesticide Application Sites

HB 2978 would have restricted the spraying of pesticides near parks, school property, child care facilities, urban growth boundaries, and privately owned property. Violations would have been punished by a maximum fine of \$1,000, one year's imprisonment, or both for the first offense and a \$2,000 fine, one year's imprisonment, or both for the second offense. The bill was referred to the Joint Ways and Means Committee where it remained for the duration of the session.

HB 3244 – Oregon Sustainability Board

The Sustainability Board was created as an eight-member board under the 2001 Oregon Sustainability Act (HB 3948). The Act authorized the Board to appoint a Director and authorized the Director to appoint staff. A 2003 Executive Order directed the Board to review state agency sustainability plans, yet to date, no positions have been funded. Upon sunset of the Act in January 2006, another Executive Order reconstituted the Sustainability Board, this time with 11 members.

This bill codifies the Executive Order and the Sustainability Board in statute, establishing membership, term limits, a decision-making model and meeting frequency. The bill authorizes the Board to accept grants, and creates the Sustainability Board Fund, which will continuously appropriate money to the Board.

Effective: January 1, 2008
Chapter 875

HB 3543 – Reducing Greenhouse Gas Emissions

HB 3543 does three things: (1) establishes the Oregon Global Warming Commission, which will coordinate state policy development relating to global warming and climate change; (2) creates the Climate Change

Research Institute within the Oregon University System; and (3) establishes goals for the reduction of carbon emissions.

Effective: August 7, 2007
Chapter 907

HB 5022 – Department of Environmental Quality Budget

The budget for the Department of Environmental Quality was set at \$298 million for the 2007-09 biennium, a significant increase in funding. The legislatively approved budget was nearly identical to the Governor's request. Important to the City, HB 5022 also contains the authority to raise fees to support the Underground Injection Control Program (HB 2118 pg. 46). Additionally, the bill includes funding for a comprehensive watershed-based toxics monitoring program in the Willamette, a new clean diesel initiative to help truck and school bus operators retrofit diesel engines (HB 2172, pg. 46), and implementation of new "clean car" standards that will reduce global warming pollution from cars and trucks.

Effective: July 1, 2007
Chapter 712

SB 20 – Pesticide Applications

SB 20 was one of many bills introduced to restrict the spraying of pesticides near schools. It would have required filing of a written plan with the State Department of Agriculture or State Forester before applying pesticides. The bill would have assigned civil penalties for violations and allowed the Department and State Forester to assess fees for filing written plans. This bill received a hearing in the Senate Environment and Natural Resources Committee where it remained upon adjournment.

SB 432 – Location of Shipbreaking Activities

Currently, Oregon has no limitations on the location of shipbreaking activities. This bill restricts shipbreaking of vessels heavier than 200 gross tons to dry docks. The bill contains exemptions for barges, partial dismantling of ships requiring repair, and for a shipwreck, if the

Department of State Lands determines that it is impractical to move the shipwreck to a dry dock.

Effective: May 25, 2007
Chapter 150

SB 683 – Pesticide Use Reporting System

SB 683 would have reduced the reporting area within the Pesticide Use Reporting System (PURS) from zip code or third level hydrologic units, to the much more specific units of town, section, range or fourth level hydrologic unit. PURS requires commercial applicators of pesticides to report their application locations to the Oregon Department of Agriculture. The bill passed out of the Senate Committee on Environment and Natural Resources but did not make it out of the Joint Ways and Means Committee.

SB 737 – Persistent Bioaccumulative Toxins

SB 737 authorizes DEQ to conduct a study of persistent bioaccumulative and toxic pollutants in the state and report to the Seventy-Fifth Legislative Assembly. Furthermore, the bill requires cities or special districts that hold major source NPDES permits, or major source water pollution control facility permits to submit a plan for reducing the discharge of priority list pollutants by July 1, 2011.

The original version of SB 737 would have phased out the ability of DEQ to issue discharge permits with mixing zones. A mixing zone is an area within the water column which allows for the dilution of pollutants being discharged into a river. Banning these zones would require the installation of very expensive equipment, the costs of which would be passed on to the city's ratepayers with relatively little benefit to the environment. A workgroup reached this legislative compromise.

Effective: June 28, 2007
Chapter 696

SB 813 – Fees for Non-Point Source Monitoring

SB 813 would have given the Oregon Department of Environmental Quality (DEQ) the authority to assess a surcharge on point source dischargers to fund monitoring of non-point sources of pollution. Point sources such as city sewer and stormwater systems, or industrial dischargers, are assessed large fees, which fund DEQ's water quality program. Non-point sources such as farm runoff, forest runoff, non-regulated stormwater, are difficult to monitor and regulate. While pollution from point source discharges has been reduced significantly over the past few decades, non-point contributions continue to rise. SB 813 was referred to the Senate Environment and Natural Resources Committee where it remained upon adjournment.

Environment: Recycling

HB 2626 – Electronic Waste Recycling

This bill establishes a statewide recycling program for electronic waste, including televisions, PC's, computer monitors and laptops. The bill does not cover cell phones, printers, and fax machines.

The new program, administered by the Department of Environmental Quality (DEQ), gives households, small businesses, and nonprofits that employ fewer than 10 people, a free place to recycle their old electronic equipment. The program requires manufacturers to label covered electronic devices, register with DEQ for participation in a manufacturer program or DEQ state contractor program for recycling electronic devices, and provide free collection at sites convenient for urban and rural consumers.

Effective: June 7, 2007
Chapter 302

SB 437 – Dumpster Diving

SB 437 would have allowed anyone to enter a solid waste disposal container for the purpose of removing recyclable materials. The bill represents an attempt to preempt local solid waste franchises in order to allow a constituent's business model (similar attempts were made in 2003 and 2005). The business subcontracts with multi-family complex owners to manage solid waste and recycling facilities. The business is able to

reduce the hauling service by having its employees enter solid waste containers and stomp the refuse in order to compact it. While this process is currently allowed in Eugene, 29 other cities and counties have amended their ordinances to prohibit the activity, require a franchise, or require the company to own its own containers. This bill received a public hearing, but remained in committee upon adjournment.

SB 707 – Expansion of the Bottle Bill

The Oregon “Bottle Bill” was implemented in 1972 to reduce litter and increase recycling. Under the current system, a five-cent deposit per beverage container is assessed on non-refillable and non-standardized bottles; a two-cent deposit is assessed for standardized, refillable bottles. The deposit applies to beer, other malt beverages, and carbonated beverages. Since its inception, the number and type of single-serving beverage containers has greatly increased, many of which are no subject to deposit.

This bill subjects water and flavored water containers to deposit. Due to concerns regarding the physical space required to accept returned containers, small retailers may refuse beverage containers of a type, size, and brand that the dealer does not sell. Manufacturers, distributors or importers are liable to dealers or redemption centers for failure to pay refund value. The bill also establishes the Bottle Bill taskforce, which is comprised of nine members appointed by the Governor. The taskforce is charged with examining the entire bottle redemption system and making suggestions as to how the program may be expanded. The taskforce’s report is due back to the Legislature by November 1, 2008.

Effective: June 7, 2007
Chapter 303

For other bills relating to Environment, please see:

- SB 375 – Energy Efficiency Standards for Appliances (Energy, pg. 43)
- HB 2565 – Minimum Energy Efficiency Standards (Energy, pg. 40)
- SB 420 – Environmental Justice Taskforce (Civil Rights, pg. 11)
- SB 185 – Renewable Energy and Sustainable Technologies Signature Research Center (Economic Development, pg. 21)

Ethics Reform

HB 2595 – Ethics Commission

In 2005, the Legislative Assembly funded the Oregon Law Commission to conduct a comprehensive ethics review and to prepare legislative recommendations to address a number of issues pertaining to ethics reform. The Law Commission brought forth a number of recommendations to the 2007 Legislature, many of which are captured in HB 2595.

There are several important elements of HB 2595:

- 1) Name Change: changes the name of the Government Standards and Practices Commission back to the entity's former name, the Ethics Commission.
- 2) Sanctions: requires the Ethics Commission to consider the public interest and both prior and future sanctions in other government proceedings when deciding to investigate or impose sanctions.
- 3) Ethics policies: allows local governments and statewide associations to write their own ethics policies and submit them to the Ethics Commission for approval. If approved, the Ethics Commission may not impose sanctions for actions in compliance with the approved policy.
- 4) Civil penalties: requires the Ethics Commission to notify a public body if one of its public officials violates government ethics laws. Also increases the maximum civil penalty for most ethics violations from \$1,000 to \$5,000 and increases the per-day fine for late filings of reports.
- 5) Advisory opinions: establishes a three-tier system of advisory opinions and advice (formal written, staff written, and staff advice). Provides timeline for Ethics Commission staff to respond to requests and requires internet access to opinions. Provides immunity from, or mitigation of sanctions depending on the type of opinion relied upon by the public official.
- 6) Adjudication procedures (see the bill for a complete list of changes): eliminates a public official's ability to "opt out" of the administrative hearings process and move the proceedings to circuit court. Also requires the Ethics Commission to report its findings to the individual subject to investigation and, if applicable, to the appointing authority,

Attorney General, local District Attorney, and Commission on Judicial Fitness.

- 7) Nepotism: Prohibits a public official from hiring, appointing, or promoting relatives unless the public official complies with conflict of interest requirements. Also prohibits a public official from directly supervising a relative or member of the household, unless a public body adopts a policy to allow for direct supervision of relatives. Exceptions are provided for members of the Legislative Assembly and for the hiring or supervising of any relative that is an unpaid volunteer.
- 8) Rulemaking: requires rulemaking and review of rules at least once a year.

Effective: July 31, 2007
Chapter 865

SB 10 – Ethics Reform

A priority of legislative leadership, this bill had the longest lifespan of any bill during the 2007 session. It was introduced the first week of the session, was the subject of over a dozen public hearings and committee work sessions, and passed in the final hours of session. Like its companion bill HB 2595, SB 10 instituted reforms to the state’s ethics laws. The bill’s major provisions are as follows:

- 1) Ethics Commission Funding: among many other provisions, SB 10 establishes a new funding system for the Ethics Commission based on assessments to state agencies, local governments, local service districts and special government bodies that are subject to the Municipal Audit Law. Sponsors of the bill wanted to establish a dedicated funding source that is independent of the Legislature.

The local government’s portion will be paid as follows: a charge shall be established based on the same proportional expense that the local government is charged for the municipal audit fee under ORS 297.485, compared to the total amount assessed for the municipal audit fee. This assessment will be due annually when local governments file their audits with the Secretary of State.

- 2) Reporting Requirements: requires lobbyists and entities employing lobbyists to file quarterly expenditure reports. Requires itemized reporting for expenditures over \$50 (current law is \$73). Requires the

Ethics Commission to report lobbyist violations to the Legislative Assembly. The bill also sets new requirements for those required to file a Statement of Economic Interest (SEI).

- 3) Civil Penalties: increases maximum civil penalties from \$1,000 to \$5,000 and increases the per day fine for late reports from \$5 to \$10. Authorizes the Ethics Commission to issue a letter of reprimand, explanation, or education for violations. Prohibits the use of campaign contributions to pay for civil or criminal fines.
- 4) Revolving Door/Subsequent Employment: prohibits a legislator from receiving money for lobbying for one session after he or she ceases to be a member of the Legislative Assembly. A person may not use confidential information gained in public office for the gain of any person, even when that person ceases to be a public official.
- 5) Gifts: lowers the annual gift limit that a public official may receive from a single source to \$50. In order for the gift limit to apply, a person must have a legislative or administrative interest before the public official. There are a number of exemptions to the definition of a gift, these include but are not limited to:
 - award of appreciation with a value under \$25;
 - informational matter, publications, or subscriptions related to official duties;
 - cost of admission, food, and beverage at a reception, meal, or meeting if the public official speaks or answers questions as part of a scheduled program;
 - reasonable expenses paid by any unit of government to attend a convention, fact finding mission, or other meeting if the public official is representing state or local government;
 - expenses paid by one public official to another for travel inside the state on official business;
 - food or beverage consumed at a reception if the food is an incidental part of the reception and no cost is placed on the food or beverage; and
 - entertainment that is incidental to the main purpose of another event or entertainment where a public official is acting in an official capacity for a ceremonial purpose
- 6) Legal Expense Trust Fund: permits public officials to establish a legal expense trust to defend against Ethics Commission actions.

In the fall of 2007, the Ethics Commission will commence rulemaking on SB 10 in order to further define terms in the bill.

*SB 10 contained an emergency clause and went into effect immediately upon the Governor's signature. However, many sections of the bill, including the new gift limitations, will not be effective until January 1, 2008. The local government funding mechanism does not take effect until the 2009-11 biennium.

Effective: July 31, 2007 (*see above for clarification)
Chapter 877

General Government

HB 2021 – Prevailing Wage Liability

HB 2021 requires that contractors and subcontractors working on projects subject to the federal Davis-Bacon Act pay at least the state prevailing wage rate if the state rate is higher than the federal rate. Under the bill, when a project is subject to the Davis-Bacon Act, the commissioner of the Bureau of Labor and Industries (BOLI) is required to determine the site of the project consistent with the federal “site of the work” definition. BOLI is also directed to determine whether workers who transport materials and supplies to a project are subject to the Davis-Bacon Act.

HB 2021 also exempts workers who are enrolled in certified skill training programs under the Federal-Aid Highway Act from prevailing wage rates. The bill raises BOLI’s prevailing wage fee, although the provision sunsets in 2011. Finally the bill includes a requirement that BOLI adopt a plan to increase the diversity in the workforce subject to prevailing wage, and report annually to the Legislature on their progress.

Introduced by the Associated Builders & Contractors, HB 2021 originally made public agencies liable for workers’ unpaid wages, fringe benefits, and liquidated damages when the agency provides incorrect prevailing wage rates in specifications for a public works contract.

The City and the PDC pushed for an amendment to the bill that would require BOLI to develop and adopt a statewide plan to increase diversity in the construction trades. This amendment was successfully adopted to the bill.

Effective: January 1, 2008
Chapter 844

HB 2121 – Rulemaking Procedures

HB 2121 allows a state agency to give notice of rulemaking by reference to a website.

Effective: January 1, 2008
Chapter 115

HB 2140 – Public/Private Partnerships

Originally introduced as only a public contracting bill, HB 2994 was amended into the bill late in the session. HB 2994 clarified the applicability of prevailing wages to public/private partnerships and established a dollar threshold to make that determination. The bill does three things:

Public Contracting Code Changes – ORS 279 -

The bill's technical changes include clarifications as to when certain state agencies are subject to the Public Contracting Code. Additionally, the director of the Oregon Department of Administrative Services (DAS) is granted exclusive authority over procurement of all state agency information technology contracts. The Director's exclusive authority is also extended to price agreements between multiple agencies. HB 2140 broadens the criteria for special procurements, debarments (removing a bidder from consideration) and protests. The criteria for competitive bidding exemptions and findings are modified to include an alternative for public agencies to establish a pilot process in which the agency intends to determine whether costs will be saved.

Threshold for Prevailing Wage -

HB 2140 also establishes a threshold for projects subject to prevailing wage by amending the definition of "public work" in ORS 279(C).800. The new definition requires any project including more than \$750,000 in public funds or in which 25 percent of the square footage is owned or occupied by a public agency to be a public work and therefore subject to prevailing wage. Specific exemptions to the threshold include:

- Certain affordable housing projects;
- Projects funded with tax abatements or tax credits;
- The monetary value of any difference between the fair market value of a piece of property and the real value of the property taking into account any plan, requirement, covenant, condition restriction, or other limitation that the public agency imposes on the development or use of the land;
- State bond proceeds that are loaned to private entities;
- Value added as a consequence of a public agency's site preparation, demolition of real property, remediation, or removal of environmental contamination;
- Land sold at real market value;
- Projects funded by bonds issued prior to the effective date of the act; and
- A non-profit library project in Baker City.

