



**Oregon State Chamber of Commerce
Legislative Update
February 12, 2024
“2024 Legislative Update”**

Dear OSCC Members & Colleagues –

We enter the second week of the 2024 legislative session in Oregon. So far, session has been largely as advertised. Legislative committees have focused on Measure 110 reforms ([HB 4002](#)) and the Governor’s legislation to increase housing production ([SB 1537](#)). Although we do expect that there will likely be some controversial and partisan bills to emerge, none have gained any real traction yet at this point of session.

The biggest news event of the past week was Wednesday’s revenue forecast. This sets the stage for final spending decisions in the short session. The forecast gave legislators some immediate good news: revenue stability with a slight uptick in funds available. However, buried in the forecast was the trend that the days of ever-increasing revenue forecasts may be coming to an end.

Available resources to the General Fund are up about \$557 million from the December forecast. However, much of this money was already anticipated and previously spent as it was simply “leftover” money from the previous biennium. The “new” money was around \$85 million. This may give legislators a little additional spending room for 2024, but legislators are also becoming wary of declining revenues and deficits starting in 2025.

Upcoming Deadlines

Today is the posting deadline for bills to be posted for a work session. This is the first significant deadline of the session. Bills not posted for “work session” or “possible work session” by end-of-day today are considered dead. Historically, this means that about 25% of the 300 bills that have been introduced will drop off by the end of today. The first major deadline will be next Monday, February 19th. Bills need to be voted out of their initial policy committee or they will be considered “dead” for the session.

Bills of Interest to Local Business

This week, these are the key bills of importance for OSCC and business communities across the state:

Senate Bill 1542 – **SUPPORT:** On Monday, the Senate Finance & Revenue Committee will hold a hearing on SB 1542 to increase the sales threshold to \$5 million for Oregon businesses to pay the Commercial Activity Tax. We believe this is a vital policy to help protect small businesses in Oregon. We are appreciative of Chairman Mark Meek scheduling this bill for a hearing. It is a primary objective of OSCC.

To testify in support of SB 1542, please follow this link and submit your comments in favor of the bill.

House Bill 4005 - **OPPOSE:** On Monday, the House Committee on Business & Labor will hold a public hearing on HB 4005, which would eliminate Professional Employer Organizations (PEO’s) in the state of Oregon. It does this by declaring that the “co- employer” business model is no longer allowed in the State of Oregon.

PEO’s depend on the “co-employer” model so that they can offer small businesses economies of scale when purchasing workers’ comp, health insurance and other benefits products. It gives small businesses the benefits and services of a large employer.

PEO’s are a major benefit to over 3,000 small businesses in Oregon who depend on them to be the administrative employer for purposes of payroll, human resources, labor law compliance, tax compliance, and benefits administration. **If you use a PEO or understand what a vital role PEO’s play to help support small business growth, [please submit testimony here](#) and say NO to HB 4005.**

[House Bill 4050](#) – **SUPPORT**: On Monday, the House Committee on Business & Labor will also hold a public hearing on HB 4050. This bill is perhaps the best proactive, pro-business employment bill of the session as it allows employers to offer hiring and retention bonuses – or other pay differentials – without running afoul of Oregon’s “pay equity” laws.

More specifically, the bill allows for pay differentials when it does not discriminate based on protected classes, aligns with a business necessity, and fulfills the underlying purpose of that necessity. Oregon employers are asking the legislature for this tool as we compete for talent against other states against a backdrop of severe worker shortages.

Please take a moment and [submit testimony here in support of](#) HB 4050. [You can see the business community’s 1-pager in support of the measure here.](#)

[Download OSCC Bills of Interest](#)