

July 24, 2017

2017 LEGISLATIVE NEWSLETTER

RICK LEWIS

State Representative, 18th House District



Dear Friends and Neighbors:

It is with great pleasure that I share with you a summary of the 2017 Legislative Session. I am honored to be able to advocate on your behalf and fight for issues that are most important to you. Thank you for your continued involvement in your community and for reading this newsletter.

I was appointed to the Oregon State House of Representatives to represent the 18th District in February, a month into the 2017 legislative session. While there were disadvantages to starting a month after the legislative session had already started, I quickly jumped in to study the issues and bring my city level experience to the state's problems.

This session I am serving on the Veterans and Emergency Preparedness Committee, Economic Development and Trade Committee, and Joint Committee on Ways and Means Sub Committee on Natural Resources.

Friday July 7, 2017 marked the end of the 2017 legislative session, my first as your representative in the Oregon State House of Representatives. Whether it was debating K-12 education budget, public employee retirement reform, health care taxes, or any of the other important issues impacting our local communities and state, the 2017 legislative session had no shortage of major issues to address.

While there were many debates and legislation I was disappointed to see move forward, I believe there were many discussions and meaningful bills that Oregonians can be proud of.

BUSINESS AND TAXES

There were many discussions from day one regarding ways to backfill the 1.6 billion dollar state deficit and add stability to the state's revenue streams. One such proposal was a gross receipts tax. The legislature held numerous hearings this winter and spring on creating a gross receipts tax, particularly within its Joint Committee for Tax Reform. Originally, the proposal mirrored the Ohio Commercial Activities Tax, with a low, flat rate, but quickly morphed into a multi-tiered rate structure with numerous exemptions.

As the session drew near the end, Democrats in both chambers could not convince Republicans to support the plan. Oregon requires a three-fifths majority to create a tax, and Democrats were one vote short of this super majority in each chamber of the legislature. All other attempts to raise business taxes in 2017 failed.

PUBLIC EMPLOYEE RETIREMENT

Upon being appointed in February, one issue I had hoped to address was the increasing liability of the Oregon Public Employees Retirement System (PERS), which accounts for a large portion of a \$1.6 billion budget deficit. All attempts to reform PERS were abandoned as the legislative session came to a close.

State economists say costs for the PERS program are expected to increase by another \$200 million by the beginning of 2019. In addition, the current PERS deficit is \$22 billion and cost increases to schools and local governments are expected to be an additional \$6 billion within 8 years if the state Legislature does not take action on PERS reform.

The combination of these factors makes addressing PERS a top priority in future legislative sessions.

HEALTH CARE

Among the most notable policy changes in the area of health care was House Bill 2391, which imposed a new .7 percent tax on top of the existing assessment on hospitals' net patient revenue. It also creates a new 1.5 percent "premium" tax on health plans provided by some insurers as well as the 16 coordinated-care organizations that facilitate the Oregon Health Plan.

These provider taxes were intended to fill roughly \$900 million of the \$1.6 billion-hole in the state's 2017-19 budget. Inflation costs pertaining to health care account for over 80 percent (\$1.3 billion) of the current deficit.

The majority of the Republicans in the State House, including myself, opposed this bill primarily out of the concern that health providers would ultimately shift the higher costs to patients. Section 8 of this bill expressly allows insurance companies to pass this tax to consumers. By definition, this section is a sales tax on healthcare and a sales tax on those who buy their insurance in the marketplace. Finally, House Republicans argued that with health care policy uncertain at the Federal level, moving forward on a health care provider tax would not be logical.

VETERANS

In November, 2016, Ballot Measure 96 passed in Oregon with 85% approval. This measure allocated 1.5% of Lottery funds toward new veteran programs. The Governor, in her recommended budget, reduced the budget for the Oregon Department of Veterans Affairs by nearly \$10 million General Fund and replaced those dollars with Lottery funds intended for new programs. The bi-partisan House Committee on Veterans and Emergency Preparedness worked throughout the session to restore those Lottery dollars to new Measure 96 programs. The effort was successful for the most part and a number of bills to restore funding and create new programs for veterans ultimately passed in both chambers and have been signed into law.



Photo opportunity with Medal of Honor recipient and Master Sergeant, Leroy Petry

As your representative, I co-sponsored 11 bills for veterans. A number of bills passed this session with broad bi-partisan support.