Timely, Appealable Predeterminations -

The bill directs the commissioner of the Oregon Bureau of Labor and Industries (BOLI) to issue a predetermination of whether a project is subject to prevailing wage requirements within 60 days of receipt of a completed request. The deadline may be extended upon agreement of the commissioner and the requestor. Under the bill, predeterminations may be appealed under the Administrative Procedures Act.

Effective: July 13, 2007
Chapter 764

HB 2168 – Temporary Liquor Sales Licenses

HB 2168 standardizes the fee for a temporary sales license (TSL) issued by the Oregon Liquor Control Commission (OLCC) to a flat fee of \$50 per day. The current fee structure is based upon a five-hour period, \$25 for events lasting five hours or less and \$25 for each additional period of five hours or less.

Effective: January 1, 2008
Chapter 443

HB 2170 – Temporary Liquor Licenses

HB 2170 would have allowed applicants for all Oregon Liquor Control Commission (OLCC) license types to apply for temporary authority to operate, pending an investigation of their application for a permanent license. The bill would have allowed liquor-serving establishments to begin serving liquor immediately while their permanent license application was being review by OLCC. The bill passed in the House, but failed to move past the Senate Business, Transportation and Workforce Development Committee.

HB 2357 – Electronic Filing of Court Documents

HB 2357 authorizes the Chief Justice of the Oregon Supreme Court to allow the use of electronic documents for all documents that are served

or filed in any legal action. The bill is the result of the Oregon State Bar's E-Filing Taskforce.

Effective: January 1, 2008
Chapter 129

HB 2443 – OLCC Small Business Impact Statements

HB 2443 would have required that the Oregon Liquor Control Commission (OLCC) prepare and make available small business impact statements, before issuing new off-premise sales licenses. The bill stipulated this requirement only when the business is located within 500 feet of an establishment already operated by an off-premise licensee with five or fewer employees. The bill was referred to the House Judiciary Committee where it received a hearing and remained upon adjournment.

HB 2583 – Public Agencies' Indemnity Against Tort Claims

This bill allows a public agency entering into an agreement for joint or cooperative action with a public agency in another state to require the other state's public entity to indemnify the Oregon public agency against tort claims.

Effective: January 1, 2008
Chapter 376

HB 2822 – Contested Case Proceeding Duties

This bill, which was requested by the Oregon Law Center, serves to clarify a number of points of the state's Administrative Procedures Act (APA). Specifically, the bill establishes that a presiding officer or Administrative Law Judge in a contested case hearing must ensure that the record developed at a hearing illustrates a "full and fair inquiry into the facts necessary for consideration of all issues properly before the officer, and a correct application of the law to those facts." A reviewing court will be required to remand an order for further agency action if the court finds that the presiding officer failed to comply with the above requirements.

Effective: January 1, 2008
Chapter 659

HB 3054 – Project Clean Slate

In 2005, a consortium of state agencies and public interest groups in Multnomah County held a one-day exposition called Project Clean Slate. The event was a one-stop center for individuals to get outstanding warrants lifted, seek reinstatement of driver's licenses, investigate expungement for certain criminal convictions, and resolve past-due court and traffic fines. The project served over eight hundred people in one day. The Independent Development Enterprise Alliance (IDEA), a non-profit that participated in the original project, continues to operate a scaled-down version. This bill requires that the Department of Administrative Services (DAS) consult with IDEA to develop and execute a statewide program similar to Clean Slate and appropriates \$600,000 from the General Fund for this purpose.

Effective: January 1, 2008
Chapter 873

HB 3313 – Rehabilitation of Illegal Drug Manufacturing Sites

HB 3313 authorizes counties or other local governments to obtain a priority lien to cover the costs associated with decontaminating and seizing a property that has been deemed "unfit for use" because of prior drug activity. Under the bill, local governments must provide notice to the property owner and other lien holders, and give owners an opportunity to decontaminate the property. A priority lien means that the local government will be paid prior to all other lien holders at sale. The Oregon Department of Human Services (DHS) maintains a list of properties that were used as drug labs and are no longer fit for human habitation, including properties that have been on the list since the mid-1990s.

Effective: June 27, 2007
Chapter 673

SB 571 – Statewide Smoking Ban

SB 571 makes several changes to the requirements of Oregon's Smoke-Free Workplace Law. These changes include prohibiting smoking within ten feet of entrances, exits, opening windows, and ventilation intakes of public places and places of employment. The bill also eliminates the current exemptions to Oregon's smoke-free workplace requirements and

replaces them with different exemptions. The exemptions include: (1) use of noncommercial tobacco products for ceremonial purposes under the federal American Indian Religious Freedom Act; (2) smoke shops that do not serve alcohol; and (3) cigar bars with a maximum capacity of 40 persons. Additionally, no more than 25 percent of hotel rooms may be designated a smoking rooms.

Effective: January 1, 2009
Chapter 602

SB 645 – Shopping Carts

SB 645 preempts local governments from adopting anything other than a standardized state-approved ordinance relating to shopping carts. If any city adopts the ordinance, store owners can establish a coordinated statewide toll-free number and business notice system for reporting the location of abandoned carts.

Effective: January 1, 2008
Chapter 243

SB 671 – Attorney-Client Privilege Revisions

SB 671 requires that a public body release a condensed version of factual information that would otherwise be exempt under the attorney-client privilege without waiving these privileges. The bill requires disclosure under the following conditions: (1) the basis of the claim for nondisclosure is the attorney-client privilege; (2) the information is not otherwise prohibited from disclosure under any applicable state or federal law, regulation or court order; (3) the information was compiled by, or at the direction of, an attorney as part of an investigation on behalf of the public body in response to possible wrongdoing; (4) the information was not compiled in preparation for litigation, arbitration or an administrative proceeding initiated against the public body or is likely to be initiated; and (5) the information has been disclosed, in whole or in part, by a public statement made by the public body or at the attorney's direction.

If a requestor receives a summarized report with confidential information redacted, he or she may request a review of the summary by a district attorney or attorney general. The district attorney or attorney general is required to compare the summarized document with the source material to ensure that it accurately reflects the information requested.

This bill was written in response to a situation in which a school board had been publicly accused of wrongdoing and commissioned an attorney to investigate the matter: Klamath County School District v. Teamey. The attorney conducted a review and allegedly concluded that no malfeasance had occurred. The school board then publicly touted the report, but elected not to release it to the public for review or scrutiny; the board believed it was a privileged communication. Subsequent court decisions agreed with the school board.

The original version of the bill, introduced at the request of the Oregon Newspaper Publishing Association (ONPA), would have significantly eroded the attorney-client privilege for public entities. However, a compromise was reached between the ONPA and the Oregon State Bar Association.

Effective: June 20, 2007
Chapter 513

SB 1042 – Non-Tribal Casino Election in City Limits

HB 1042 prohibits locating a non-tribal casino in a city without the approval of city residents. This bill is the result of the purchase of the Multnomah Kennel Club in Wood Village, and a likely attempt to amend, by initiative, the Oregon Constitution in order to site a single private casino on this property. There are currently several such initiatives filed with the Secretary of State's office. Article XV, Section 4(12) of the Oregon Constitution currently prohibits casinos from operating in Oregon. Federal law, pursuant to the Indian Gaming Regulatory Act enacted in 1988, allows the tribal operation of casinos in states that allow gambling, such as Oregon's lottery.

Effective: June 28, 2007
Chapter 723

For other bills relating to General Government, please see:

- SB 1050 – Energy Facility Siting (Energy, pg. 45)
- SB 437 – Dumpster Diving (Environment, pg. 51)
- HB 2735 – Moving of Manufactured Homes (Housing, pg. 65)
- HB 3538 – Creation of Historic Districts (Taxation & Finance, pg. 110)
- SB 184 – OLCC Liquor Revenues (Taxation & Finance, pg. 111)

Housing

HB 2073 – Interagency Coordinating Council on Hunger

In 1995, the Legislature created the Interagency Coordinating Council on Hunger (ICCH) to implement the recommendations of the Hunger Relief Taskforce (HRTF). In April 2006, the Governor issued an executive order which created the Ending Homelessness Advisory Committee (EHAC), a 24-member council directed to develop statewide homelessness policy recommendations.

This bill expands the scope of the ICCH to address homelessness issues and renames it as the Interagency Council on Hunger and Homelessness (ICHH). The ICHH will receive recommendations from both the HRTF and the EHAC.

Effective: January 1, 2008
Chapter 145

HB 2095 – Administrative Functions of Housing Authorities

Under current law, a housing authority may only finance a mixed-income housing project if the project will not be owned by the housing authority. HB 2095 removes the restriction on owning a mixed income housing project. The bill also clarifies the authority to enter into various partnership agreements including partnerships with nonprofit corporations and limited liability companies.

Effective: January 1, 2008
Chapter 606

HB 2096 – Preservation of Mobile Home Parks

According to the Housing and Community Services Department, Oregon currently has 1,300 manufactured home parks with many categorized as part of the state's affordable housing stock. As a result of increasing land values, many parks are being converted to other uses.

HB 2096 aims to preserve mobile home parks by allowing the formation of nonprofit manufactured dwelling park cooperatives. The cooperatives are eligible for existing housing loans and technical assistance programs.

The bill makes new loans from state programs available, and creates a loan guarantee program.

Effective: January 1, 2008
Chapter 607

HB 2735 – Moving of Manufactured Homes

This bill requires that the owner of a mobile home park pay each mobile home owner between \$5,000 and \$9,000 if the homeowner is forced to relocate or abandon his or her property due to the park's closure. These payments are exempt from income tax and sunset on January 1, 2013. The bill also creates the Office of the Manufactured Dwelling Park Community Relations within the Housing and Community Services Department, effective January 1, 2013. Additionally, the bill prohibits local governments from enforcing an ordinance, rule, or other local law regulating manufactured dwelling park closures after July 1, 2007.

Effective: September 27, 2007
Chapter 906

HB 2930 – Waiver of Fees for Identification Cards

HB 2930 would have permitted the Department of Transportation to waive fees for the issuance, renewal, or replacement of identification cards for indigent persons. The lack of identification can pose a significant barrier to employment and housing. Thus, the City was supportive of this bill as it ties closely with its 10-year plan to end homelessness, which it has undertaken with regional partners. Despite strong support from local governments at a hearing in the House Transportation Committee, the bill remained in committee upon adjournment.

HB 3052 – Real Estate Transfer Tax

HB 3052 would have authorized a one percent real estate transfer tax, requiring counties to be responsible for collections. Revenue generated by the tax would have been transferred to a "Shared Services Fund," separate from the General Fund. The manner in which the Shared Services Fund was to be appropriated was not addressed in the bill. The bill was referred to the House Revenue Committee where the original language was removed and replaced with language that would have

authorized counties to create assessment districts (HB 3052, pg. 108). The amended bill remained in committee upon adjournment.

HB 3186 – Condominium Conversions

Current law requires landlords to provide a 120-day notice of eviction to tenants prior to the conversion of their living space to condominiums. Furthermore, landlords are required to offer to sell the units to the tenants, giving them at least 60 days to accept the offer. HB 3186 prohibits eviction without cause and unscheduled rent increases (over cost-of-living increases) during the 120-day notice period. Additionally, the measure requires additional notice provisions and provides tenants with the ability to bring action for damages within specific time periods.

This legislation was in response to some tenants being given a 30-day “no cause” eviction notice in an effort to clear out housing units prior to conversion, thereby avoiding the 120-day notice of eviction requirement.

Effective: January 1, 2008
Chapter 705

HB 3247 – Facility Sales

This bill would have required that, upon notice of a building owner’s intent to sell the building, the tenants’ association would be granted a 14-day first right-of-refusal to buy the building or facility. This bill was referred to the House Consumer Protection Committee where it stayed for the remainder of the session. The Legislature did pass a related measure (see HB 3186 above).

HB 3258 – Real Estate Transfer Tax

HB 3258 would have allowed rural counties dependent on federal forest reserve receipts to impose a real estate transfer tax (RETT). This bill received a hearing in the House Revenue Committee; however, the hearing was only conducted in order to consider an amendment unrelated to a RETT.

HB 3284 – Inclusionary Zoning

HB 3284 would have repealed present law, which prohibits cities, counties, and metropolitan service districts from imposing any requirement that effectively establishes a sales price for a housing unit, residential lot or parcel, or limits the availability of a housing unit, residential lot or parcel to a class or group of purchasers. HB 3284 received a hearing in the House Consumer Protection Committee and was referred to the Elections Ethics and Rules Committee, where it remained upon adjournment of the Legislature.

HB 3485 – Establishment of Affordable Housing Covenants

Currently, there is no comprehensive enabling statute for affordability covenants and deed restrictions. Without an enabling statute, existing agreements could be in jeopardy if they are legally. HB 3485 authorizes the creation of affordable housing covenants restricting price, rental rate, or occupancy.

Effective: January 1, 2008
Chapter 691

HB 3551 – Document Recording Fee for Affordable Housing

HB 3551 was introduced at the request of the Oregon Housing Alliance, whose members include the City of Portland and a long list of local governments and nonprofit partners. The bill would have increased the document recording fee levied in real estate transactions. Revenue generated by the fee increase would have been used to provide affordable housing to low-income families and individuals across the state. Specifically, the \$15 fee increase on certain documents recorded by the county would have generated a total of \$32 million during the 2007-09 biennium. Those funds would have been administered by the Oregon Department of Housing and Community Services.

Originally, this bill started out as SB 38. However, Legislative Counsel decided the bill was a revenue-raising measure, thus necessitating a three-fifths majority vote required for the bill to originate in the House. As a result, HB 3551 was reintroduced in the House mid-session. This bill received a number of hearings in Senate, House, and Joint Ways and Means Committees. However, the bill was ultimately defeated when it

failed to receive the three-fifths majority on the House floor in the waning days of the session.

SB 38 – Document Recording Fees

This bill was a duplicate of HB 3551 (pg. 67).

SB 187 – Land Conservation and Development Commission Rulemaking for Affordable Housing

SB 187 would have directed the Land Conservation and Development Commission (LCDC) to adopt, by goal or rule, requirements for local governments to provide a supply of land that would be dedicated to affordable housing. The bill required that land set aside for affordable housing be located within an urban growth boundary. Additionally, the bill authorized the LCDC to establish a process that would expedite the inclusion of dedicated affordable housing land within the urban growth boundary, notwithstanding the 20-year land supply requirement or the priority land statute. Finally, adequate public services, such as transportation and sewers, would be available within a year if land was brought into an urban growth boundary for the purposes of providing affordable housing. This bill remained in the Senate Environment and Natural Resources Committee upon adjournment.

SB 777 – Residential Rehabilitation Property Tax Abatement

SB 777, introduced at the request of the City of Portland, extends the sunset date for the ten year partial exemption from property taxes for the rehabilitation of residential properties that have code violations and are located in distressed areas. The bill also makes some technical modifications to the statute. The partial exemption was due to sunset January 1, 2008; it will now expire January 1, 2017.

Effective: January 1, 2008
Chapter 469

SB 984 – Tax Credits for Affordable Housing

In 2005, the Legislature modified the affordable housing tax credit by increasing the annual cap from \$6 million to \$11 million and extending the

sunset date to December 31, 2019. SB 984 expands the affordable housing credit by: (1) increasing the cap on allowable tax credits from \$11 million to \$13 million for the 2008-09 fiscal year, and \$15 million for future fiscal years; and (2) including loans used to finance the construction, development, acquisition, or acquisition and rehabilitation of mobile home parks and housing that is deemed a "preservation project."

The provisions of this bill were included in an amendment to HB 3201 (Taxation & Finance, 109).

