# LEGISLATIVE REPORT

2024 Legislative Session





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24 March 2024

# **EXECUTIVE SUMMARY**

# Introduction

The 82<sup>nd</sup> Oregon Legislative Assembly convened for the 2024 Legislative Session on Monday, February 5, and adjourned Sine Die on Thursday, March 7, at 8:16 p.m.

Constitutionally authorized for up to 35 days, the short session (even numbered years) offers an expedited timeframe to navigate budgetary adjustments and policy issues.

February 19 was the first turn of the Session, where bills had to have been worked out of policy committees or reside in a non-exempt committee (revenue, rules, or joint committees) to make it to their next chamber. This deadline provided some clarity as to what could be expected to cross the finish line.

February 29, just a week and a half later was the next chamber deadline – meaning bills had to be moved out of policy committees in their second chamber - a significant sprint for major policy bills. The Session was then required to conclude by March 10.

# The State's Top Issues

Top issues for the Governor and the Legislature were housing and Measure 110 and these issues took most of the spotlight during the Session.

Importantly to the Oregon Seed Council (OSC) members and industry partners, we monitored over 30 bills of the 290 bills introduced. Issues ranged from land use, to climate, to employment, to taxes, to transportation – and more.

# OSC

Thankfully, the short Session was less intensive for the seed industry and agriculture than past years.

We were able to see some positive policy advance, and a key, and longawaited appointment confirmed during the Session.

OSC took positions on two bills during the session: <u>HB 4111</u> – a fix to Oregon's Farm Equipment Tax; and <u>HB 4061</u> – an Elk Damage Prevention and Compensation Pilot Program.

A victory to industry: HB 4111 passed and is expected to be signed by the Governor.

While HB 4061 did not pass, it did have some traction, and unfortunately, was stalled as housing and Measure 110 took central focus for funding priorities.

The long-awaited appointment – Lisa Charpilloz Hanson as Director of Oregon Department of Agriculture was approved by the Senate on February 8. Director Charpilloz Hanson has been highly engaged with industry, and has been regularly meeting with partners, including with OSC, through quarterly meeting since she started in the role, December 1, 2023. She's a great partner with a strong connection to agriculture. We're grateful to see her confirmed.

# Legislative Relationships

While the Session was relatively light, OSC was able to meet with numerous legislators and staff to build relationships, elevate the partnership of the seed industry overall, and begin the conversations of how OSC can be a resource for the Legislature.

# Thank You

Finally, I want to thank each of you for thoughtful conversations, your input and support as we navigated the 2024 Session.

A special thank you to the OSC Board of Directors, Government Affairs Committee, and Executive Committee for quick action and in-depth discussion on policies and how OSC can best support industry in the legislative process and policy discussions.

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**Megan Chuinard** Executive Director Oregon Seed Council

# THE REPORT

The pages that follow provide additional information on the policies mentioned above and more on our policy tracking for the Session.

# OUTCOMES FOR OREGON SEED COUNCIL

Mentioned in the executive summary, OSC took positions on two bills. Below are in-depth summaries of those bills.

# **OSC PRIORITIES**

# HB 4111 - Farm Equipment Tax Exemption Fix

### **OSC Position: Support**

Status: Governor's Office - Awaiting Signature

**Summary:** Removes the requirement that farm machinery and equipment be tangible personal property for the purposes of exemption from ad valorem property taxation, making all equipment exempt that fits the statute's definition of farm equipment.

HB 4111 reduces confusion and administrative work for both farmers and assessors while ensuring that the resulting change to statute does not constitute a major expansion of the exemption or large financial impact to county budgets.

Additional Information: Since the Oregon Legislature first approved its property tax exemption for tangible personal property used in agriculture back in 1973, the nature of agriculture equipment has evolved. Current law provides an exemption for tangible personal property from a farmer's property tax. However, it does not exempt real property, which is defined as "... machinery, equipment or fixtures erected upon, above or affixed to the land." The problem is, for a multitude of reasons, farm machinery is assessed when it is "affixed" to a building, and sometimes when it is not. These complexities have led to disparities in the application of the law and unequal tax treatment among farm operations, impacting both farmers and county assessors in determining which equipment qualifies for exemption under ORS 307.394.