Among those are:

- **HB 5039** restored most of the Measure 96 Lottery funds for programs.
- **SB 129** establishes a process to develop a task force to work on the issues of Post-Traumatic Stress Disorder.
- **SB 832** will provide grants to qualified non-profits for the purpose of providing services to veterans in rural areas of the state where veteran's services are not readily available.
- **SB 80** will provide services to Native American veterans.
- **SB 81** will provide assistance in navigating the federal VA system.
- **HB 2100** establishes Highway 20 between Newport and the Idaho as the Medal of Honor Highway.
- **HB 2149** allows former POW's to pay a one-time \$15 vehicle registration fee. The benefit is transferable to a surviving spouse of a POW.
- **HB 2908** creates a Volunteer Coordinator position at ODVA to centralize communication and coordination with the Department's volunteer partners.
- **HB 3207** designates I-5 between Albany and Salem as the Atomic Veterans Memorial Highway in honor of those veterans who worked on atmospheric and underwater nuclear weapons testing between July, 1945 and November, 1962.
- **SB 116** requires the State Department of Forestry to issue free passes on State Forestry lands during holidays to disabled veterans and active military personnel on leave.
- **SB 143** expands veteran resources at colleges.
- **SB 476** begins a process to improve employment opportunities as "preferred workers" for disabled veterans.
- **SB 992** designates the 3rd Friday in September as Oregon POW/MIA Recognition Day.
- **SB 993** designates August 7th as Purple Heart Recognition Day.

Many veteran bills died in committee, but some significant strides were made in ensuring that the desires of the voters to improve services to our military veterans were honored veterans.

EDUCATION

This legislative session, both chambers approved a record \$8.2 billion package to fund Oregon's K-12 public school system, up 11 percent from the current biennium.

Several legislators and school districts argued this funding level was \$200 million lower than the level needed to maintain staffing and services for schools. In addition, many of the House Republicans such as myself argued that without a serious effort to address significant cost drivers like PERS and government employee healthcare costs, the funding increase would still be inadequate to fully fund our state's schools.

According to the state's actuary, PERS costs in school districts will continue to increase by \$335 million over the next two years, an amount that could be invested in classrooms and decrease class sizes.



High school students from Silverton participating in Boys State.

Another variable of concern to the school funding package is the skyrocketing government employee health benefit costs. Some studies have shown Oregon has among the highest government employee health benefit costs on the West Coast.

AFFORDABLE HOUSING

Lack of affordable housing has become among the most pressing issues facing our state in 2017. In this legislative session, the Legislature approved tens of millions of dollars in funding to address the state's critical affordable housing shortage with emergency housing assistance, affordable housing preservation, state-backed bonds for development and an increase in the cap for the affordable housing tax credit. In future legislative sessions, the body will need to make significant strides towards continuing to address this growing problem.

AGRICULTURE

There were many bills related to land use, environmental issues and taxes and employment that appeared to be a challenge for farmers and ranchers at the beginning of this legislative session. However daunting these challenges were, I believe this ended as a strong session for our agriculture community.

Here is a listing of some of the bills harmful to agriculture that failed to pass:

- **HB 2705, Water Measurement:** Required mandatory measurement devices on all non-exempt water rights, based on the “best practicable technology and practices available.” Measurement devices would’ve been required at each point of diversion and all water use would’ve been reported to the department.
- **HB 2706, New Water Tax:** Imposed an annual tax of \$100 for each water right held in the state.
- **HB 2937/ HB 2938, Accessory Dwellings & RVs on Farmland:** Allowed people to build new non-farm dwellings and use recreational vehicles as homes on land zoned for farm use.
- **HB 3087, Employer-Paid Family Leave:** Levied 0.5% payroll tax on employers and workers to provide three months of paid family and medical leave to ALL employees, including an additional six weeks of parental leave.
- **SB 432, Eastern Oregon Land Use Exemption:** Allowed counties with no population growth to develop land use plans without consideration of Oregon’s land use planning goals. This bill applied to eight Eastern Oregon counties.
- **SB 499/ SB 500, Pesticides:** SB 499 removed pesticides from Right-to-Farm protection and exposed farmers to frivolous lawsuits. SB 500 eliminated the requirement to submit a timely “report of loss” form to the ODA, removing the opportunity for fact finding before a potential lawsuit.

In addition to the bills that failed, there were many positive bills that passed in support of farmers and ranchers. Here are a few of those bills:

- **HB 2017, Transportation Package:** Passed during the last days of session, HB 2017 increases taxes on fuel, vehicles, and bicycles to fund transportation infrastructure improvements across the state. Revenue is



allocated to ODOT, counties, and cities with a portion dedicated to rural communities.

- **HB 2038, Farm-to-School:** Allocates \$4.5 million in funding to Farm-to-School and School Garden programs. This appropriation will preserve the program for the 2017-2019 biennium.
- **SB 299, Oregon Sick Time Fixes:** Provides important clarifications to family farmers and businesses in implementing the paid sick time law. Fixes include: piece rate pay calculations, employee count, and farm stand location.
- **SB 327, Recreational Immunity:** Protects landowners and their employees from lawsuits by people recreating on their land.

TRANSPORTATION

Among the silver lining of the 2017 Legislative Session was the passage of the most robust transportation package in over ten years. House Bill 2017 passed in the final days of the legislative session with broad bi-partisan support. The bill is a \$5.3 billion transportation funding package that will be used for highway and bridge improvements, transit projects and more around the state. This bill in its final form, preserved the fuel standard of concern to many, while putting in safeguards to protect consumers from spikes in fuel prices.