For other bills relating to Housing, please see:

- HB 5036 – Lottery Bonds (Economic Development, pg. 20)
- SB 725 – Discrimination in Property Transactions (Civil Rights, pg. 12)

Land Use

HB 2025 – Annexation for Services

This bill would have prohibited a city or district from requiring annexation consents when providing new or extraterritorial services. The bill also provided retroactive cancellation of annexation consent by a city or district if the jurisdiction required consent after providing an extraterritorial service. This bill resulted from concerns by several legislators of cases when cities enforce county building code provisions outside city limits (and inside the urban growth boundary) that require consent for eventual annexation. This bill was referred to the House Agriculture and Natural Resources Committee where it remained upon adjournment.

HB 2051 – Metro Buildable Land Inventory

Current law requires Metro to evaluate the capacity of the Urban Growth Boundary (UGB) every five years and, if necessary, increase the capacity to accommodate the next 20 years of growth. The five-year schedule was enacted in 1997 as part of HB 2493. Legislation to extend the Metro UGB planning cycle was introduced in 2003 and 2005, but failed to pass. The next analysis of the UGB was due to be completed by December 31, 2007. This bill gives Metro a one-time, two-year extension to complete its first inventory, determination, and analysis of housing capacity and need within the UGB.

Effective: December 1, 2007
Chapter 398

HB 2713 – Utility Easements

This bill makes three changes to laws regulating utility easements. The changes in the bill: (1) add private utility infrastructure to the definition of utility easement; (2) specify that utility infrastructure may not be placed within one foot of a survey monument in a subdivision or partition plat; and (3) modify the definition of “to partition land” to mean: to divide land to create not more than three parcels of land within a calendar year.

Effective: January 1, 2008
Chapter 652

HB 2723 – Establishment of Unlawful Lots and Parcels

Many concerns were raised this session about parcels of land that are sold without the buyer's knowledge that the parcel had been unlawfully created. HB 2723 attempts to narrow the inventory of existing illegal lots and parcels and prevent the creation of new ones.

HB 2723 establishes a process by which a county or city may validate, and an owner may record, an established unit of land if the unit was unlawfully created by a previous owner on or before January 1, 2007. The bill also requires specific documentation by a person who conveys, or contracts to convey, fee title for a new parcel or unit of land created by subdivision, partition, or foreclosure, and created or established on or after the effective date of the bill. Documentation required by the bill to be included in the conveyance document is either a reference to, or the exhibit of: (1) the recorded subdivision plat or partition plan for the lot or parcel; (2) the final land use decision that approved the subdivision or partition; or (3) a final judgment or other document that evidences a foreclosure of a recorded contract for the sale of real property. Finally, the bill requires a seller of property to disclose, on a disclosure statement, whether the unit of land being transferred is lawfully established.

Effective: January 1, 2008
Chapter 866

HB 2760 – Island Annexation

Annexation continued to be a contentious issue during the 2007 session. A report prepared by a 2005-06 interim work group convened by the League of Oregon Cities delved into the complexities of the tension between cities' need for organized growth and property owners' rights to participate in land use decisions. Primarily at issue was the practice of annexing rights-of-way in order to surround, and then annex, a territory (e.g. an island) absent the consent of the territory's residents. Over 13 bills were introduced to limit cities' authority to use island annexation. A wide group of stakeholders, including the City of Portland, was convened to attempt to reach consensus on these bills.

The City advocated for solutions that were locally-based or narrower in scope. In the end, the group did not reach a consensus, but did recognize that some of the bills went too far in taking authority away from

cities. The legislative members of the workgroup then drafted amendments to HB 2760 reflecting their idea of a compromise.

This bill restricts the use of island annexation by: (1) limiting the use of right-of-way in the island's perimeter boundary to less than 25 percent; (2) narrowing the waterway definition by disallowing intermittent or shallow waterways to be used as an island boundary; (3) adding the use of Interstate 5 as an island boundary; and (4) requiring a three-year delayed effective annexation date for property that is zoned for, and in, residential use at the time of a city-initiated island annexation.

Effective: June 27, 2007
Chapter 654

HB 3025 – Modification of Limited Land Use Decision

In *Hammer v. Clackamas County*, the Court of Appeals found that the county surveyor's approval of a subdivision plat was a land use decision that could be appealed to the State Land Use Board of Appeals (LUBA). This decision ran counter to the standard practice for local governments to review subdivision and partition final plats using an administrative procedure that does not provide for notice, opportunity to comment, and appeal to LUBA.

This bill modifies the definitions of "land use decision" and "limited land use decision" to specifically exclude subdivision and partition final plat reviews.

Effective: June 18, 2007
Chapter 459

HB 3496 – Review of Comprehensive Land Use Plans

HB 3496 would have required that all cities enter into periodic review every ten years, regardless of population or proximity to regional development. The bill would have also changed the focus of periodic review from compliance with planning goals addressing economic development, needed housing, transportation, public facilities, and urbanization, to population changes, buildable land inventories, and all other land use policies identified by the Legislature. Other portions of the bill would have granted the Oregon Land Conservation and Development Commission rulemaking authority to establish additional

situations in which periodic review would be required and to create an abbreviated review process.

This bill received a hearing in the House Agriculture and Natural Resources Committee and was then referred to the House Revenue Committee where it remained upon adjournment.

HB 3540 – Changes to Measure 37

HB 3540 refers to the voters proposed changes to the implementation of Measure 37. If the referral is approved by voters on November 6, 2007, HB 3540 will take effect on December 6, 2007.

Outside the Urban Growth Boundary:

The bill allows persons who have submitted a claim for compensation outside of an urban growth boundary and city limits as of June 28, 2007, to select one of three pathways to maintain their claim:

1. “Express Lane” – which allows claimants to develop up to three home sites on the property. The claimant must prove they had the right to develop the home sites when they acquired the property; development rights are transferable to new owners, who must exercise those rights within ten years; and, claimants do not need to re-apply for a waiver;
2. “Conditional” – which allows between four and ten home sites on the property, if the claimant can prove (by appraisal) a loss of value that justifies the number of new home sites permitted. The claimant must prove they had the right to develop the home sites when they acquired the property; claimants are allowed a maximum of 20 homes on two sites; and development rights are transferable to new owners, who must exercise those rights within ten years; and
3. “Vested Rights” – which allows a claim under the existing Measure 37 statutes, if the claimant’s rights are vested by December 6, 2007. Courts have often interpreted rights as being vested if a building permit has been obtained or the development has commenced.

For claims inside the Urban Growth Boundary:

1. the bill allows a property owner with a valid residentially-zoned claim to establish one or more dwellings – with a maximum limit of 10 dwellings in the state for multiple properties;
2. claimants must prove they had the right to develop the home sites when they acquired the property;
3. one or more land use regulation(s) must prohibit the development of the dwelling;

4. exempt land use regulations (public health and safety, and regulations required by federal law) do not prohibit the dwellings;
5. a claimant must prove (by appraisal) a loss of value that justifies the number of new home sites permitted; and
6. the city or county that received the claim, must review the claim inside the urban growth boundary.

General provisions:

1. limits development on high-value farmlands, in forests, and in groundwater-restricted areas to no more than three home sites;
2. minimizes impacts on "high-value farmland" by: limiting home sites to two acres on farmlands and forests, and allowing prospective claims to statutes affecting farm and forest practices, with exceptions for "human health and safety;"
3. prohibits commercial and industrial development through claims;
4. extends rights to surviving spouses whose ownership rights did not qualify for standing under Measure 37;
5. clarifies how Measure 37 would work prospectively: requires that new regulations enacted after January 1, 2007, be subject to prospective claims; allows new claims to be filed within five years of enactment of new regulations that give rise to new claims; provides limitation on residential uses and restrictions on farm and forest practices; and provides waivers or compensation to the extent needed to offset any reduction in value;
6. if the referral passes, the state has 120 days to notify landowners of their options, and landowners have 90 days to respond with their choice;
7. adds Metro as subject to Measure 37; and
8. creates a "Compensation and Conservation Ombudsman" to be appointed by the Land Conservation and Development Commission, in order to assist landowners with the submission of claims.

Special Election to be held on November 11, 2007

HB 3546 – Time Extension for Response to Measure 37 Claims

This bill extends the period for government entities to review, and act upon, Ballot Measure 37 claims submitted after November 1, 2006. Government entities will have 540 days (increased from 180 days) before property owners may file a civil action, and are entitled to just compensation. The measure appropriates \$100,000 from the General Fund to the Department of Land Conservation and Development for the

cost of reviewing Ballot Measure 37 claims during the extended review period.

Effective: May 10, 2007
Chapter 133

HB 5033 – Budget for Department of Land Conservation and Development

HB 5033 is the Oregon Department of Land Conservation and Development's (DLCD) budget for the 2007-09 biennium. In addition to continuing service level increases, the budget authorized an appropriation to the Emergency Board of \$1.5 million, to be allocated to DLCD's budget for processing Measure 37 claims.

Funding for the Local Government Grants Program stayed static at approximately \$2.2 million. However, a budget note adding \$500,000 to the grant program for service provision plans for unincorporated urbanizing areas was added during the Ways and Means process. Additional funds to implement the new Goal 9 rules in the Local Government Grants Program were not appropriated.

Effective: July 1, 2007
Chapter 737

SB 335 – Periodic Review of Buildable Land Supply

This bill would have changed the planning period for buildable land supplies inside an Urban Growth Boundary (UGB). Specifically, it would have allowed the available buildable land supply to fall below a 20-year minimum threshold. This bill received a hearing in the Senate Environment and Natural Resources Committee, but ultimately did not move forward this session.

SB 336 – School Facility Planning

SB 336 requires that large school districts meet and confer at least twice a year with the appropriate city or county representative responsible for comprehensive planning. Large school districts are defined as those with an enrollment of over 2,500 students. The bill specifies that: (1) large districts must develop a ten-year facilities plan; (2) large districts must complete the facilities plan within two years of the effective date of the

bill; and (3) cities and counties have the authority to deny an application for residential development if: (a) the development is an issue raised by the school district, (b) the lack of school capacity is based on an adopted school facility plan, and (c) the city or county has considered options to address school capacity.

Effective: January 1, 2008
Chapter 579

SB 615 – Boundary Changes Within the Metropolitan Service District

This bill abolishes the Metro Boundary Appeals Commission (BAC) and grants Metro jurisdiction over boundary changes within its boundary. The bill also directs Metro to establish a uniform hearing and notification process for subject boundary changes, and an expedited process for uncontested boundary changes. The bill was a result of a ruling by the Oregon Land Use Board of Appeals (LUBA), which stated that boundary appeals in the Metro area must go through the BAC prior to being heard by LUBA.

Effective: January 1, 2008
Chapter 173

SB 722 – Compliance Standards for Cities in Metro

Metro is authorized to develop a regional framework plan and functional land use plans that impact zoning and other land use regulations of the cities and counties within the region. This bill establishes “substantial compliance” as the statutory standard of Metro’s review of local plans and land use regulations for compliance with the Metro Functional Plan. The intent of the bill is to allow cities and counties flexibility when amending local plans and regulations to achieve compliance with Functional Plan requirements.

The measure codifies Functional Plan enforcement authority already in the Metro code and grants Metro the authority to withhold discretionary funds for noncompliance. Additionally, the measure grants the Land Conservation and Development Commission enforcement authority for a non-compliant city or county.

Effective: January 1, 2008
Chapter 176

SB 891 – Discretionary Design Review

SB 891 was introduced at the request of the City of Portland, with the support of Metro and other stakeholders. The bill would have expanded the City's design review authority to areas of the city where there is a growing concentration of medium- and high-density housing developments and would have extended this authority to other jurisdictions in the Metro region. This review is necessary to help cities plan for an influx of one million more people in the Metro area over the next 20 years. The City was successful in garnering support from the primary stakeholders and the bill passed out of the Senate Environment and Natural Resources Committee. However, some unexpected opposition slowed the bill's progress mid-session and no consensus was reached prior to adjournment.

SB 1011 – Urban and Rural Reserves

This bill, a legislative priority of Metro, authorizes counties and metropolitan service districts to enter into intergovernmental agreements in order to concurrently designate rural reserves and urban reserves not included in urban growth boundaries (UGB). The bill modifies the process for designating urban reserves, directing the Land Conservation and Development Commission (LCDC), in consultation with the Department of Agriculture, to adopt a process for designating rural and urban reserves, taking into consideration minimum standards and criteria established in the bill.

Although state law already provides for the establishment of urban reserves, this bill creates an alternative process for the designation of urban reserves in conjunction with rural reserves. SB 1011 more effectively "locks up" rural lands than the current zoning system by mandating that rural reserves may not be brought into urban reserves or UGBs until the end of the urban reserve planning period – 40 or 50 years after designation of reserves.

Additionally, SB 1011 provides a specific appeal process and expedited appeal process to the Oregon Court of Appeals.

Effective: June 28, 2007
Chapter 723

Funding for the Big Look Taskforce

The Oregon Taskforce on Land Use Planning, also known as the “Big Look” Taskforce, was created by SB 82 during the 2005 Legislative Assembly. The taskforce was charged with conducting a comprehensive review of the Oregon Statewide Planning Program and making recommendations for any needed changes to land use policy. In the final days of the session, legislators cut all funding for the Taskforce.

For other bills relating to land use please see:

- HB 2960 – Designation of Forest Park as Area of Critical State Concern (Parks, pg. 80)
- SB 542 – Construction of Superstore Retailers (Economic Development, pg. 22)

Parks

HB 2019 – School Impact Fees/Park SDC Cap

HB 2019 proposed authorizing school districts to assess an impact fee on new residential developments. The bill capped schools impact fees at \$8,000. The bill would have also capped SDC's for parks at \$4,000, allowing those that exceeded that cap to remain, but not be increased. This bill was introduced in the House Education Committee where it remained at the time of adjournment.

HB 2960 – Designation of Forest Park as Area of Critical State Concern

This bill would have directed the Land Conservation and Development Commission (LCDC) to make a report and recommendation as to whether the Legislature should designate Portland's Forest Park, including the Balch Creek watershed and corresponding area of influence, as an area of critical state concern. The bill was heard in the House Energy and Environment Committee where it was referred to the Joint Ways and Means Committee with a "do pass" recommendation. The bill did not move out of the Joint Ways and Means Committee.

SB 45 – Schools/Parks Combined SDC

SB 45 would have authorized a system development charge (SDC) for schools as a component of a parks and recreation SDC. The bill proposed to cap the level of parks/recreation/schools SDC's at an unspecified amount. Furthermore, it would have required that school facilities funded with SDC fees be adjacent to a park or recreation facility and be made available to public use. The City of Portland strongly opposed this bill due to the cap on parks SDC's, and were joined in opposition by the League of Oregon Cities and education and parks advocacy groups, which instead supported establishing a school impact fee with no linkage to park SDC's. The bill remained in the Senate Committee on Finance and Revenue upon adjournment.

For other bills relating to Parks, please see:

- HB 2978 – Pesticide Application (Environment, pg. 48)

Public Employee Retirement System

HB 2280 – Biennial Review of Non-PERS Benefits

HB 2280 removes the “equal to or better than” test for entities that provide non-PERS or Oregon Public Service Retirement Plan (OPSRP) benefits.

Ten public agencies, including the City of Portland, along with four other cities, maintain alternative retirement plans to PERS and OPSRP for their police and fire employees. These entities are currently required to perform a biennial test to determine that their plans offer benefits that are “equal to or better” than PERS or OPSRP. With the introduction of multiple tiers in the retirement system, this testing has become very expensive.

Effective: January 1, 2008
Chapter 622

HB 2281 – Withdraw From PERS Following Retirement

HB 2281 requires a member who withdraws from one Public Employee Retirement System (PERS), to withdraw all accounts from PERS at the same time. This bill was the result of a PERS Board Legislative Advisory Committee which concluded that complications arise when a member returns to work while still a member of one program, but not others.

Effective: January 1, 2008
Chapter 52

HB 2284 – Break-in Service

This bill exempts public employees from a break-in service determination under the Public Employee Retirement System (PERS) if they are subsequently reinstated after successfully challenging a disciplinary or administrative action.