Most Recent OSC Testimony: March 6, 2024 Coalition Letter

## HB 4061 - Elk Damage Prevention and Compensation Pilot

#### **OSC Position: Support**

Status: Died in Ways and Means

**Summary:** Directs the State Department of Agriculture to establish an elk prevention and compensation pilot program with two defined areas: one West of the Cascade Mountains, and one to the East of the Cascade Mountains, and allocates \$600,000 from General Fund dollars to support the program.

Additional Information: The Pilot Program will help to inform as well as recognize best practice and response to depredation on private land and provide a future model recognizing the economic impact to land managers across the state.

Please see <u>testimony from Orin Nusbaum, Ryegrass Commissioner and OSC</u> <u>Past-President (2022) here</u> describing impact of elk damage on grass seed crops.

Most Recent OSC Testimony: February 8, 2024 Coalition Letter

# **BILLS OF INTEREST**

Below are notes on other bills that members may have interest in that OSC monitored but did not take a position on.

# HB 4049 - PFAS Study Bill

### **Status: Died**

**Summary:** HB 4049 directs the Oregon State University Extension Service and the College of Agricultural Sciences of Oregon State University to study the distribution and occurrence of perfluoroalkyl and polyfluoroalkyl substances (PFAS) – also known as "forever chemicals" found in biosolids applied to agricultural fields that do not produce crops intended for human consumption and would have required the report to be presented to the Legislature in September of 2027.

While the bill saw amendments that reduced crops to be studied, and provided a confidentiality provision, it did not focus on the mitigation at the biosolid treatment side of the equation. The amendment also provided a \$740,000 appropriation for the study.

The bill died. We anticipate it will return in a future session as this issue continues to be elevated in other states and nationally.

## HB 4059 - Brassica

### **Status: Passed**

**Summary**: This bill passed through both chambers with last-minute amendments to extend the sunset on the current law for Willamette Valley Protection District through Jan. 2, 2028.

This came following a workgroup process that was spurred in the 2023 Session via <u>SB 789</u>.

Stakeholders had agreement on several policy issues, but a few policy items remained unresolved.

We anticipate discussions on this issue will continue in the 2025 Session.

### <u>SB 5701 – Budget Bill</u>

#### **Status: Passed**

**Summary:** Included in this budget bill are two key provisions of interest to industry:

1. The Oregon **Agricultural Heritage Program** – OSC tracked funding for this program. The original bill, HB 4060, sought a \$10.8 million investment to support a state match to a federal program. The program, created in 2017, was created with agricultural and conservation groups with a primary goal of preventing farmland fragmentation. More information on the program, run through Oregon Watershed Enhancement Board is available <u>here</u>.

Investments in this program were ultimately passed in the budget reconciliation package, SB 5701. <u>The program saw the following investment</u>:

"The Oregon Agricultural Heritage Fund provides resources to help farmers and ranchers voluntarily keep their land in the agriculture industry, while maintaining or improving habitat for fish, wildlife and other natural resources. Grant funding is offered for succession planning; working lands conservation easements and covenants; developing conservation management plans; technical assistance for organizations holding conservation plans; and to assist organizations supporting agricultural owners and operators. The Fund also covers the administrative costs of the Oregon Agricultural Heritage Commission, as well as the Department's administrative costs related to working lands conservation programs. The measure includes a one-time appropriation of \$5.2 million General Fund for deposit in the Oregon Agricultural Heritage Fund along with a corresponding increase of \$5.2 million in Other Funds expenditure limitation to expend moneys deposited into the Fund<u>.</u>" Source: <u>SB 5701 budget report</u>

2. **ODA Market Access Program** - The funding bill also increases spending authority at the Oregon Department of Agriculture in market access by \$4,500,000, for resilient food systems, specialty crops and food safety. This budget adjustment supports the needs of ODA staffing and program allocations, including adjustments for federal funding. <u>Specific grant programs that are impacted by this</u> <u>program funding are provided here.</u>

### <u>SB 1530, SB 1537</u>, & <u>HB 4134</u> – Housing Package

#### **Status: Passed**

**Summary**: This set of bills is referred to as the Emergency Housing Stability and Production Package. The package includes a \$376 million investment in housing through current and new programs.

