Final Legislative Report

2022 Oregon Legislative Session

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The 2022 legislative session adjourned late morning on Friday, March 4th. It was the first time in nearly two years the public was able to access the capitol building despite committees being conducted completely virtually. While it was yet another unusual session to navigate as access was complicated due to building construction and a number of other factors, the overall tenor of the session was somewhat less contentious than the last several sessions. Marked by completely new house leadership and the upcoming retirement of the longest serving Senate President in Oregon’s history it was also a symbolic passing of the baton. In the House, Representative Dan Rayfield was voted in as Speaker, and Rep’s Vikki Breese Iverson and Fahey were chosen as Republican and Democrat leaders, respectively. Additionally, Rep. Tawna Sanchez was appointed as the House Co-Chair of the powerful Ways and Means Committee after a vacancy was left open when Rep. Rayfield was chosen to lead the House. In the Senate, Senator Peter Courtney who has presided as President since 2003 concluded his last session, and Senator Knopp replaced Senator Girod as Republican leader. To recap, the current make-up of the legislature is controlled by the Democrats who hold a super majority in both chambers, holding an 18-10-2 (two Republicans to switched to Independent Party last year) advantage in the Senate, and 37-23 in the House. While the last two years, since the pandemic began saw multiple special sessions to resolve COVID related issues, including housing and direct medical needs, as well as impacts realized by the active fire seasons, this session still had several matters legislative leadership were looking to address. Some of the most notable included: data broker legislation (HB 4017), figuring out how to best spend federal funds, rebalancing agency budgets, as well as a bill (HB 4002) on agricultural worker overtime pay (which was probably the most contentious).

With Ag. overtime being one of the bigger priorities of democratic leadership, HB 4002 largely set the tone and pace of the session. Discussions on the issue have been ongoing since before the last long session in 2021 when the bill failed to make it though the process. Since then, advocates, the Farm Bureau, unions, family farmers and essentially anyone involved in the agricultural sector have been holding meetings to try and produce a compromise which would be workable for all sides. In the end, the bill passed on the last week of session, but much to the chagrin of most farms and producers as the bill from their perspective was unworkable mostly due to their thin margins and the periods of time sensitivity of various times of year. HB 4002 ended up being one of the main leverage points of the session because the democrats didn’t (or labor) didn’t need a bill to actually move. If nothing passed the State Labor Commissioner was likely to take the issue up and would have most likely sided with labor on the issue. This put the republicans in a tough spot, and most negotiations throughout the session revolved around them looking to make changes to this legislation.

The data broker bill (HB 4017) was also another item of note. This bill stemmed from a large workgroup which has been meeting for more than two years with the Attorney General’s office, which has been discussing the future of data privacy and how to appropriately regulate it. Like in 2020 for the 2021 legislative session, the attorney general’s office decided earlier in 2021, the 2022 session was too short to be able to try and pass a wide sweeping data privacy bill. Instead, last November they paused this large data privacy group and redirected their attention to trying to regulate data brokers. After many stakeholder meetings the Attorney General had HB 4017 introduced through the House Business Committee. By the time the legislation left the first policy committee, even though many stakeholders didn’t see a need for the bill, no group was actively opposing the bill. The bill basically said if you are buying and selling data, other than from your direct customers you needed to register as a data broker. There were two exemptions in the bill for data falling under the Fair Credit Reporting Act and Gramm Leach Bliley Act. Ultimately, due to totally unrelated political issues, the bill failed to pass. As session ends, the broad data privacy workgroup will start back up and this will all but certainly be part of the discussion. Whether this draft changes and becomes more controversial or not is an unknown.

In addition to the two bills mentioned above, the state had somewhere in the neighborhood $1.5B in cash they could spend originating in substantial portion from money passed down from the federal government. Overall, from a financial standpoint, Oregon has weathered the COVID storm relatively well as incoming revenues remained higher than expected and as federal dollars which flowed in from the various covid relief packages and the infrastructure bill were passed by congress. Both parties had priorities and differing ideas of where these dollars should be spent and how much. While some budget hawks strongly pushed for a larger portion to be saved for leaner times, many legislators were advocating for a more robust spending package. One result of the many lively discussions was an effort to get more dollars outside of the metro areas and to more rural portions of the state, particularly focused at infrastructure needs. While no one was completely satisfied, there was some significant spending across a wide spectrum. Some notable investments included addressing Drought, Extreme Weather and Infrastructure needs, investments specifically for rural infrastructure, summer learning programs, health care and behavioral health, and in homelessness prevention/housing.

In the end, session was much different from a drama standpoint compared to the recent past. There were no real threats of walkouts from the minority party, and there was not the level of controversial bills which have characterized the last handful of years. Moving forward, there will be many policy discussions taking place in the months leading up to the next session which will begin in February of 2023. Spring will be busy as agency bill concepts must to be submitted by early summer. In addition, there are various workgroups and taskforces we will be monitoring which will also be meeting to hash out a number of other issues so there will be much work during the interim. Separately, we are expecting a busy campaign cycle, with the primary election occurring on May 17th which will set the stage for a Governors race and legislative races this fall. We will send out a comprehensive brief shortly outlining the elections and races to watch which will hopefully give you a snapshot of what to be watching for in November. We do want to note there will be a high turnover of legislators as many incumbents have chosen not to run for reelection.

Upcoming key dates include:

* March 8th Filing deadline
* May 17th Primary election
* June 1-3 Interim Legislative Days
* Sept 21-23 Interim Legislative Days
* Sept 23rd deadline to request presession filed legislation for 2023
* Dec 7-9 Interim Legislative Days

A couple of other key bills we worked on this session were:

**HB 4018** is legislation that we have now seen for the past couple of session and, among other things, would drastically change how credit is used in the scoring/rating of insurance. Last session this legislation was brought forward by the Department of Consumer Business Services and failed to get out of the first committee. We opposed this legislation, working with the insurance industry, and once again the legislation failed to make it out of the first committee. With that said, there are a significant number of legislators that like this legislation and is something we will need to continue to work against in the future.

**HB 4075** as introduced would have required 50% of restitution payments ordered to go to insurance companies to instead go to the criminal injuries compensation account. This would have taken money away from carriers and clearly would have had an impact on rates paid by consumers. We worked with the insurance industry and this provision was removed from the bill before it’s passage. The insurance industry was neutral on the remaining aspect of the legislation.

As always, please don’t hesitate to reach out with any question you might have.