Effective: January 1, 2008
Chapter 624

HB 2401 – Public Safety Retirement: Dispatchers

HB 2401 provides an earlier retirement date option for 9-1-1 operators and police and fire dispatchers. Currently, these employees are subject to the normal retirement date options provided to all other non-public safety public employees. This bill provides telecommunicators with the option to retire at age 55, or after 25 years of service, regardless of age. In order to keep the bill “cost neutral,” it includes a provision that eliminates any cost-of-living adjustments until a 25-year retiree reaches the age of 55.

Effective: January 1, 2008
Chapter 404

HB 3061 – Contributions to Labor Organizations Following Retirement

HB 3061 would have required PERS to allow retired members and beneficiaries to make voluntary monthly contributions to labor organizations. This bill received a hearing in the House Business and Labor Committee, where it remained upon adjournment.

HB 3129 – Taxation of PERS Benefits

This bill would have established the authority of local governments to impose a personal income tax only if: (1) all local, state, and federal retirees are exempted from the tax; or (2) all retired police officers or firefighters who were employed by non-PERS employers, are provided benefit increases to compensate them for the taxation of their retirement benefits and the non-Oregon PERS employer does not decrease any other benefit because of the increases mandated by the bill. The bill was referred from the House Judiciary Committee to the House Revenue Committee where it remained upon adjournment.

Public Benefits

HB 2094 – Individual Development Accounts

Individuals or businesses donating to the state selected nonprofit (currently the Neighborhood Partnership Fund) for individual development accounts (IDAs) are allowed an income tax credit equal to the lesser of \$75,000 or 75 percent of the amount donated. Contributions are applied toward matching IDA holder savings and also toward program-related expenses of the fiduciary organization. Unused credits may be carried forward for up to three years. HB 2094 is a housekeeping bill for IDAs and modified several definitions, among other changes.

Effective: July 16, 2007
Chapter 765

HB 2469 –Temporary Assistance for Needy Families Program

The Temporary Assistance for Needy Families (TANF) program provides cash and other assistance to low-income families with children while they strive to become self-sufficient. The goal of the program is to reduce the number of families living in poverty through employment and community resources. This bill modifies the TANF program to meet federal requirements under the Deficit Reduction Act of 2005. More specifically, it strengthens screening, assessment, case planning, and defines suitable work activities. The bill creates a post-TANF program for clients that enter and maintain employment or work participation activities at a combined level to meet federal participation requirements and expands client eligibility for extended medical assistance after an increase in income.

Effective: October 1, 2007
Chapter 861

HB 3139 – General Assistance Program Fund

HB 3139 would have created a General Assistance Program Fund within the Treasury, for the use of the Department of Human Services. Interest earned by the General Assistance Program Fund would have been credited to the fund, with all money in the fund being continuously appropriated to the Department of Human Services.

The General Assistance Program has historically been in place to help support Oregonians who have no source of income, have disabilities, and are pursuing Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) benefits. The program has undergone a series of funding reductions since 2003 and the intent of this bill was to restore the program to prior funding levels.

HB 3139 received a hearing in the House Human Services and Women's Wellness Committee and was referred to the Joint Ways and Means Committee where it remained upon adjournment.

Public Records

HB 2085 – Administration of Public Archives

HB 2085 would have increased the financial resources available for the archiving of public records by adding one dollar to the fees required for recording a document with a county clerk. Half of the funds would have been dedicated to local records management, and half to the Secretary of State's Public Records Management Assistance Fund. The bill did not move out of the Joint Ways and Means Committee before adjournment of the Legislature.

HB 2131 – Address Confidentiality Program

The Address Confidentiality Program was established by the 2005 Legislature. The program enabled victims of domestic violence, sexual assault, and stalking to keep their addresses and telephone numbers confidential. It also allowed participants to use a substitute address when working with state and local governmental agencies and authorized a mail forwarding service. When the program was implemented, ambiguities and limitations were discovered and an advisory group was formed to recommend solutions. HB 2131 clarifies the law and expands its scope by: (1) applying it to county clerks and ODOT; (2) enacting a "good cause" standard; and (3) allowing participants to use a substitute address whenever a law requires disclosure of a residence.

Effective: June 22, 2007
Chapter 542

SB 537 – Address Used For Police Officers

This bill adds "police officer" to the list of eligible public employees who are allowed to request that the Department of Transportation substitute their work addresses for their home addresses in the Department's public records.

Effective: January 1, 2008
Chapter 169

SB 554 – Requests for Public Records

This bill requires a government entity to respond, as soon as practicable and without undue delay, to a written request for a public document. It requires government entities to make available to the public a written procedure for making public records requests. The procedure must include the name of the person to whom the request may be sent, the amounts charged for requests, and how these charges are determined.

Effective: January 1, 2008
Chapter 467

SB 871 – Non-Disclosure of 9-1-1 Audio Recordings

SB 871 would have exempted from disclosure, under public records law, an audio recording of the voice of a caller to a 9-1-1 emergency center. The bill outlined exemptions, such as when it is in the public interest to require disclosure. Additionally, the bill would have allowed anyone to obtain a transcript of a call to a 9-1-1 emergency center. The bill remained in the Senate Judiciary Committee upon adjournment.

Public Safety

HB 2119 – Proof of Vehicle Registration

This bill prohibits knowingly using license plates or registration stickers on a vehicle other than the vehicle for which the plate or sticker was issued. The bill makes it a Class B traffic violation for the illegal displaying of a registration plate or sticker.

Effective: January 1, 2008
Chapter 192

HB 2134 – Police Interception of Communications

There are several statutes that describe when police officers must obtain a judicial order before using electronic surveillance to intercept communications. The laws provide that, in many cases, unlawfully-intercepted communications, and the evidence derived therefrom, may not be used as evidence against a criminal defendant. They also detail the circumstances in which a court order is required to intercept a communication, and when such an order is not necessary.

This bill expands the circumstances in which law enforcement may lawfully intercept communications. Specifically, communications interception may occur when there is probable cause that: (1) the individual committed or is about to commit racketeering, and (2) the location in question will be used to plan the crime, or is open to the public or owned by the suspect. Furthermore, electronic interception is permitted when: (1) there is reasonable suspicion that the person whose communication is to be intercepted is committing, has committed, or is about to commit a crime; (2) there is a substantial risk of death, serious injury, or sexual assault and the interception is necessary to protect the safety of the person who may be endangered; (3) other investigative procedures have been tried and failed, or are unlikely to succeed if tried; and (4) the person suspected of committing the crime and whose verbal communication is to be intercepted, if known, is identified.

Effective: January 1, 2008
Chapter 442

HB 2148 – Minors in Possession of Alcoholic Beverages

Current statute makes it a Class B violation for underage persons to purchase or possess alcohol, or to enter, or attempt to enter, licensed premises. There is presently no difference in the penalty for an underage person in possession of alcohol at a house party, and an underage person in possession of alcohol while driving – both are Class B violations. This bill makes it a Class A violation for an underage person to possess alcohol while driving a vehicle.

Effective: January 1, 2008
Chapter 41

HB 2150 – Minor Decoy Operations

HB 2150 was one of several bills that were put forth at the request of the Attorney General's Underage Drinking Taskforce. This bill would have amended current statute to allow the Oregon Liquor Control Commission (OLCC) greater flexibility in conducting random underage decoy operations targeting vendors who sell alcohol to underage persons. This bill passed in the House by a vote of 51-0, however it stalled in the Senate Judiciary Committee.

HB 2152 – Underage Drinking: Suspension of Driving Privileges

This bill would have enhanced the license suspension sanction by allowing for the immediate suspension of driving privileges for underage drinkers between the ages of 15 and 21. The bill would have allowed for a 90-day suspension of driving privileges for the first offense, and one year for each subsequent offense. This bill was requested by the Attorney General's Underage Drinking Taskforce. The bill passed out of the House Judiciary Committee and was referred to the Joint Ways and Means Committee, where it remained upon adjournment.

HB 2153 – Statutes of Limitations for Certain Sex Crimes

Generally, felony sex crimes are subject to a six-year statute of limitations. For first or second degree rape, or first or second degree sodomy, the limitation is 12 years if DNA evidence is available. HB 2153 extends the limitation period to 25 years, provided that DNA evidence is available, for first and second degree crimes of rape and sodomy, and first degree

sexual abuse. The only exception is if it has been more than six years from the date of the offense or the victim is under the age of 18. In such cases, the State must commence prosecution within two years of discovering the identity of the defendant through DNA. The “victim under age 18” limitations period is the earlier of either: (1) the date the victim turns 30, or (2) 12 years of the date that the crime was reported. HB 2153 applies only to offenses that are not already barred by the existing statute of limitations.

Effective: July 27, 2007
Chapter 840

HB 2163 – Fire Safe Cigarettes

This bill requires that all cigarettes sold in Oregon be “fire-safe,” or self-extinguishing. According to the State Fire Marshal, cigarettes are the leading cause of structural fires in Oregon, as well as many forest and brush fires.

Effective: April 17, 2007
Chapter 34

HB 2166 – Underage Drinking: Alcohol Sales to Minors

Under this bill, the Oregon Liquor Control Commission would have been authorized to cancel or suspend a liquor license, or impose a civil penalty should the commission, find or have reasonable grounds to believe, that an establishment sold alcohol to an individual under the age of 21 or to a patron who was visibly intoxicated.

The bill remained in the House Judiciary Committee upon adjournment.

HB 2220 – Regulation of Pawnbrokers

Current law requires the Department of Consumer and Business Services (DCBS) to examine every licensed pawnbroker every two years and requires pawnbrokers to register transactions in ink. Existing statute also requires bona fide residence in Oregon in order to receive a pawnbroker license. DCBS must post notice of the filing of an application 30 days before approving a license. This bill allows pawnbrokers to keep records electronically and modernizes the record-keeping requirements. The bill

eliminates the requirement that examinations be conducted biennially, and allows the Director of DCBS to evaluate the need for, and frequency of, such examinations. The residency requirements and the 30-day posting requirements were also eliminated.

Effective: January 1, 2008
Chapter 360

HB 2275 – Safety Belts for Property Transport Vehicles

HB 2275 extends the requirement to wear safety belts to drivers of certain commercial vehicles designed to be used for the transportation of property who are currently exempt.

Effective: January 1, 2008
Chapter 200

HB 2334 – Requirements for Obtaining a Concealed Handgun License

Current statute sets out a list of requirements an individual must meet in order to obtain a concealed handgun license (CHL). HB 2334 adds three requirements. Specifically, the bill requires that persons applying for a CHL must: (1) not be required to register as a sex offender in any state; (2) not have received a dishonorable discharge from the Armed Forces; and (3) not have been convicted of an offense involving controlled substances or participated in a drug diversion program.

Effective: January 1, 2008
Chapter 368

HB 2342 – Providing False Information to a Peace Officer

Existing law makes it a Class A misdemeanor to provide a false name, address, or date of birth to a peace officer. This does not apply to instances when the officer intends to arrest the person based on probable cause, or when there is a bench warrant or a probation warrant, rather than an arrest warrant. In these scenarios, if a person lies about his or her information, there is no crime. This bill expands the crime of providing false

information to a peace officer to encompass all warrants, but does not apply to probable cause arrests.

Effective: January 1, 2008
Chapter 771

HB 2392 – Polygraph Examinations

HB 2392 was another bill introduced this session authorizing law enforcement agencies to use polygraph examinations as a tool to screen police officer applicants. The bill was referred to the Judiciary Committee, where it remained upon adjournment.

HB 2466 – Photo Radar

This bill expands the authorization for cities to use photo radar as a traffic enforcement tool by adding three more cities that are authorized to use the technology. The bill also makes some clarifications on how the technology must be used including a requirement that warning signs that the technology is in use be at least two feet above the ground. Furthermore, the bill authorizes the Oregon Department of Transportation (ODOT) to operate photo radar units in highway work zones. ODOT will be required to file a report with the legislative Assembly on the program. Finally, ODOT's authorization to operate these units in highway work zones sunsets at the end of 2014.

Effective: January 1, 2008
Chapter 640

HB 2508 – Photo Red Light Enforcement Expansion

HB 2508 expands the authorization to utilize photo red light technology to all cities, regardless of population; the current standard permits cities over 30,000 in population to use the technology. Importantly for Portland, the bill eliminates the restriction on the number of intersections in which a city can install and operate red light cameras. The bill also eliminates a requirement that the Oregon Department of Transportation (ODOT) prepare and provide a summary report to the Legislature of the process

and outcome evaluations conducted by cities on their photo red light enforcement programs.

Effective: January 1, 2008
Chapter 640

HB 2562 – Implied Consent

This bill would have created the offense of “refusal to take a blood test for intoxicants,” for those who refuse to submit to a blood or urine test, when requested to do so pursuant to the Implied Consent Statute. This offense would have been punishable with a fine of at least \$500 but no greater than \$1,000. The bill passed in the House by a vote of 54-0, but stalled upon reaching the Senate Judiciary Committee.

HB 2568 – Ownership of Data Obtained by Motor Vehicle Event Data Recorder

An event data recorder is a device installed in motor vehicles that records information related to accidents. These devices are used for the reconstruction of events that lead up to accidents. Federal law requires that manufacturers disclose the existence of such devices beginning September 1, 2010. HB 2568 establishes that the information on a motor vehicle event data recorder is the exclusive property of the vehicle’s owner and may not be retrieved or used by any person without the owner’s written consent. The bill prohibits insurers from requiring owners to disclose data as a condition of settlement of a claim or providing insurance. However, the bill allows a court to require disclosure in certain circumstances, and permits retrieval without the consent of an owner in situations where data is needed to provide emergency medical care to the driver or passengers, or for repair purposes.

Effective: January 1, 2008
Chapter 644

HB 2645 – Relating to Distracted Driving

HB 2645 would have banned operators of motor vehicles from using cell phones, or any other two-way wireless communication device, while driving. The bill would have created the offense of Distracted Driving, a

Class B traffic violation. The bill was referred to the House Transportation Committee, where it remained upon adjournment.

HB 2651 – Police Officers’ Disclosure of Recorded Conversations

HB 2651 was a key piece of legislation supported by the Portland Police Bureau and the Oregon Association Chiefs of Police. Under current law, it is a Class A misdemeanor for a person to record conversations without the knowledge of all participants. There are certain exemptions, such as a felony that endangers human life.

This bill adds a new exemption for a law enforcement officer if the officer is in uniform, displaying a badge, and operating a vehicle-mounted video camera that records the scene around a police vehicle for the duration of an event that began as an effort to enforce a traffic or vehicle law.

Many officers have video recording devices in their police vehicles and use such devices in connection with traffic stops. Though officers tell the subject of the stop that their conversation is being recorded, there are circumstances when one does not have the opportunity or time to notify the subject(s) that they are being recorded. HB 2651 exempts uniformed officers displaying a badge who operate a vehicle with a video camera or a taser equipped with an automatic recording device, from the crime of failing to disclose to participants that a conversation is being recorded. Additionally, the bill prevents a person with a prior felony of Driving Under the Influence of Intoxicants (DUI) conviction in Oregon or elsewhere from participating in a diversion program. The bill clarifies language regarding which out-of-state DUI convictions count against a person in Oregon.

Effective: January 1, 2008
Chapter 879

HB 2682 – Police Enforcement of Immigration Laws

HB 2682 would have permitted local law enforcement agencies to apprehend a person based on probable cause that the person was in violation of immigration law. The City opposed this bill which did not advance out of the Joint Ways and Means Committee prior to adjournment.

HB 2740 – Crimes Relating to Driving Under the Influence of Intoxicants

HB 2740 creates a Class A felony of aggravated vehicular homicide (240 month sentence). This new crime occurs when a driver with a prior conviction for first or second degree manslaughter, or criminally negligent homicide involving a death and driving under the influence, kills or injures someone with their vehicle while intoxicated.

The bill also expands first degree manslaughter (120 months imprisonment) and first degree assault (90 months imprisonment) if the person has a prior conviction for assault in the first, second, or third degree involving DUI or three previous convictions for DUI in Oregon or elsewhere within the past 10 years.