Since 2009 when the last transportation package passed the State Legislature, Oregon, like many other states in the west, have struggled to identify ways to provide stable, reliable funding for non-roadway infrastructure, multimodal transportation infrastructure, and public transportation operations.

To give you background, at the end of the 2016 Session, the Joint Committee on Transportation Preservation and Modernization was formed to develop a transportation funding package that addresses Oregon transportation infrastructure problems. The committee traveled the state conducting public hearings and obtaining testimony from the public for several months. Last February, the committee then created several work groups to develop recommendations for highway preservation, traffic congestion, public transit, public safety, multimodal transportation, and accountability. The transportation package that passed in House Bill 2017 was based on the findings and study this committee conducted.

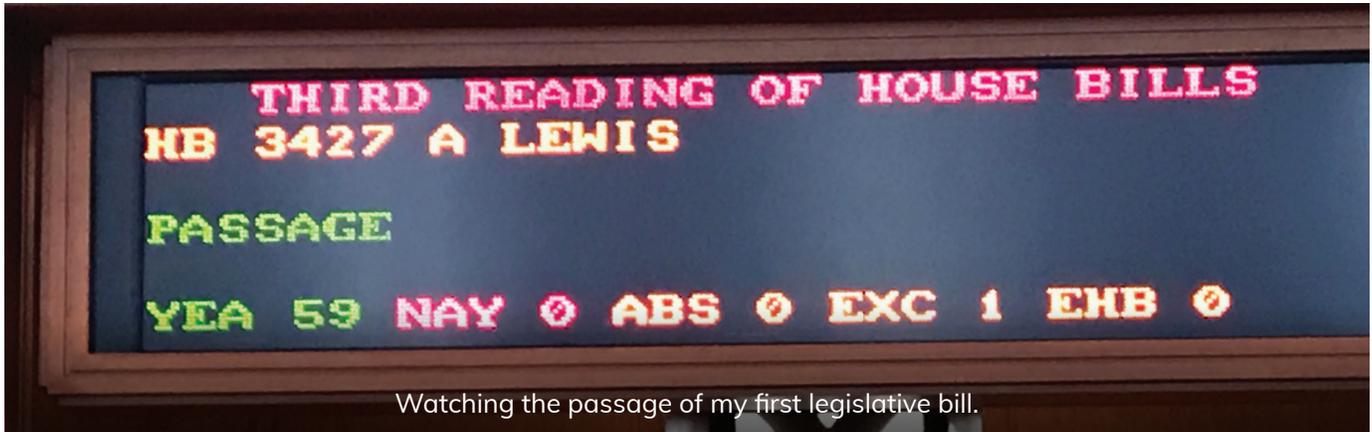
Throughout the legislative session, I was a strong advocate for the passage of the transportation package for several reasons. For one, this bill has several large budget allocations that I requested for cities in our district. Silverton will receive funds for highway improvements, including a crosswalk on Highway 214 at Jefferson Street. This is a Safe Route to School issue and will provide a safe crossing for school kids from the Northside Addition to the middle school at the old Schlador campus and to the High School. Molalla will receive funds for upgrades to Highway 211 between Molalla Avenue and Highway 213. Cities will also receive an annual allotment that I will discuss in greater detail once I have the final figures and these funds will be specifically for road improvements inside the cities. Funds were also approved for phase 1 I-5 at the Aurora-Donald interchange. All cities in District 18 will see an increase in state funds for transportation system improvement.

ENVIRONMENT

There were various environmental bills that were a success in the 2017 legislative session. Senate Bill 1008 uses money from the Volkswagen Diesel Settlement to provide grants for reducing emissions from diesel engines on school buses. This bill implements many aspects of a report released by the Department of Environmental Quality with recommendations on reducing diesel soot emissions.

REP. LEWIS' PERSONAL BILLS

I was proud to introduce HB 3427, a bill that creates greater safety measures for dams in the state that are considered, "high-hazard." The bill requires owners and operators of state regulated Oregon dams that are "high-hazard" to develop an emergency action plan with periodic plan review and updates.



The bill requires that a copy of the emergency action plan be provided to the Oregon Water Resources Department, the office of Emergency Management, and the Emergency Management Organization in the county in which the dam is located. Under current law, existing high-hazard dams are encouraged but not required to have a plan. Under this bill, inspections and emergency response exercises on high-hazard dams would be required annually or on a basis otherwise determined by the Oregon Water Resources Department.

High Hazard Dams are not necessarily unsafe. The designation only means their location and size are such that significant loss of life could occur in the event of a catastrophic failure.

I believe this bill is an important step forward in ascertaining the safety of Oregon residents who reside within proximity to a high-hazard dam. Any time we can give Oregonians greater safety and peace of mind, it is a win.

House Bill 3427 passed both chambers and was signed into law by Governor Brown.

It is truly an honor to serve you in the Oregon State House. If I can be of service to you in the future, please do not hesitate to contact me. Please also consider following my "State Representative Rick Lewis" page on Facebook for continued updates.

Sincerely,

Rick Lewis