<u>SB 1530</u> appropriates funding for implementation of various state programs, which are detailed <u>in this document</u> and this <u>budget report</u>.

<u>SB 1537</u> establishes the Housing Accountability and Production Office (HAPO) and directs HAPO to assist local governments with housing production. It requires local governments to grant land use regulation and design adjustments in certain circumstances and modifies the definition of limited land use decisions. It allows housing permit applicants to opt in to amended housing regulations and expands eligibility of prevailing applicants for housing development to receive attorney fees in a Land Use Board of Appeals review.

Additionally, the bill establishes a Housing Infrastructure Support Fund to provide capacity and support to municipalities for the planning and financing of infrastructure for housing unit production. A Housing Project Revolving Loan Fund is created to cover eligible developer costs, including infrastructure and system development charges, predevelopment costs, construction costs, and land write-downs.

The measure allows cities to undergo either a one-time urban growth boundary amendment or a land exchange in specified conditions.

Specifically, the bill allows cities outside Metro to add sites to their urban growth boundary (UGB), and cities within Metro to petition Metro to add a site within the Metro UGB, in specified conditions for the purposes of building housing of specified types and affordability. Additions are limited to 50 net residential acres for cities with populations under 25,000; to 100 acres for cities with populations of 25,000 or greater; and to 300 acres for Metro. To qualify for the adjustment, cities must demonstrate need for the UGB amendment using specified criteria, provide public notice and opportunity for public participation, and adopt a conceptual plan subject to the specified requirements. The bill allows cities to perform a land exchange in lieu of a UGB amendment, in which case the residential site being added to the UGB replaces a residential site roughly equivalent in size that is being removed from the UGB.

The UGB amendments and land exchanges allowed by the Act are subject to DLCD review and the bill requires cities to report development progress of these sites to DLCD every two years until January 2, 2033, or until the development is complete. These provisions are repealed on January 2, 2033.

More information is available <u>here</u>.

<u>HB 4134</u> appropriates \$7,140,000 General Fund to the Oregon Business Development Department (OBDD) to provide grants to four specified cities for infrastructure projects to support housing developments.

More information is available in the <u>budget report</u>.

### **<u>HB 4002</u>** – Measure 110 Fix

#### **Status: Passed**

**Summary**: For a Measure 110 fix, the Joint Committee on Addiction and Community Safety Response held numerous hearings, and ultimately advanced House Bill 4002, which comes with a \$211 million price tag. The bill rolls back Measure 110, making a minor drug possession a misdemeanor. It also provides funding for specialty courts, addiction and mental health, county treatment, and training.

# **BILLS MONITORED – RELATING TO CLAUSES**

Below is a list of bills monitored due to their relating to clauses. This section is divided into subject area for ease of reference. More information from the Oregon State Legislature is accessible in the bill links provided.

#### **CLIMATE**

#### <u>HB 4102</u> – PASSED

**Relating to Clause:** Relating to natural climate solutions; and prescribing an effective date.

#### <u>SB 1525</u> – PASSED

**Relating to Clause:** Relating to the State Department of Energy; declaring an emergency.

#### <u>SB 1559</u> – FAILED

**Relating to Clause:** Relating to climate change; declaring an emergency.

#### **EMPLOYMENT**

#### HB 4035 – PASSED

**Relating to Clause:** Relating to unemployment insurance taxes; and prescribing an effective date

#### HB 4038 – FAILED

Relating to Clause: Relating to employer taxes; prescribing an effective date

#### <u>HB 4050</u> – FAILED

**Relating to Clause:** Relating to compensation differentials under pay equity requirements; declaring an emergency

#### <u>HB 4127</u> – PASSED

Relating to Clause: Relating to protections for warehouse workers.