Effective: January 1, 2008
Chapter 867

HB 2765 – Crisis Intervention Training for Police Officers

Currently, the Department of Public Safety Standards and Training (DPSST) has eight hours of classroom training on mental illness recognition, four hours of mixed classroom and breakout sessions, and four to eight hours of scenario training. This training is part of the current basic certification procedure for police officers. This bill requires DPSST to provide at least 24 hours of training in mental illness recognition, using a crisis intervention model.

Effective: January 1, 2008
Chapter 377

HB 2819 – Recording of Communications by Police Officers

HB 2819 would have exempted police officers from committing the offense of obtaining communications without the knowledge of all participants. This bill addressed circumstances in which police officers inadvertently record a conversation through an audio-equipped in-car video unit without notifying all of the participants, due to possibly life-threatening situations which may arise. While a problem that the City of Portland sought to address, the bill was written fairly broadly and would have been a major policy shift from current state statute. HB 2819 did not pass, but a similar, more focused measure did pass (2651 pg. 92).

HB 2843 – Furnishing Sexually Explicit Material to a Child

HB 2843 was the result of strong bipartisan collaboration to address problems relating to pornography, children, and the luring of minors for sexual conduct and activity. The measure creates two new crimes: (1) “furnishing sexually explicit material to a child” (defined as age 13 or younger) and punishable by a maximum of one year’s imprisonment and/or a fine, and (2) the crime of “luring a minor” (under the age of 18), punishable by a maximum five year’s imprisonment and/or a fine.

Effective: January 1, 2008
Chapter 869

HB 2854 – Police Officers’ “Bill of Rights”

HB 2854 would have allowed police officers to be disciplined only for “just cause” and limited the ability of the employing agency to investigate alleged wrongdoing by police officers. The bill defined “just cause” as: (1) the employee was notified of the actions and consequences of his or her conduct; (2) the rule the employee violated was directly pertinent to the agency’s function; (3) the employer had conducted a full and fair investigation; (4) there was substantial evidence that the misconduct occurred; (5) the employer applied rules and penalties evenhandedly in the past; and (6) penalties were proportionate to the seriousness of the offense and the employee’s record with the agency.

Furthermore, the bill would have limited the ability of the employing agency to investigate alleged wrongdoing by police officers by limiting the hours during which an employee could be questioned. Finally, the bill also required the investigator to advise the employee that it was possible he or she would be charged with a crime.

This bill remained in the House Business and Labor Committee upon adjournment.

HB 2872 – Driving While Using a Cell Phone

This bill prohibits a person under age 18, who holds a provisional drivers license, special student driver permit, or an instructional driver permit, from using a mobile communication device while driving on a highway. The bill defines communication device broadly, as any two-way communication

device designed to receive and transmit voice or text communication. Exceptions to this requirement include when a person is summoning medical or emergency help if no other person in the vehicle is capable of doing so or when the subject is engaging in farming or agricultural operations. The offense is a Class D traffic violation and provides that a police officer may enforce the violation only as a secondary action when the driver has been stopped for another suspected traffic violation.

Effective: January 1, 2008
Chapter 870

HB 2895 – Notification of Law Enforcement Officials by Health Care Providers

Healthcare providers must notify a law enforcement officer or agency if he or she reasonably believes that a person receiving treatment was the driver in an accident, and had a blood alcohol content (BAC) of .08 or greater. This bill reduces the notification period from five days to no later than 72 hours after becoming aware of the blood test results.

Effective: January 1, 2008
Chapter 662

HB 3007 – Mental Health Intervention Training for Police Officers

This bill would have required that the Department of Public Safety Standards and Training include, as a part of its basic training, crisis intervention training, with training on the identification of, and assistance to, those with mental illness. This was one of several bills introduced, which related to the training of police officers in how to handle those with mental illness. While this bill did not move out of the House Judiciary Committee, similar legislation did pass this session (HB 2765, pg. 93).

HB 3026 – Scrap Metal Dealers

This bill is the result of the Legislature's resolve to address the problem of drug users, primarily methamphetamine users, financing their habit through stealing and then recycling metal (for money). This bill clarifies the components of a metal purchase record which must be kept by a scrap metal dealer. These components include: (1) the date and time of the transaction; (2) the name of the person conducting the transaction for

the dealer; (3) a general description of the property, including any readily discernible marks; (4) a copy of the seller's license, passport, or ID card; (5) the amount of consideration given; (6) if over \$100, a declaration by the seller that the metal was not stolen; (7) video surveillance of the seller (which must be retained for 30 days); and (8) the vehicle/license plate of the seller. The bill also removes the current criminal sanctions for failing to maintain a record and replaces them with a fine system.

Effective: January 1, 2008
Chapter 475

HB 3106 – Relating to Officer Training

This bill would have required the Board on Public Safety Standards and Training to ensure police, reserve, and corrections officers be trained to interact with persons with disabilities and persons under the influence of alcohol or other substances. This bill never advanced out of committee.

HB 3113 – Child Abuse Investigations

This bill requires the Department of Human Services (DHS) and a law enforcement agency to jointly determine their respective roles in conducting an investigation of child abuse after either one has received an oral report of child abuse at a child care facility. Both entities are required to report the outcomes of their investigations to the Child Care Division. In Oregon, child care facilities are registered by the Child Care Division (CCD) of the Employment Department and are defined as facilities that care for more than three children.

Effective: January 1, 2008
Chapter 781

HB 3314 – Careless Driving “Vulnerable User” Penalty

This bill adds additional penalties to a conviction for careless driving when the offense results in serious physical injury or death of a vulnerable user of a public way.

Effective: January 1, 2008
Chapter 784

HB 3318 – Campus Public Safety Officers

Oregon statute allows institutions under the control of the State Board of Higher Education, the authority to designate persons as “special campus security officers.” There is a limit of no more than 50 such persons throughout the Oregon University System (OUS). Special officers can stop and frisk and make arrests, but they cannot carry firearms and are not considered officers for purposes such as the Public Employees Retirement System and life insurance. This bill would have amended current statute by removing the title of “special campus security officer,” authorized such persons to become full public safety officers and undergo complete training by the Department of Public Safety Standards and Training. This bill passed the House in the waning days of the session, but ultimately stalled in the Joint Ways and Means committee.

HB 3379 – Criminal Possession of a Rented or Leased Vehicle

HB 3379 creates a Class C felony of “criminal possession of a rented or leased motor vehicle” if the vehicle is not returned to the renter or lessor within three business days of receiving a written demand for return. The bill allows the rentee/lessee to raise a contract dispute as an affirmative defense.

Effective: January 1, 2008
Chapter 684

HB 3432 – Board of Public Safety Standards and Training Membership

The Board of Public Safety Standards and Training (BPSST) consists of 24 members, appointed by the Governor, who represent the broad constituencies that the Department of Public Safety Standards and Training serves. This bill would have increased the number of members on the board from 24 to 25 and removed the Chief of the Portland Police Bureau, Chief of the Portland Fire Bureau, and the Special Agent in Charge of the Federal Bureau of Investigation for Oregon. The bill would have removed the voting power of the Superintendent of the State Police, State Fire Marshall, and the Director of the Department of Corrections, making them non-voting *ex-officio* members. The bill passed in the House and was referred to the Senate Rules Committee, where it remained upon adjournment.

HB 3515 – Prevention of Online Predators

This bill creates the crime of “Online Sexual Corruption of a Child,” a second degree, Class C felony, and “Online Sexual Corruption of a Child,” a first degree, Class B felony. The Class C felony is punishable by a maximum of five years in prison and a \$125,000 fine. The Class B felony is punishable by a maximum of ten years imprisonment and a \$250,000 fine. Both crimes require the offender to register as a sex offender.

Effective: January 1, 2008
Chapter 876

HB 3524 – Mental Health Database

This bill would have created a 13-member taskforce to identify issues, explore solutions, and make recommendations about the possible use of a mental health database to aid law enforcement officers in assisting mentally ill individuals obtain medical, mental health, and social services. This bill did not make it out of the Joint Ways and Means Committee.

HJR 5 – USS Ranger

This resolution was sponsored by the House Committee on Emergency Preparedness. The resolution would have encouraged the City of Portland and the Port of Portland to make efforts to relocate the USS Ranger, a decommissioned aircraft carrier, to the metropolitan area for economic development and/or emergency management purposes.

The resolution was referred to the House Emergency Preparedness and Ocean Policy Committee where it received a hearing and remained upon adjournment.

SB 108 – Unsafe Driving Around Bicyclists

This bill creates two new traffic violations: (1) “Operating a Vehicle Without a Crossview Mirror,” a Class B traffic violation which applies to certain commercial trucks; and (2) “Unsafe Passing of a Person Operating a Bicycle,” a Class B traffic violation. SB 108 defines “unsafe passing” as a situation in which a driver does not “pass on the left at a ‘safe distance’ and then return to the lane of travel once the car is safely clear of the

overtaken bicycle.” The bill also defines “safe distance” as “a distance that is sufficient to prevent contact with the person operating the bicycle if the person were to fall into the driver’s lane of traffic.” Exceptions include instances in which: (1) the driver is in a lane separate from a specific bicycle lane; (2) the driver is traveling at a speed of 35 mph or less; or (3) the driver is passing a bicyclist on the bicyclists’ right side and the bicyclist is turning left.

Effective: January 1, 2008
Chapter 794

SB 111 – Use of Deadly Force

This bill creates a “planning authority” in each county regarding the use of deadly force by police officers and specifies the members that constitute the planning authority. Each planning authority will be required to develop a specific plan relating to the use of deadly force. Two-thirds of the governing bodies within the county and the Attorney General must approve the plan before it becomes officially adopted. The bill requires each law enforcement agency to adopt a policy dealing with the use of deadly force by its police officers. Deadly force investigations must include an officer from an outside agency. This bill contains several other provisions related to light duty, reimbursement expenses, membership on the planning authority in each county, and the requirements of the plans.

Effective: July 27, 2007
Chapter 842

SB 331 – Organized Retail Theft

Organized retail theft is generally understood to be when multiple persons, acting in concert, steal various items from stores with the purpose of later reselling the items at secondary markets such as e-Bay, Craig’s List, etc. Under existing law, Oregon divides most theft offenses by dollar value. Oftentimes, organized retail thieves intentionally steal items with a value at or below \$750 to keep the crime at the misdemeanor level, and then return to steal from the same or different store on the following day or week. Testimony suggested that the money raised from this type of organized theft is often used to finance methamphetamine addiction.

SB 331 creates the new crime of Organized Retail Theft to capture this conduct at the felony level. What differentiates this crime from others, is

that the person charged must have acted in concert with another person and the aggregate value of the merchandise within a 90-day period must exceed \$5,000. The bill also places organized retail theft within Oregon's RICO (Racketeer Influenced and Corrupt Organizations Act) statute.

Effective: January 1, 2008
Chapter 498

SB 347 – Test Instruments for Blood Alcohol Content

In DUII prosecutions, defense attorneys will often request, as part of the discovery process, that the state turn over any and all information relating to the instrument that was used to test a defendant's Blood Alcohol Content (BAC). Such information can include the crime lab's maintenance records of the machine.

This bill clarifies that certain information relating to these test instruments is not discoverable or admissible. The bill also specifies what information, at a minimum, the state must provide to the defense in DUII prosecutions.

Effective: June 25, 2007
Chapter 581

SB 351 – Missing Persons Procedures

This bill requires written policies for law enforcement agencies regarding missing persons and the development of specific procedures for missing persons investigations. The bill also changes the name of the Clearinghouse to the Missing Children and Adults Clearinghouse.

Effective: January 1, 2008
Chapter 500

SB 379 – Training of Mandatory Child Abuse Reporters

This bill requires school employees to complete yearly training on the prevention and identification of child abuse and the obligations of school employees (mandatory reporters) to report child abuse. The bill also requires schools to make this training available to school parents, and

requires the Department of Human Services to make efforts to notify persons who make a report of abuse of the outcome of the investigation.

Effective: June 20, 2007
Chapter 501

SB 447 – Identity Theft

Identity theft, the use of another person’s personal identification with the intent to deceive or defraud, is a Class C felony punishable by a maximum of five years in prison and a \$125,000 fine. SB 447 adds “living or deceased” to the definition of another person. Additionally, the bill expands the definition of personal identification to include the identifying number of a person’s depository account at a “trust company” as well as a “financial institution.”

Effective: January 1, 2008
Chapter 583

SB 464 – Aggravated Identity Theft

This bill expands the offense of identity theft, creating “aggravated identity theft,” a Class B felony. The elements of aggravated identity theft include: (1) committing identity theft 10 or more times in 180 days; (2) committing identity theft with a dollar value over \$10,000 in a 180-day period; and (3) committing identity theft and the defendant is in possession 10 or more pieces of identification of 10 or more different persons.

Effective: January 1, 2008
Chapter 584

SB 480 – Child Safety Occupant Protection Requirement

This bill requires children less than one year of age (regardless of weight) or a person who weighs 20 pounds or less, to be properly secured with a child safety system in a rear-facing position. The measure requires children under eight years of age (who weigh more than 40 pounds and are four feet nine inches or shorter) to be in a booster seat. SB 480 further provides that a person who is eight years of age or older need not be secured with a child safety system, but must be properly secured with a

safety belt or safety harness. A person who fails to follow the provisions of this measure commits the offense of failure to properly use safety belts.

Effective: July 1, 2007
Chapter 601

SB 530 – Polygraph Examinations

This bill would have permitted the use of polygraph examinations for individuals applying with law enforcement agencies or county juvenile departments. This bill was referred to the Senate Judiciary Committee where it did not receive a public hearing. A similar bill was introduced at the request of the City of Portland and the Oregon Association Chiefs of Police (SB 732, pg. 103).

SB 573 – Pedestrian Safety

SB 573 would have granted a pedestrian the right of way to a crosswalk by “raising a hand.” The bill would have required a driver to stop for the pedestrian who signaled that he/she was preparing to enter a crosswalk. This bill passed in the Senate but stalled in the House Judiciary Committee.

SB 578 – Human Trafficking Crimes

This bill creates the crime of subjecting another person to involuntary servitude in the first and second degree, within Oregon’s racketeering statute. The first degree penalty is a Class B felony and the second degree penalty is a Class C felony. The bill also creates the crime of trafficking in persons and sets the penalty as a Class B felony. Under the Fair Labor Standards Act, victims are allowed to seek restitution from a convicted defendant for the gross income or value to the defendant of the victim’s labor.

Effective: July 17, 2007
Chapter 811

SB 583 – Oregon Consumer Identity Theft Protection Act

This bill is the product of a seven month workgroup which included representatives from industry, consumer groups, and government. It is a

comprehensive bill providing consumer protection measures to prevent identity theft. The bill requires notification to consumers for breach of security of computerized data, allows consumers to freeze or block access to their credit, and prohibits – with exceptions – the printing or displaying of a social security number unless made unreadable.

Effective: October 1, 2007
Chapter 759

SB 642 – Drug Exclusion Zones

SB 642 would have prohibited local governments from excluding persons from certain zones based on arrest, rather than conviction, for certain drug offenses. As a result, the City of Portland would have been forced to modify its Drug Exclusion Zones policy. The bill received a hearing in the Senate Judiciary Committee, where it remained upon adjournment of the Legislature.

SB 732 – Police Polygraph Examinations in Employment

SB 732, introduced at the request of the Portland Police Bureau and the Oregon Association Chiefs of Police, would have permitted the use of polygraph tests on individuals applying for the position of peace officer. The bill would have also prohibited the disqualification of an applicant based solely on the results of the polygraph examination, making it an unlawful employment practice. The bill received a hearing in the Senate Judiciary Committee, but ultimately remained there upon adjournment.

