Oregon Surplus Line Association

Final Legislative Report

2023 Oregon Legislative Session

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The 2023 legislature officially adjourned on Sunday, June 25th at 4:26 PM and concluded what was the first session back in person since the 2020 short session just prior to the COVID-19 outbreak. During the last three years nearly all legislative business was conducted essentially remotely except for voting on the House and Senate floor which made for an interesting dynamic this year as over 50% of the legislative membership had never been though a “normal” session before. Additionally, there was a historic turnover at the leadership level as we had two of the longest serving House Speakers and Senate Presidents in history replaced by new leaders. As your lobby team, it was great to be able to operate normally again in the building, though due to construction, much of the Capitol was closed off, which made talking to members off the floor difficult as there was very limited room to have those conversations. The current make-up of the legislature is controlled by the Democrats who hold majorities in both chambers with a 17-13 advantage in the Senate and 35-25 in the House.

While the session began with relative cooperation and bipartisanship, the goodwill and willingness to work together quickly went away when two bills dealing with abortion issues/gender affirming care (HB 2002) and guns (HB 2005) began moving through the process. Eventually both bills passed the house after many hours of debate and procedural motions made by the republicans to delay passage. Meanwhile, in the Senate there were a handful of matters which left Republicans feeling as though their perspectives were not being taken seriously by the majority party and there was not the same sprit cooperation as was the general case in the house. Early in May the Senate Republicans decided to walk out of the building and not provide a quorum to pass bills which in effect shut the chamber down and did not allow the passage of bills and led to several weeks of posturing and negotiations. Finally on June 15th the two parties in the Senate stuck a deal to make some changes to HB 2002 relating to parental notification as well as some other changes to limit the scope of HB 2005 to banning “ghost guns”, is meant to address unserialized and undetectable guns and in so doing ended the longest walkout in the history of American state legislatures.

Some of the other major priorities of the legislature this year were to try and address housing and homelessness. There remains a wide range of opinions on how to best tackle a very difficult issue, but most can agree the matter is something the state needs to address. A piece of the overall Housing Package was contained in HB 5019 and in HB 2001. These two bills were essentially the “Affordable Housing/Homelessness Response” bills and invested roughly $200M to help shelter individuals living on the street, increase affordable housing production and attempt to prevent additional homelessness in the future. HB 2001 establishes the Oregon Housing Needs Analysis and associated production targets, and HB 5019 (as described above) includes providing statewide assistance to rehouse people, expand shelter capacity, direct money to emergency management response and to develop a proposal for long-term rent assistance programs. There was also nearly $2 billion invested though the passage of SB 5511, 5505 and HB 3395. Separate from the Housing Package, as in sessions past, there were also bills around creating a state bank, as well as ones which sought to eliminate or make changes to the mortgage interest deduction. In the same vein HB 2008 was a bill which sought to make some sweeping changes to how debt is collected as well as would have made changes to exemptions individuals are entitled to in the event they own a debt. While there were many negotiations on this measure, interested parties on both sides couldn’t quite come to an agreement so there will very likely be a similar concept brought forth in the sessions ahead. Another area which was made a priority was attempting to address Behavioral health. The legislature allocated money to add capacity for substance use disorder facilities, expanding access to overdose reversal drugs, and funded a suicide prevention and 24/7 crisis line though a tax on wireless phone carriers with the passage of HB 2757.

On the budget front, the May Revenue forecast, which is what the legislature uses to finalize state budgets, was unexpectedly up. The projection showed net general fund resources were up $1.88B from the March forecast which means much higher ending balances, higher reserves but also a very large kicker payout in 2024. This meant that the General Fund revenue outlook from the last 21’-23’ biennium was forecast to be $7.4B ahead of the 2021 close of session forecast.

While the legislature has completed its business for the time being, there will be more work to be done in the months ahead as work plans are released and members take some time off following session. The legislature will convene September 27th-29th in some capacity for legislative days, though it remains to be seen how exactly that will occur as likely the building will be heavily under construction. In the upcoming 2024 session, legislators and committees will be limited to only introducing two measures each. For bills to be introduced, the concepts must be submitted to legislative council by November 9th so if there is a desire to have something introduced, we will want to talk about it relatively soon just so we can make sure we meet the deadline. On the following pages are a handful of the more pertinent bills we worked on your behalf. If you have any questions or comments, please do not hesitate to ask.

**SB 619 and HB 2052** Both of these bills have been in the making for several years now. Back in 2019 the Attorney General’s office started a work group to talk through the issues of privacy and data brokers with the idea of introducing legislation in 2021. We worked very closely with this workgroup and on an individual basis with the AG’s office. Because of the effects of COVID the AG decided 2021 was not the right time to focus on these issues and looked to 2022. Both pieces of legislation were introduced in 2022 but for political reasons neither of them passed. As it relates to data brokers, we saw the exact same language from 2022 get reintroduced in 2023. The definitions and exemptions listed in the bill make sure that it doesn’t apply to you. The data broker bill passed this session with basically no opposition. The conversations around SB 619 continued well into session this year. The big areas of contention revolved around a private right of action, who all should be exempt and at what level under GLBA, and looking at what types of records should be kept by the entity holding the data related to who they have given it to. From the general business perspective, making sure there was no private right of action was the number one priority. In the end, this bill is something that we decided was “ok” and not to oppose as it should exempt our members. In fear that the bill would get worse if we had to wait until the next session to pass the legislation, many from the business community actively worked towards its passage. Ultimately both pieces of legislation passed and will be signed by the governor soon.

**HB 2920** was a bill introduced which sought to prohibit an insurer from considering things such as credit history, occupation, or whether one owns or leases a property when determining insurance rates vehicle liability. This concept is something that thankfully died in committee and never came up for a vote but is something that seems to be gaining some traction among legislators. This will be a bill we will be seeing again in the sessions ahead.

**HB 3242/HB 3243** Were both extremely harmful insurance bills which failed on the last day of session and were session long priorities for several legislators and Democrat leadership. HB 3242 would have allowed lawsuits against insurance companies for “bad faith” actions under the Unfair Settlement Practices Act which likely would have resulted in more litigation and increased insurance rates. HB 3243 would have allowed lawsuits against insurance companies under Oregon Unlawful Trade Practices Act for violations of the Unfair Settlement Practices Act. Thankfully, should it have passed we were able to get agents exempted from HB 3242. We fought hard alongside others in the insurance world and due to a lot of chaos and the work we collectively put in the bills did not make it through the process. Both concepts will be back, if not in 2024, certainly in 2025. So, while we can fight another day, there will be more to come in the years ahead dealing with similar bills.

SLAOR had a great session. There were a lot of bad bills that were introduced and none of them passed in a way which should be detrimental to the way you conduct business. There is much work ahead as many if not all these concepts are going to be coming back and are going to take a monumental effort to keep them from passing. Roger and the entire SLAOR legislative committee have done such terrific work in helping advise throughout the past several months and we truly couldn’t have done our work without them. It has been a pleasure to represent SLAOR for another legislative session! Please feel free to reach out should you have any questions for us.