#### <u>SB 1514</u> – PASSED

**Relating to Clause:** Relating to family and medical leave insurance; and declaring an emergency.

#### <u>SB 1515</u> – PASSED

**Relating to Clause:** Relating to leave laws concerning time off from work; declaring an emergency.

#### LAND USE

<u>HB 4029</u> – FAILED

Relating to Clause: Relating to housing.

<u>HB 4046</u> – FAILED

**Relating to Clause:** Relating to housing.

<u>HB 4048</u> – FAILED

Relating to Clause: Relating to housing; declaring an emergency.

<u>HB 4063</u> – PASSED

**Relating to Clause:** Relating to housing; prescribing an effective date.

<u>HB 4099</u> – FAILED

**Relating to Clause:** Relating to housing; declaring an emergency.

#### <u>SB 1529</u> – PASSED

Relating to Clause: Relating to housing; declaring an emergency.

#### <u>SB 1564</u> – PASSED

**Relating to Clause:** Relating to housing; declaring an emergency.

#### NATURAL RESOURCES

#### <u>HB 4148</u> – FAILED

**Relating to Clause:** Relating to natural resources; declaring an emergency.

#### TAX

#### HB 4055 - FAILED

**Relating to Clause:** Relating to exempt amount under corporate activity tax; prescribing an effective date.

#### <u>SB 1526</u> – PASSED

**Relating to Clause:** Relating to changes to certain Oregon tax laws; prescribing an effective date.

#### <u>SB 1542</u> – FAILED

**Relating to Clause:** Relating to corporate activity tax; prescribing an effective date.

#### TRANSPORTATION

#### <u>HB 4109</u> – PASSED

Relating to Clause: Relating to transportation; prescribing an effective date.

### <u>HB 4165</u> – FAILED

**Relating to Clause:** Relating to vehicle cost responsibility; prescribing an effective date.

#### <u>SB 1519</u> – FAILED

**Relating to Clause:** Relating to transportation; prescribing an effective date.

#### <u>SB 1543</u> – FAILED

**Relating to Clause:** Relating to transportation; prescribing an effective date.

#### WILDFIRE

#### <u>HB 4016</u> – PASSED

**Relating to Clause:** Relating to natural resources; prescribing an effective date.

#### <u>HB 4133</u> – FAILED

**Relating to Clause:** Relating to wildfire; prescribing an effective date; providing for revenue raising that requires approval by a three-fifths majority.

#### <u>SB 1511</u> – FAILED

**Relating to Clause:** Relating to wildfire risk reduction; declaring an emergency.

# POLITICAL

In the final actions in the session, Speaker-Designee Julie Fahey (D-Eugene) was <u>elected Speaker by the House of Representatives</u> by a vote of 34-22. This follows the announcement that Speaker Dan Rayfield would step down from his role as Speaker to concentrate on his run for State Attorney General.

On March 20, 2024, Rep. Ben Bowman (D-Tigard) was <u>announced</u> House Majority Leader, filling the former role of now Speaker Fahey.

Additionally, campaign finance laws saw a shakeup in the 2024 Session:

In the final days of the Legislative Session, the Legislature passed <u>HB 4024</u>, which will significantly change Oregon's campaign finance structure beginning in January 2027.

This bill came to fruition as a response to two ballot measures that proposed and severely limited the ability of businesses to participate in campaigns and would have resulted in a more opaque campaign finance structure.

Those initiatives were IP 9 and 42. The measures polled extremely high and would have been quite a challenge to defeat at the ballot.

HB 4024, is the product of extensive negotiations involving legislators and affected organizations, including business industry lead organization, OBI, public employee unions, and ballot measure backers. In addition to establishing limits on how much a donor can contribute, HB 4024 will create a system that continues to allow businesses and organizations to contribute to campaigns. The bill also provides tools to modernize elections resources.

Contribution limits will not be in effect until January 1, 2027. Rulemaking will occur through the Secretary of State's office.

# CONTACT

If you have any questions, please do not hesitate to reach out.

Megan Chuinard Executive Director Oregon Seed Council Phone: 503.267.8578 Email: Megan@MAC-Consulting-LLC.com