SJR 18 – Legislative Referral Relating to Civil Forfeiture

Current civil forfeiture laws require a criminal conviction before property may be seized. Furthermore, it must be proven by a clear and convincing standard that the property was not the proceeds of that particular crime or instrumental to its commission. Existing law also requires that drug money seized by police be used only to fund treatment activities.

This resolution was referred to the voters and will appear on the May 2008 ballot. Should it be approved, it would alter Oregon's civil forfeiture laws by: (1) allowing property to be seized without a criminal conviction if the property was the fruit of a crime or instrumental to its commission; (2) reducing the burden of proof needed to seize property from a legal

standard of clear and convincing to a simple preponderance of the evidence in most cases; (3) switching the burden of proof to the claimant, who will have to prove that money or weapons, when seized in close proximity to controlled substances, were not related to the criminal activity; and (4) allowing money seized by police during drug arrests to be used for law enforcement purposes.

Filed with the Secretary of State on June 25, 2007

For more bills relating to Public Safety, please see:

- SB 994 – Omnibus Spending Bill (Transportation, pg. 126)
- HB 2357 – Electronic Filing of Court Documents (General Government, pg. 59)
- HB 3054 – Project Clean Slate (General Government, pg. 60)
- HB 3313 – Rehabilitation of Illegal Drug Manufacturing Sites (General Government, pg. 61)
- HB 2936 – Registration Fees for Motor Homes (Transportation, pg. 120)
- SB 567 – Traffic Obstructions (Transportation, pg. 124)

Rural Partnership

SB 604 – Pendleton Academies

SB 604 would have appropriated money from the General Fund to the Department of Human Services for psychiatric day-treatment services for children in Eastern Oregon. The money would have been directed to Pendleton Academies, a co-ed day and residential school program for children ages 6-18 with emotional and learning difficulties. The bill remained in the Joint Ways and Means Committee upon adjournment.

SB 600 – Water Supply Assessment

SB 600 would have required the Oregon Water Resources Department (WRD) to conduct a statewide assessment of water supply and conservation opportunities by July 1, 2009. The bill would have statutorily established the Oregon Water Conservation and Supply Initiative in the WRD's budget. The bill did not move beyond the Joint Ways and Means committee because of the Legislature's inclusion of \$750,000 in the WRD's budget to initiate the Conservation and Supply Initiative. Portland issued a letter of support for this bill as part of its rural agenda.

HJM 5 – Federal Forest Payments Reauthorization

This memorial urged Congress to reauthorize the Secure Rural Schools and Community Self-Determination Act, which it passed seven years ago to fund county and school programs in federalized forestland states. Portland's City Council submitted a letter in support of this memorial and the reauthorization of the act, which passed in both chambers unanimously.

Filed with the Secretary of State on May 24, 2007.

For other bills relating to Rural Partnerships, please see:

- SB 37 – Rural Health Safety Net (Benefits, pg. 3)

Taxation & Finance

HB 2217 – Corporate Minimum Tax Increase

HB 2217 would have increased the corporate minimum tax an undetermined amount. Revenue from the tax increase would have been dedicated to the Department of Higher Education and the Department of Community Colleges and Workforce Development. The bill passed out of the House Education Committee; however, it stalled in the House Revenue Committee where it remained upon adjournment.

HB 2347 – Beer, Wine, and Cider Tax Increase

This bill proposed increasing the tax on beer, wine, and cider by an unspecified amount. New revenues would have been dedicated to alcohol and drug abuse prevention and treatment programs. The bill received two hearings in the House Revenue Committee, however did not receive the support necessary to pass out of the committee.

HB 2530 – Comprehensive Tax Reform Taskforce

HB 2530, which was sponsored by a bipartisan group of legislators, began as a bill that would have overhauled the state's current system of taxation. The proposed tax structure would have been less dependent upon the personal income tax and implemented a statewide sales tax. At the very end of the legislative session, the bill was amended, removing the original language and replacing it with new language establishing a Taskforce on Comprehensive Revenue Restructuring. The taskforce is charged with drafting a plan to promote revenue stability for state and local governments and will include members of the Legislature and representatives of the Governor, as well as representatives from cities, counties, businesses, labor organizations, chambers of commerce, taxpayer organizations, and other stakeholders. The plan is required to be completed by November 1, 2008.

Effective: July 31, 2007
Chapter 862

HB 2535 – Malt Beverage Recovery Fee

HB 2535 would have created a “malt beverage recovery fee” of \$32 per barrel (roughly 10 cents per 12 oz. beer), raising approximately \$121 million. Funds would have been dedicated to addiction treatment and prevention programs. The bill would have directed 53.8 percent to counties to fund various treatment and prevention programs. The remaining monies would have been divided evenly (7.7 percent each) between: (1) state drug and alcohol abuse prevention programs; (2) drug-free housing; (3) drug courts; (4) the State Department of Health Services for residential treatment programs; (5) county alcohol-related law enforcement; and (6) city alcohol-related law enforcement. The bill received a hearing and work session however ultimately stalled in the House Revenue Committee.

HB 2541 – Business License Fee Exemption for Realtors

HB 2541 would have expanded the exemption that realtors currently receive from business license fees (BLF) imposed by local governments. Currently, local governments are prohibited from imposing or collecting a BLF on a licensed real estate broker who works as an agent of a principal real estate broker. This bill would have extended that exemption to principal real estate brokers.

This bill passed in the House unanimously, and was referred to the Senate Business Transportation and Workforce Development Committee, where it remained upon adjournment.

HB 2611 – Extension of Special Assessment for Historic Properties

HB 2611 would have allowed owners of properties that are utilizing the 15-year term of historic property special assessment the ability to apply for a second 15-year term. The bill was referred to the House Revenue Committee where it remained upon adjournment; however, a similar measure, SB 416 (pg. 110) did pass.

HB 2647 – Historic Districts

HB 2647 would have added “historic districts” to the list of special districts that counties or voters could establish. Under the bill, a historic district could levy property taxes to support the acquisition, reconstruction and

maintenance of historic sites and structures, and to establish or maintain historical societies. Introduced at the request of the Southern Oregon Historical Society, the group determined that they would rather pursue a new authority to create "heritage districts," and abandoned this bill in favor of another measure, HB 3538 (pg. 110).

HB 2707 – Establishing the Oregon Rainy Day Fund

Labor, business, and other interested parties came together to help craft HB 2707, which establishes the rainy-day fund by redirecting \$300 million of the 2007 corporate kicker. The bill mandates that the fund may grow to 10 percent of the General Fund, may only be accessed by a three-fifths vote of the Legislature, and only upon finding of an economic emergency or recession. Furthermore, no more than two-thirds of the fund may be appropriated in any one biennium. Ongoing funding is supplied by the ending balance at the close of any biennium, up to one percent of the General Fund.

Effective: May 1, 2007
Chapter 00005

HB 2793 – Intangible Property Taxation: Pacific NW AC Intertie

This measure proposed to exempt tangible and intangible property rights, or property interests of Oregon utilities in the Pacific NW AC Intertie's transmission lines. HB 2793 was a follow-up to SB 31 (Chapter 832, ORS 2005), which, among other things, provided out-of-state electric utilities a tax exemption on their share of property ownership in the Pacific NW AC Intertie. The bill passed the House by a vote of 53-0, but stalled in the Senate Finance and Revenue Committee.

HB 3052 – County Assessment Districts

Originally a bill to authorize a one percent real estate transfer tax, HB 3052 was later considered as a vehicle to authorize the creation of county assessment districts. As proposed by Clackamas County, the assessment district concept would have allowed any county to establish a property assessment in a defined area to fund the provision of enhanced public safety services. The bill had multiple hearings and work sessions in the House Revenue Committee, however the bill never moved out of committee.

HB 3065 – Intangible Property Tax Exemption

This bill, which was introduced at the request of the Oregon Cable and Telecommunications Association (OCTA) and Qwest, proposed to exempt the intangible property of communication companies from property taxation. Communication companies are generally assessed centrally by the Oregon Department of Revenue for property taxation, rather than county by county, and valuing the worth of these companies includes placing a value on intangible assets (e.g. the value of a company's transmission system as a whole is much greater than the value of the wires and poles carrying signals). The Legislative Revenue Office estimated that this bill would have removed more than \$1.4 billion from property tax rolls, creating a significant loss of revenue for local governments. The bill received a hearing in the House Revenue Committee where it remained upon adjournment.

HB 3201 – Omnibus Tax Credit Measure

HB 3201 was originally a bill that provided tax credits to caretakers of disabled veterans. However, given the bill's broad relating clause, it was viewed as a vehicle for other tax credits and was amended to include the provisions of many other bills ranging from local option property tax credits for egg processors, to an income tax credit for filmmakers. Of particular interest to the City of Portland are the tax credits relating to renewable energy and affordable housing. The provisions of HB 2211 (pg. 39) and HB 2212 (pg. 40), which expanded the business and residential energy tax credits respectively, as well as SB 984 (pg. 69) which expands the affordable housing tax credit, were amended into the bill.

Effective: September 27, 2007
Chapter 551

HB 3255 – Malt Beverage Privilege Tax

This bill would have established a malt beverage privilege tax of an unspecified amount. Revenues generated from the privilege tax would have been used to fund the construction of a new state mental hospital. The bill received two hearings in the House Revenue Committee, where it remained upon adjournment.

HB 3295 – Property Tax Exemptions

HB 3295 would have established a principal residence property tax exemption from local option property taxes for dwelling units of senior citizens and persons with disabilities. To qualify, household income may not exceed \$32,000, with an inflation index linked to the U.S. City Average Consumer Price Index. The bill would have applied to local option property taxes approved after January 1, 2008. HB 3295 received a hearing and work session in the House Revenue Committee, where it remained upon adjournment.

HB 3370 – OLCC Revenues for Oregon Criminal Justice Commission

This bill would have required the Oregon Liquor Control Commission to transfer five percent of gross revenues derived from the sales of distilled liquor to the Oregon Criminal Justice Commission for the purposes of establishing, operating, and maintaining drug court programs. The bill remained in the House Human Services and Women’s Wellness Committee upon adjournment.

HB 3421 – Malt Beverage Tax

HB 3421 would have increased the tax on malt beverages over a five-year period to \$9.80 per barrel (just less than three cents per 12 oz. beer). Eighty percent of the new revenues generated would have gone to fund the state police, with the remaining 20 percent funding county alcohol rehabilitation and detoxification programs. HB 3421 was referred to the House Revenue Committee where it received two hearings. The bill, however advance prior adjournment.

HB 3538 – Heritage Districts

This bill creates a new category of special districts – heritage districts – which can levy a permanent property tax rate to operate historical societies, and to fund the acquisition, rehabilitation, and maintenance of historic sites, structures, objects, and records. Limitations on increases in assessed property values under Measures 5 and 50 have created

budgetary pressures that have led counties to reduce and eventually eliminate support for heritage activities.

Effective: January 1, 2008
Chapter 562

HJR 15 – Double Majority Reform

HJR 15, which the Legislature referred to Oregon voters, will eliminate the double majority requirement for local government tax measures. Currently, all but the November general election are subject to the double majority requirement. With voter's approval of HJR 15, local property tax measures may be approved by a majority of voters regardless of turnout, for elections held in May and November each year.

SB 39 – Voluntary Compliance Initiative

SB 39 requires taxpayers who engage in, are associated with, or receive a tax benefit from a reportable transaction to report the transaction to the Department of Revenue. The bill also creates a 100 percent penalty for promoters of a tax shelter.

The bill stemmed from SB 480, which arose during the 2005 legislative session and addressed issues of a voluntary compliance initiative (VCI) and tax amnesty. The bill remained in committee upon adjournment of the 2005 Legislative Assembly. A workgroup on this bill discussed the value of an additional VCI and determined that the most effective approach would be to create additional tools that would enhance the response to the planned administrative VCI.

Effective: September 27, 2007
Chapter 568

SB 184 – OLCC Liquor Revenues

SB 184 would have dedicated two percent of gross revenues from the sale of distilled liquors to the State Mental Health, Alcoholism & Drug Services Account. Funds would have been dedicated to drug and alcohol abuse prevention programs, early intervention and treatment, and drug courts. Normally, 50 percent of these funds are distributed to the state, while 34 percent go to cities, and ten percent to counties. While the City of

Portland strongly supports funding for mental health, drug, and alcohol prevention, and treatment, this bill would have reduced the City's share of liquor revenues by \$200,000. This bill remained in the Joint Ways and Means Committee upon adjournment.

SB 416 – Historic Property Special Assessments

Under existing law, owners of historic property can apply with the State Historic Preservation Office for a 15-year "special assessment" to freeze the assessed value of their property. Owners of commercial property can apply for a second 15-year tax abatement, but residential applications for an extension are subject to the approval of the city or county in which the property is located. Property owners must make efforts to rehabilitate and maintain the property, and provide access to the public. SB 416 changes this process by: (1) giving local governments authority to reject a second 15-year term for commercial property in addition to residential property; (2) allowing cities and counties to exclude certain regions from special assessment based on levels of economic distress and/or underlying property values; and (3) creating a Taskforce on Historic Property to review the special assessment program and make recommendations for improving or eliminating the program.

Effective: September 27, 2007
Chapter 718

SB 760 – Transient Lodging Taxes

This bill would have required local governments, when considering an increase of an existing lodging tax, or instituting a new lodging tax, submit the proposed new tax to the Oregon Tourism Commission for review and comment. The commission would then have to deliver a non-binding report on the proposed tax to the local government entity. The bill, which was sponsored by the Oregon Restaurant Association, remained in the Senate Finance and Revenue Committee upon adjournment.

SB 824 – City Service Districts

This bill, which was requested by the City of Gresham, proposed to allow cities to create service districts within city boundaries, establish a permanent property tax levy, and fund specific services within the district. The Special Districts Association of Oregon (SDAO) raised concerns

regarding how proposed city service districts would differ, and be distinct from special districts. Ultimately, this bill remained in the Senate Education and General Government Committee upon adjournment.

SB 862 – Assessment of Historic Property

SB 862 sought to address the problem that some property owners face at the conclusion of the 15-year period of historic property special assessment. In some instances the tax increase can be so great after the term expires, that homeowners are actually worse off than if they had never been on the program. This bill would have established a maximum assessed value at the conclusion of the 15-year period in instances where the owner filed the application for assessment prior to June 19, 1997. SB 862 received a hearing in the Senate Finance and Revenue Committee where it remained upon adjournment.

Telecommunications

HB 2008 – Telecommunications Consumer Bill of Rights

With this legislation, consumer advocates sought to establish a Bill of Rights for telecommunications consumers including provisions that would secure rights to: (1) privacy and unauthorized use of personal information; (2) accurate and understandable bills; (3) clear and complete rate information; and (4) information about agencies charged with enforcing these rights. This bill received a hearing, but did not pass out of the House Consumer Protection Committee.

HB 2621 – Telecommunications Deregulation

This bill would have allowed for a three-year phased deregulation of wireline service, and was thereby strongly supported by the incumbent provider, Qwest Communications. The bill would have also given the Public Utility Commission (PUC) increased authority to regulate wireless companies, competitive providers, and cable on consumer protection issues. Predictably, the bill was strongly opposed by competitive local exchange carriers, cable, and wireless companies. Consumer groups also opposed the bill because the trade off between deregulation and the small gains in consumer protections did not outweigh the potential rate increases to consumers.

Proposed amendments to the bill would have: (1) retained basic local exchange service, extended area service, and minor access charges. After three years, telephone companies could seek an increase in rates, ending the cap on basic local exchange service; (2) eliminated cost-of-service regulation; (3) authorized the PUC to re-regulate service if they determine that it is no longer competitive; and (4) authorized additional consumer protections, such as requiring wireless providers to register with the commission, and requiring that providers submit information relating to the nature and quantity of retail telecommunications services.

There were attempts to move telecommunications deregulation forward, minus the consumer protections, through HB 2621 as well as SB 982 (pg. 117). HB 2621 received several hearings and work sessions, but remained in the House Elections, Ethics and Rules Committee upon adjournment.

