



**Oregon State Chamber of Commerce  
Legislative Update  
June 5, 2023  
“2023 Legislative Update”**

Dear OSCC Members & Colleagues –

We head into another week of impasse. There have been no changes regarding the standoff in the Oregon Senate.

Last week, Governor Tina Kotek [walked away](#) from negotiations with Senate Republicans after it became clear once again that neither party had any interest in compromising on HB 2002 - the abortion and gender-affirming care legislation that sparked the boycott.

Although both sides still seem miles apart, it's highly likely conversations will resume again on some level before the constitutionally-required June 26<sup>th</sup> adjournment.

Outside of the Senate impasse, work continues elsewhere in the Legislature, with most of the action focused on finishing out the budget and last remaining policy bills. And while these budgets and bills appear destined to die under the weight of the Senate Republican boycott, they are very likely to be reintroduced in the same or very similar form in a future special session focused on budgets.

We are hearing that if the session does indeed crash, a short “cooling off” period will ensue with a special session scheduled in early-to-mid July that will focus on budgets.

Remember, in the event that Republican senators do not return and pass a budget by June 26<sup>th</sup>, a continuing resolution will allow state government operations to continue until September 15<sup>th</sup>. At that date, funding for state agencies and programs will cease altogether.

There have been some late breaking bills gathering steam this session that are very worth of OSCC's interest and possible support:

**CAT Tax Reforms:** OSCC will be paying attention to [Senate Bill 140](#) as the vehicle that will likely house a proposal to reform the CAT tax by raising the exemption up to \$3 million. *HOWEVER*, we caution that there may be some revenue-raising on the back end that would increase the tax rate for everyone else in order to make the bill “revenue neutral.” OSCC will continue to update as this important discussion unfolds.

**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 step forward we've seen on estate 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 anxiously awaits proposed amendments and compromise between two competing bills that were the subject of hearings last week - [House Bill 2009](#) and [Senate Bill 1084](#) – both of which represent two different vastly different approaches to economic development policy. At this point, OSCC believes SB 1084 is the vastly superior bill for our local communities, that includes a very strong Research & Development Tax Credit as well as an extension to the Oregon Enterprise Zone program.

HB 2009, in contrast, would create a narrow Research & Development Tax Credit that would be available only to the semiconductor industry. It would disconnect Opportunity Zone tax incentives and would also give much more limited support to enterprise zones and the Strategic Investment Program (SIP).

As of now, OSCC understands that House Bill 2009 is likely to be the vehicle that will carry the compromise amendments. OSCC will update members as we learn more.

[Download OSCC Bills of Interest](#)