



**Oregon State Chamber of Commerce  
Legislative Update  
June 19, 2023  
“2023 Legislative Update”**

Dear OSCC Members & Colleagues –

This past Thursday, Senate Republicans reached an agreement with the majority Democrats to return and finish up the 2023 session. It’s the first time the Senate has been fully operational since May 2<sup>nd</sup>.

Six Senate Republicans came back on Thursday and Friday to provide quorum and start the sprint to conclude the 2023 session in time for the Constitutionally required June 25<sup>th</sup> sine die.

The return was a result of Democratic leadership agreeing to significantly scale back two high profile bills, HB 2002 (abortion and gender transformations) and HB 2005 (various gun restrictions) as well as killing SJR 33, which would have asked voters to enshrine protections for abortion, transgender care and same-sex marriage in the state Constitution. A few other bills will die behind the scenes as part of the agreement, but that will clear the path for hundreds of other good and bad bills to live or die on their own merits in the waning days.

Senate President Rob Wagner did not agree to waive the unexcused absences accrued by 10 of the 13 members of the Senate Republican caucus. He did, however, agree to waive the \$325 per day fines that began accumulating. As part of the deal, Senate Republicans agreed to suspend normal procedural rules in order to fast-track the hundreds of bills backlogged on the Senate floor.

Senate Republicans will still maintain a semblance of procedural control that could allow them to further delay proceedings, but it is expected that those tactics would be used judiciously, if at all.

The schedule going forward has the Senate in a full sprint starting Tuesday until sine die - which can be no later than end-of-day Sunday, June 25<sup>th</sup>.

Although we are certainly aware that some bills were advanced or killed behind the scenes, there is no formal agreement on policy bills that has been announced. It is very likely that there will be significant horse trading on bills up until the very end.

Finally, we are expecting the unveiling of final budget decisions tomorrow. This would include the much-anticipated “Christmas Tree” budget reconciliation bill as well as the list of projects that will be funded with lottery bonds.

Here are the bills that OSCC is paying attention to in the last days:

**CAT Tax Reforms:** OSCC will be watching [Senate Bill 140](#) as the vehicle that is currently housing a proposal to reform the CAT tax by raising the exemption up to \$2 million. *HOWEVER*, it contains revenue-raising on the back end that would increase the tax rate for everyone else from a 0.57% to 0.62% gross receipts tax. OSCC is opposing this proposal. It is nowhere near the CAT tax reform that OSCC was advocating at the beginning of session.

**Estate Tax Reforms:** [Senate Bill 498A](#) took its first step by passing out of the Senate Committee on Finance and Revenue on a bipartisan vote. The bill would exempt the first \$15 million of assets from Oregon’s estate tax for agricultural and natural resource family businesses if those businesses remain in family hands for at least five years after an owner's death. This is the first significant progress we’ve seen on death tax policy in over a decade. Oregon is one of the few remaining states that levies a tax on estates with as little as \$1 million in value.

**Economic Development Incentives:** OSCC will closely watch proposed amendments to [House Bill 2009](#). This bill would create a narrow Research & Development Tax Credit that would be available only to the semiconductor industry. It would also extend Oregon's primary economic development tools - the Enterprise Zone program and the Strategic Investment Program (SIP). Although these programs will get extended life under HB 2009, they are likely to have some sideboards applied to them.

**Title V Air Quality Fees:** OSCC is closely watching [HB 3229](#) which would dramatically increase fees by 83% on Oregon manufacturers that are subject to the Title V air quality program. OSCC has fought the 83% hike and advocated instead for a lesser increase and a commitment that DEQ would work collaboratively with stakeholders to implement a rational fee schedule. OSCC and the manufacturing community was rolled by majority Democrats on the Ways & Means Capital Construction Subcommittee on Friday and is facing the 83% fee hike unless there is sufficient pushback from pro-business Democrats.

[Download OSCC Bills of Interest](#)