HB 2672 – Telecommunications Utilities

HB 2672 would have prohibited telecommunications utilities from charging customers for service after service has been cancelled. The bill would have required proration of monthly charges if service was canceled during the billing period. The bill was referred to the House Consumer Protection Committee, where it received a public hearing, but remained in committee upon adjournment.

HB 3405 – Telephone Directories – Blue Pages

HB 3405 would have required that telephone book companies include a full and updated blue pages (government listings) section in each of their volumes. This legislation had special significance to the City of Portland which has a two-volume phonebook, but government listings are found in only one volume and are often incorrect. School listings, for example, are often not easily found in the white or yellow pages. Portland's Office of Cable Communications and Franchise Management presented testimony in support, while the Oregon Telecommunications Association opposed. The bill received a hearing in the House Business and Labor Committee, but did not receive the necessary support to pass.

SB 894 – Universal Service Fund

Another recommendation of the SB 17 Taskforce, SB 894 authorizes the Public Utility Commission (PUC) to adopt rules that conform the Oregon Universal Service Fund to the Federal Telecommunications Act of 1996 and to related rules adopted by the Federal Communications Commission (FCC). Currently, Oregon's surcharge on retail communications revenue to fund the universal service program is consistent with FCC rules. However, the FCC is considering a rule change that would replace the current percentage surcharge. This bill simply eases the process for making Oregon law consistent with federal law.

Effective: January 1, 2008
Chapter 353

SB 901 – Internet Taxation

This bill would have preempted local governments from imposing a tax of any type on internet access. SB 901 represents one part of a national

effort to enact this preemption in every state and is also fueled by federal debate on internet taxation. This bill did not receive a hearing.

SB 982 – Change of Telecommunications Definitions

SB 982 makes definitions of “telecommunications” and “telecommunications service” consistent with federal definitions.

This bill was one of two consensus recommendations of the SB 17 Taskforce – an interim legislative taskforce composed primarily of legislators and industry representatives. SB 17 (2005) had directed the taskforce to revise statutory provisions to reflect changing technology, correct inconsistent terminology, and make Oregon laws consistent with federal requirements.

Because SB 982 had a broad relating clause (“relating to telecommunications”), it was used as a potential vehicle for the telecommunications deregulation debate. At one point the bill was amended to include the provisions placing limitations on “robo calls;” however, the bill was ultimately amended back to its original form

Effective: January 1, 2008
Chapter 825

For more bills relating to Telecommunications, please see:

- HB 2197, HB 2369, and HB 2692, all relating to the extension of the 9-1-1 tax (pg. 33)
- HB 2793 – Intangible Property Taxation: Pacific NW AC Intertie (pg. 108)
- HB 3065 – Intangible Property Tax Exemption, in Taxation & Finance (pg. 109)

Transportation

HB 2268 – Commercial Driver Licensing Requirements

This bill brings the state's statutes relating to commercial drivers licenses (CDL) into compliance with federal laws. Specifically, the bill: (1) exempts mechanics and bus company personnel who drive empty school buses from school bus endorsement requirements or retaining the CDL requirement; (2) increases the minimum civil penalty for operator violation of an out-of-service order from \$1,000 to \$1,100 and increases the maximum penalty from \$2,000 to \$2,750; (3) eliminates the exemption for holders of farm endorsements from commercial driver license disqualifications and clarifies that farm endorsements allow the operation of tankers and double trailer combinations; (4) establishes that a holder of a CDL commits a "serious violation" for reckless driving, operating the vehicle 30 miles per hour or more above the posted limit with the court imposing a suspension, or operating the vehicle at a speed of 100 miles per hour or more; and (5) allows the person receiving a lifetime CDL suspension to apply to the Department of Transportation for the right to apply for a CDL reinstatement after ten years from the date of the suspension.

Effective: January 1, 2008
Chapter 122

HB 2269 – Congestion Relief Act

HB 2269 would have increased the cost of license plates in order to keep pace with the cost of manufacturing, bringing more money to cities and counties. The bill would have increased the cost for a single plate by \$10, and \$20 for two plates. Funds would have been used to finance the issuance of about \$200 million in bonds to address congestion projects across the state. Among other things, the projects would have had to reduce congestion and be located on freight routes designated by the Oregon Transportation Commission (OTC). While this bill passed in the Senate by a wide margin, it lacked the necessary support for passage in the House.

HB 2273 – Billboards and Outdoor Signs

HB 2273, which was sponsored by the Oregon Department of Transportation (ODOT), revises the Oregon Motorist Information Act. The bill authorizes the department to regulate outdoor advertising signs (including highway billboards) by permit. A recent Oregon Supreme Court ruling found the existing state billboard regulatory statute unconstitutional because it was based on the content of signs, which the court found to be an infringement of free speech.

Effective: May 30, 2007
Chapter 199

HB 2278 – ConnectOregon II

HB 2278 allows for the issuance of \$100 million in lottery-backed bonds to pay for non-highway (air, rail, marine, and public transit) transportation related projects. Projects must be reviewed and approved by the Oregon Transportation Commission (OTC). The bill requires a minimum of 10 percent of net lottery proceeds be directed to each of the five Oregon Department of Transportation (ODOT) regions. Furthermore, the bill requires two percent of the total project cost of any successful grant, be returned to ODOT in order to pay for a statewide multi-modal plan. ODOT's rule pertaining to this requirement makes it clear that the two percent applies to the ConnectOregon II money and the 20 % local match; applications for ConnectOregon II funding can include the two percent.

Effective: July 31, 2007
Chapter 859

HB 2515 – Light Rail Crossing Guards

HB 2515 was introduced in response to the death of a pedestrian who was killed by a MAX train in Gresham. This bill would have required the installation of crossing gates at unguarded pedestrian crossings of light rail tracks. The transit district responsible for the operation of the light rail system would have been responsible for the installation. In order to create momentum for the bill's passage, similar legislation was also introduced in the Senate (see SB 829 below). This bill was referred to the House Transportation Committee where it remained upon adjournment.

HB 2567 – Studded Tires

HB 2567 allows for the sale and use of studded snow tires, so long as the heavy-gauge metal studs are retractable. Such tires would be treated similarly to other traction tires, allowing use between November 1st and April 1st of each year.

Effective: January 1, 2008
Chapter 406

HB 2653 – Indexed Gas Tax Increase

HB 2653 would have increased the state gas tax by five cents in 2008, and established five cent increases every five years thereafter. The bill would have also revised mileage tax rates and axle-weight mileage tax rates. Despite general agreement that new transportation revenue was needed, this bill and other similar bills did not pass.

The City of Portland joined other local governments to advocate for a transportation funding package that would address safety, preservation, and maintenance challenges. Many in the business community focused their attention on funding modernization, capacity, and congestion projects. Momentum was gained upon the release of the Statewide Cost of Congestion Study by the Oregon Business Council. However, in the end, no large transportation funding packages received enough support to pass.

HB 2691 – County Vehicle Registration Fee

This measure would have allowed counties to increase the vehicle registration fee without referring it to the voters. The bill passed on the House floor earlier in the session as HB 3082 (pg. 121); however, late opposition ultimately defeated the bill.

HB 2827 – Federal Real ID Act

This bill would have authorized the Oregon Department of Transportation (ODOT) to conform to the Federal Real ID Act. The bill passed in the House, but did not make it to the floor of the Senate. Several other bills

were introduced to accomplish similar goals (HB 2686 and SB 424); however, none of these bills passed.

HB 2936 – Registration Fees for Motor Homes

HB 2936 changes registration fees for motor homes and penalties for certain traffic violations. Specifically, this bill: (1) decreases the registration fees for motor homes under 14 feet long from \$126 to \$54; (2) increases the penalty from a Class D to a Class A violation for truck drivers who violate provisions of the size and weight variance permits; and (3) creates a Class C traffic offense of failure to remove a vehicle from a highway after an accident. This last provision only applies if the driver has not suffered any apparent personal injury, the vehicle is operable and does not require towing, and it is safe to drive to a designated parking area or shoulder.

The provision of this bill relating to the moving of a vehicle following a minor accident was introduced at the request of the City of Portland and was originally introduced as an amendment to SB 566 (pg. 123).

Effective: January 1, 2008
Chapter 664

HB 2982 – Fees for Custom License Plates

This bill directs fees collected from the issuance of custom vehicle registration plates to be allocated to the Oregon passenger rail program, and reinstates the Oregon Department of Transportation's authority to collect custom license plate fees upon renewal.

Effective: July 1, 2007
Chapter 667

HB 3018 – Vehicle Registration Fee Increase

The original incarnation of HB 3018 would have raised car, truck, motorcycle, and other registration fees. However, the bill was amended to become part of the Congestion Relief Act of 2007 (see HB 2269, pg. 118), which would have directed the Oregon Department of Transportation to issue \$200 million in bonds, backed by increased auto

and truck registration fees, to fund statewide congestion relief projects. HB 3018 stalled in the House Revenue Committee.

HB 3047 – County Road Fund

HB 3047 creates a “county road fund,” in which property taxes for roads derived from local option levies shall be deposited for apportionment. Counties, road districts, and incorporated cities within the county may modify the apportionment formula by agreement.

Effective: January 1, 2008
Chapter 679

HB 3082 – County Vehicle Registration Fee Increase

HB 3082 proposed to delete the requirement in existing law that counties must refer a proposed county vehicle registration fee increase to the voters. The bill was passed by the House, and was referred to the Senate Business, Transportation and Workforce Development Committee; the bill remained in that committee upon adjournment. The contents of HB 3082 were later amended into HB 2691 (pg. 120) which did not pass in the House.

HB 3374 – Designation of Speed Limits

This bill, which was introduced by the House Committee on Transportation at the request of the City of Portland, would have authorized cities or counties to designate the speed limits on their own facilities. The bill would have eliminated the Speed Zone Review Panel’s authority to review and override a local government’s decision. This bill did not receive a public hearing and remained in committee upon adjournment.

HB 3376 – Requested Reviews of Designated Speed Limits

HB 3376 was introduced by the House Committee on Transportation at the request of the City of Portland. The bill would have required that the Oregon Department of Transportation (ODOT) act upon a request from a local government road authority, to review the designated speed limit within 120 days. Furthermore, the bill would have also required that ODOT act within 90 days upon receiving a written objection from a local

government road authority to a designated speed. The intent of this bill was to promote more timely responses from ODOT. The bill did not receive a hearing and remained in the House Transportation Committee upon adjournment.

SB 116 – Regulation of Towing Practices

This bill regulates a number of towing practices. Specifically, the bill: (1) prohibits towing a vehicle without the required notice and requires notification if the owner of a parking facility hires a tower; (2) prohibits charging more than the disclosed price; (3) prohibits the solicitation of towing within 1,000 feet of an accident, unless a pre-negotiated payment agreement exists between a tower and a motor vehicle road service company; (4) prohibits parking within 1,000 feet of a property for the purposes of monitoring a facility for towing business unless signed at each entrance; (5) prohibits paying the owner of a parking facility for the privilege of towing from that facility; and (6) prohibits requiring an agreement not to dispute the reason for a tow, the validity of charges, or the condition of a vehicle or personal property.

Prior to this bill, towing companies had been unregulated by the state. Local government authority over towing companies had usually been limited to a preference list for use of police departments. This bill was the result of a workgroup led by the Department of Justice to regulate towing companies.

Effective: January 1, 2008
Chapter 538

SB 222 – Registration of Interstate Trucking

SB 222 authorizes the Department of Transportation to enter into agreements with other jurisdictions for registration, collection of fees, and insurance verification for trucks operating interstate.

Effective: June 18, 2007
Chapter 465

SB 223 – Weight Restrictions for Trucks

This bill allows a truck with a functional alternative power unit to weigh up to 400 pounds more than the maximum allowable weight limit for that truck configuration. The bill also allows such trucks to exceed individual axle weight limits.

Effective: May 7, 2007
Chapter 92

SB 242 – Safe Routes to Schools

SB 242 requires that school districts evaluate the need for safety improvements for safer routes to school prior to entering into contracts for large construction projects. Specifically, when a district seeks a capital bond greater than \$1 million, the district must: (1) evaluate the need for safety improvements within one mile of an elementary school or 1.5 miles of a secondary school; (2) evaluate the potential for joint funding with other public and private entities; and (3) consider including the cost of the improvements within the funding of the larger construction project.

Effective: January 1, 2008
Chapter 163

SB 431 – Involuntary Towing of Vehicles

This bill prohibits landlords from removing a tenant's vehicle without notice. The bill provides an exemption for cases in which the tenant was given notice prior to tenancy, was agreed to in writing, and a sticker was provided to prevent the accidental towing of the vehicle.

Effective: January 1, 2008
Chapter 565

SB 566 – Interim Transportation Committee

This bill establishes a Joint Interim Committee on Transportation. The committee will be composed of five members of the House and five members of the Senate. Furthermore, the committee is charged with evaluating and recommending state and local transportation funding options prior to the 2009 legislative session. The bill also directs the Oregon

Department of Transportation to identify: (1) specific highway projects needed to reduce congestion, improve freight mobility, and enhance safety; (2) projects of statewide significance that are capable of beginning construction before 2010; and (3) how to maximize the use of department-owned real property.

Effective: January 1, 2008
Chapter 810

SB 567 – Traffic Obstructions

This bill, introduced at the request of the City of Portland, permits a road authority to immediately take custody of a car or light truck that is abandoned, disabled, or left parked unattended on a highway where it is a hazard or obstruction to traffic, regardless of the time of day. Currently, cities and other road authorities have been permitted to remove vehicles during peak travel hours (7-9 a.m. and 4-6 p.m.). The City committed to allow those vehicles that appear to be temporarily disabled (emergency lights, flares, or the hood up) a reasonable period of time for the owner to remove or fix the vehicle.

Effective: January 1, 2008
Chapter 509

SB 716 – Disabled Parking

SB 716 creates a new “wheelchair disabled” parking permit. The bill also sets the minimum requirements for the number of “wheelchair only” parking spaces for parking lots – one for parking lots with 100 or fewer spaces, and one in eight for parking lots with more than 500 parking spaces. The “wheelchair only” parking spaces must be designated when a parking lot is newly constructed or repainted. The bill permits, but does not require, local governments to allow free and unlimited parking at parking meters within their jurisdictions to persons with a standard disabled parking placard. This is a change from current law, which requires local governments to provide free and unlimited parking to vehicles displaying a “standard” disabled parking placard.

Effective: January 1, 2008
Chapter 468

SB 745 – Revenue Bonds for Columbia River Crossing

This bill would have authorized the Department of Transportation to issue revenue bonds for the Columbia River Crossing project. The bill was referred to the Senate Business, Transportation and Workforce Development Committee where it did not receive a hearing and remained upon adjournment.

SB 789 – “Share the Road” License Plates

This bill authorizes the creation of a “Share the Road” license plate and adds a ten dollar surcharge for the two-year registration period. Revenue generated will be directed into accounts for the Bicycle Transportation Alliance and Cycle Oregon.

Effective: January 1, 2008
Chapter 520

SB 829 – Light Rail Pedestrian Crossings

SB 829 began as a mirror of HB 2515 (pg. 117), which would have required the installation of crossing gates at unguarded pedestrian crossings of light rail tracks. The bill was introduced in the Senate in an effort to increase momentum for the House bill’s passage, but was ultimately amended to require Tri-Met to commission an independent study regarding pedestrian crossing safety.

Effective: January 1, 2008
Chapter 396

SB 855 – Multi-Modal Transportation Bonds

This measure would have authorized the issuance of \$100 million in lottery-backed bonds for multi-modal transportation projects. The bill required at least 15 percent of the proceeds be spent in each of the state’s five Oregon Department of Transportation (ODOT) regions.

Amendments to this bill would have required that \$30 million from ODOT’s portion of the State Highway Fund be directed to rural counties affected by the loss of federal funding due to the sunset of the Secure Rural Schools

and Community Self-Determination Act. This bill remained in the Joint Ways and Means Committee upon adjournment.

SB 994 – Omnibus Spending Bill

SB 994 makes statutory changes necessary to implement the budget changes contained in the end of session omnibus spending measure. Among other things, SB 994 transfers \$56 million from the Oregon Department of Transportation's ending balance to counties that will lose federal timber payments.

Effective: August 9, 2007
Chapter 911

SB 1022 – Establishment of Toll Roads

This bill requires that the Oregon Transportation Commission (OTC) approve the establishment of any toll roads in Oregon, and does not prohibit cities or counties from the establishment of tolls on highways under their jurisdiction. The bill was proposed by the OTC to enable the Oregon Department of Transportation (ODOT) to establish electronic tolling facilities, primarily in anticipation of the replacement of the Interstate 5 Bridge at the Columbia River. One proposal would have required local governments to get the approval of the OTC to establish a toll. Local governments, however, were successful in defeating the amendment.

Effective: January 1, 2008
Chapter 531

SJR 15 – Declaration of Support for Columbia River Crossing Project

This resolution declares Legislative support for the Columbia River Crossing project, recognizing the strong need for partnerships and bipartisan collaboration among all levels of government, the private sector, and citizens of Oregon and Washington. The resolution recognizes the importance of various modes of transportation, as well as the environment, businesses, and neighborhoods affected. The resolution declares support for the continuation of bi-state, and bi-partisan efforts in planning, coordinating, and funding the project, and for the cooperation

of the federal government in providing funding and streamlining the regulatory process.

This resolution was filed with the Secretary of State on June 14, 2007.

For other Transportation related bills, please see:

- HB 2211/HB 3201 - Business Energy Tax Credit (Renewable Energy, pg. 39)

Urban Renewal

HB 3381 – Urban Renewal Plans: Affordable Housing Outside of an Urban Renewal Area

Similar to SB 701 (below), HB 3381 would have provided specific authorization for urban renewal plans, to include affordable housing projects as an eligible activity for urban renewal financing. Furthermore, the bill would have permitted an urban renewal agency to undertake affordable housing projects outside of the district's boundaries, if it determined that the projects would benefit the urban renewal area. The bill was referred to the House Revenue Committee where it remained upon adjournment.

HB 3455 – Urban Renewal Consolidated Billing Tax Rate

This bill revises the definition of an urban renewal plan's consolidated billing tax rate to include certain urban renewal plans that have been substantially amended. Specifically, if the urban renewal plan is a "reduced rate" plan before it is substantially amended, it remains a "reduced rate" plan after it has been substantially amended. This clarification ensures that local option taxes will not be diverted to urban renewal if the urban renewal plan is not an "option 3."

Effective: September 27, 2007
Chapter 884

SB 28 – Urban Renewal Funding for Schools

This bill would have required that urban renewal plans adopted, or substantially amended, after July 1, 2007, set aside all increment funds that are derived from the school portion of permanent tax rates. These funds would have been used to fund school capital construction and improvement projects. This bill was referred to the Senate Finance and Revenue Committee where it remained upon adjournment.

SB 701 – Urban Renewal Opt Out

This bill would have required the approval of each affected taxing district for a new or substantially amended urban renewal plan, in order to

include that taxing district's rate in the urban renewal tax increment. The bill was considered a vehicle for amendments to enact ideas discussed in the urban renewal workgroup; however, it never received a public hearing.

SB 794 – Urban Renewal: Consolidated Billing Rate

SB 794 would have excluded urban renewal special levies, certain local option taxes, and certain taxes pledged to repay bonded indebtedness from consolidated bill tax rates that are applicable to urban renewal plans that are substantially amended after October 6, 2001. SB 794 could have reduced the tax increment revenues in the City of Portland's urban renewal areas. The bill was referred to the Senate Finance and Revenue Committee where it remained for the duration of the session and did not receive a hearing.

SB 807 – Airport Tax Increment Financing Districts

This bill would have directed the Oregon Economic and Community Development Department (OECDD) to establish a program allowing rural airports serving cities with a population of less than 75,000, to create airport tax increment financing districts with the approval of other affected local taxing jurisdictions. The districts could have extended up to ten miles from the boundaries of the airport, and remained in place for up to 25 years. Revenues collected would have been limited to 50 percent of the tax increment created by commercial and industrial development within the district. This bill passed out of the Business, Transportation and Workforce Development Committee, but it stalled in the Joint Ways and Means Committee where it remained upon adjournment.

Water

HB 2101 – Water Right Transfer Fees

HB 2101 allows for certain fees imposed by the Water Resources Department to be raised, and new fees to be implemented. Revenue generated will allow for the continuation of two positions working to address the backlog of water right transfer applications. The fees were last adjusted in 2003, at which time the Legislature directed the Department to update its fee structures on a more regular basis.

Effective: June 1, 2007
Chapter 267

HB 2187 – Fees for Drinking Water Surveys

HB 2187 authorizes the Department of Human Services (DHS) to impose fees on the costs of conducting sanitary surveys of drinking water supplies. This was one of the recommendations made by the Taskforce on Drinking Water Program Workload and Funding, which was created by the 2003 Legislative Assembly in response to an audit in 2000-01 of Oregon's safe drinking water programs.

Effective: January 1, 2008
Chapter 447

HB 2564 – Water Measurement

HB 2564 was originally introduced as a requirement for all water users to measure their water use. The amended version of this bill, which passed out of the House Energy and Environment Committee authorized the Oregon Water Resources Department to implement a pilot program to establish requirements for measuring water in specific targeted regions. Additionally, the Oregon Watershed Enhancement Board would have been directed to provide funding for the cost-share of the installation of measuring devices. After passing out of the House Energy and Environment Committee, the bill stalled in the Joint Ways and Means Committee, where it remained upon adjournment.

HB 2792 – Water Bill Delinquency Notice

Introduced at the request of the Eugene Water and Electric Board, HB 2792 requires a water utility to mail a notice of delinquency to a property owner, only if the utility asserts that the property owner is responsible for the bill. HB 2792 modifies legislation passed by the 2005 Legislative Assembly, which requires water utilities to mail a notice to property owners when water service payments are delinquent by more than 120 days.

Effective: January 1, 2008
Chapter 211

HB 3099 – Fluoridation

HB 3099 would have required cities with a population of more than 10,000, to fluoridate their water supplies. This is an issue which Portland voters have rejected at the ballot and has come before the Legislature during the last five sessions. This bill would have imposed a mandate, but would not have allowed the water supplier to pass these costs onto ratepayers or taxpayers. Instead, it required a third party such as a foundation or other entity, to pay for startup costs and gave the state authority to determine when the funds exist to purchase the initial capital equipment. The bill was later amended to require jurisdictions that wished to opt out of the mandate, to hold a local election in the 2008 primary or general election. This amendment could have created significant problems for Portland's wholesale water customers.

Portland opposed this statewide mandate, as it has with other similar attempts, on the grounds of local control and preemption of local decision making. Under current law, there are at least three ways that Portland voters and the City Council could address the issue locally. Furthermore, the City argued that the bill presented an unfunded mandate; cost estimates provided by the Water Bureau put the up-front costs between \$3.5 and \$4 million for the initial capital investment, with an additional \$600,000 per year in operating expenses.

The bill remained in the Ways and Means Committee upon adjournment.

HB 3203 – Smart Planning Fund for Water

HB 3203 would have created the Water Conservation Reuse and Storage Fund, which would have been used to develop water storage, conservation, or reuse projects and fund the upfront needs analyses, environmental impact assessments, or hydrologic studies. The bill would have allowed an applicant to apply for up to \$250,000 which must be matched by at least 50 percent in local funds.

While the bill had broad support – it was introduced at the request of the League of Oregon Cities, Special Districts Association of Oregon, Oregon Farm Bureau, Oregon Association of Nurseries, and the Oregon Water Resources Congress – it ultimately stalled in the Joint Ways and Means Committee, where it did not receive a hearing.

HB 3469 – Clean Water Variance

HB 3469 was introduced by the House Energy and Environment Committee at the request of the City of Portland. The bill grants the State Drinking Water Program the full authority allowed under the Safe Drinking Water Act to issue variances when a water supply is so clean as to not warrant treatment. A broad coalition of organizations and entities including the Portland Water Bureau, Oregon Wild, Physicians for Social Responsibility, the Large Water Users Coalition (businesses), the City of Bend, and others, were very active in supporting the bill.

Effective: January 1, 2008
Chapter 559

HB 3525 – Oasis Project

HB 3525 would have appropriated 500,000 acre feet from the upper Columbia River to support groundwater recharge, agricultural uses, and municipal uses. The bill would have imposed a charge of \$10 per acre foot on water uses to fund Columbia River in-stream activities.

Under rules enacted in the late 1990s, the Oregon Water Resources Department (WRD) cannot approve water right requests of the Columbia River except in extreme circumstances. While Washington, Idaho, and Montana appropriate water from the country's second largest river, Oregon has resisted any development on the Columbia River. Early in the session the Governor indicated the bill would be vetoed if passed;

ultimately, it stalled in the Joint Ways and Means Committee where it remained upon adjournment.

HB 5050 – Water Resources Department Budget

The Oregon Water Resources Department (WRD) budget was increased by nine positions and approximately \$2 million for the 2007-09 biennium. This is the first budget increase for WRD in a decade.

Of the new programs proposed by WRD, the Oregon Water Conservation and Supply Initiative was its highest priority. Funded with \$750,000 and two positions, the initiative will assess groundwater potential, compile information on reservoirs in the state, and estimate the seasonal basin yields of watersheds. With this information, the program will conduct a future water needs assessment and complete an inventory of potential storage and conservation project sites, in addition to potential funding options for community and regional supply planning. Other natural resource agencies are directed to assist WRD with the design and completion of the initiative.

WRD's budget also included an increase of two positions for the department's water right transfer program. Water right transfers have been backlogged for many years and are crucial for water users to engage in a variety of innovative water uses. The budget restored a full-time position to review Water Management and Conservation Plans. These plans are a required element for municipalities to extend their water permits. Finally, the budget continued the Groundwater Study Program, which scientifically quantifies groundwater supplies, protects existing ground and surface water users, and estimates water availability for future use.

Effective: July 1, 2007
Chapter 265

SB 156 – State Drinking Water Advisory Committee

A State Drinking Water Advisory Committee is currently authorized, under the Oregon Department of Human Services Public Health Division, to advise the Department on safe drinking water issues. This advisory committee has operated at the Department's discretion since 1981. Because drinking water concerns intersect with a number of different state agencies, the Department requested this bill which codifies the

Drinking Water Advisory Committee in statute in order to broaden the committee's role to serve multiple state agencies.

Effective: January 1, 2008
Chapter 572

For other bills relating to Water, please see:

- HB 2294 – Expansion of Fish Screening Programs (Environment, pg. 47)
- SB 600 – Water Supply Assessment (Rural Agenda, pg. 105)

Workers' Compensation

HB 2218 – Workers' Compensation Rules

HB 2218 makes a number of changes to Oregon's workers' compensation laws. Specifically, the bill: (1) eliminates the required review of a lump sum payment by the Director of Department of Consumer and Business Services (DCBS); (2) removes the requirement that the director consult physicians, if requested, when determining whether to approve an additional change in an attending physician; (3) removes the requirement that the Director of DCBS adopt a temporary rule in order to determine a workers' impairment, and allows adoption by order, which may then be appealed to the Workers' Compensation Board; and (4) changes the penalties regarding managed care organizations (MCO's), so that the Director may issue civil penalties against an MCO and not have to resort to the only available current remedy of revoking the MCO's certification.

Effective: January 1, 2008
Chapter 270

HB 2244 – Permanent Partial Disability Awards

In 2005, the Legislature passed HB 2408 which refined previous changes made to permanent partial disability payments (PPD) and required the Department of Consumer and Business Services (DCBS) to study the impact of the PPD benefit changes. The study conducted by DCBS in 2006 showed that the changes made by the Legislature have redistributed PPD benefits from workers that are able to return to work more quickly, toward workers with longer-term injuries and work disabilities. The study also showed the changes were cost neutral within the overall workers' compensation system.

HB 2244 removes the sunsets for changes that were made during previous legislative sessions regarding permanent PPD payments in workers' compensation claims.

Effective: January 1, 2008
Chapter 274

HB 2247 – Workers’ Compensation Services Provided by Nurse Practitioners

The 2003 Legislative Assembly passed HB 3669, which expanded the role of nurse practitioners in the workers’ compensation system. The bill allowed nurse practitioners to: (1) provide compensable medical services to injured workers for up to 90 days; (2) authorize payments for up to 60 days; and (3) release the worker to, and manage the worker’s return to work during that period of time. This bill repeals the sunset on these laws, making the changes permanent.

Effective: January 1, 2008
Chapter 365

HB 2756 – Attending Physicians for Workers’ Compensation Claims

HB 2756 expands the definition of an attending physician in regards to workers’ compensation claims to include: (1) chiropractic physicians, (2) podiatric physicians, (3) naturopathic physicians, and (4) physician assistants. Furthermore, the bill allows those providers to authorize compensable care for 60 days from the initial visit for a total of 18 visits and allows the providers to authorize temporary disability for 30 days.

Prior to this bill, only physicians (MD), doctors of osteopathy (DO), and oral and maxillofacial surgeons were authorized to function as attending physicians in workers’ compensation claims.

Effective: June 1, 2007
Chapter 252

HB 3038 – Business Representation on Workers’ Compensation System Advisory Committees

HB 3038 would have required the adequate representation of businesses on all workers’ compensation rating system advisory committees. The Director of the Department of Consumer and Business Services would have been required to adopt rules to ensure compliance. The bill was referred to the House Business and Labor Committee where it did not receive a hearing and remained upon adjournment.

SB 268 – Timeliness of Service of Petition

SB 268 establishes that a court does not have jurisdiction to review an order of the Workers' Compensation Board, if the party seeking review fails to serve the petition for review on all adverse parties within the time limit for filing the petition. Furthermore, the bill clarifies that the Board has jurisdiction to enter a settlement order even if a petition for review is pending before the Court of Appeals. The bill allows the court to dismiss the petition if the parties settle the case.

Effective: January 1, 2008
Chapter 17

SB 404 – Costs Associated with Workers' Compensation Claims

This bill allows the Workers' Compensation Board, the Administrative Law Judge, or the court, to order payment of the costs that an injured worker pays for obtaining records needed to bring a claim forward, should the claimant prevail.

Effective: January 1, 2008
Chapter 908

SB 504 – Physicians Attending to Workers' Compensation Claims

SB 504 requires that a physician serving as an attending physician for a workers' compensation claim be responsible for treatment of the worker's compensable injury. The bill allows an emergency room physician who is not authorized to serve as an attending physician, to authorize temporary disability benefits for a maximum of 14 days.

Effective: January 1, 2008
Chapter 505

SB 560 – Cancer Presumption for Firefighters

Current workers' compensation law in Oregon states that for firefighters, diseases of the heart or lungs are presumed to be work-related. This bill would have added seven specified cancers to the current list of compensable occupational diseases for non-volunteer, full-time, and fully compensated firefighters. The bill also included two sections (sections two

and three) which were directed at the City of Portland's FPD&R system; those sections were removed.

The bill passed in the Senate by a 17-13 vote, but ultimately lacked the votes in the House and was sent to the Elections, Ethics and Rules Committee where it remained upon adjournment.

SB 762 – Medical Costs on Non-Disabling Workers' Compensation Claims

In 1987, employers were granted permission to pay a portion of medical costs on their non-disabling workers' compensation claims so that minor injuries would not adversely affect an employer's experience rating. The limit was originally set at \$500 and it was not until 2005 that the threshold was increased to \$1,500 in order to account for inflation.

SB 762 removes the current statutory cap of \$1,500 and allows the amount to be tied to the medical services consumer price index, instead of having to be adjusted periodically by the Legislature in order to keep pace with inflation.

Effective: January 1, 2008
Chapter 518