Surplus Line Association of Oregon

Final Legislative Report

2024 Oregon Legislative Session

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The 2024 legislative session adjourned late in the day on Thursday, March 7th around 8:15PM. It was an unusual session in that access to the building was limited due to major construction to the Capitol but also because the two parties worked together in a more collaborative fashion that has been seen in a number of years. The legislative process ran uninterrupted and there was compromise on key issues that kept the tenor of session much calmer than in the recent past. 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. In the lower chamber, Representative Dan Rayfield served again as Speaker. Rep. Jeff Helfrich was elected by his caucus as House Republican leader, replacing Rep. Vikki Breese Iverson and Rep Julie Fahey continued to serve in her role as House Democrat Leader. In the Senate, Senator Rob Wagner continued to serve as President. Senator Tim Knopp remained as Senate Republican Leader as did Senator Kate Lieber as Democrat Leader.

Going into session, there were a handful of matters legislative leadership were prioritizing which included addressing housing and production, making changes the perceived shortcomings of M110 (HB 4002) and in a bit of a surprise, there was also major changes to campaign finance law which took shape in HB 4024. While few expected these negotiations to come together in such a short amount of time, it was done out of necessity as there were two ballot measures proposed to be on the ballot (which were withdrawn) that drew varying concerns among both the business community, unions and interests all along the political spectrum. The March revenue forecast projected $550 million in unanticipated revenue, much of which were funds state agencies hadn’t spent yet and raised the revenue since the 2023-25 legislatively adopted budget to $1.2 billion. This extra money made it easier for legislators to support the governor’s housing bill (SB 1537) and spend extra money in HB 4002 as well as funding some other proposals that otherwise may not have happened.

SB 1537 was the governor’s omnibus housing bill which came together after over a year of negotiations with a wide variety of stakeholders. While most who participated in those discussions did not get everything they wanted, overall, a needle was thread, and the bill garnered the support of most at that table. SB 1530 was a companion bill which funded much of the investments within SB 1537. To summarize the bill attempts to address the following areas:

* **Land Supply**

Allows for a one-time Urban Growth Boundary (UGB) tool for cities that have a need for both land and affordable housing and requires that 30% of all the homes are affordable. This allows expedited and limited expansions for cities that have a need, while at the same time has a series of requirements to ensure that expansion area take into consideration diverse housing choices, a mix of densities, stores and restaurants, parks, and open space, walking and biking infrastructure, affordable homeownership opportunities, etc. Finally, the land cannot be high-value farm or forest land outside of urban reserves already designated for future urban development and is capped at no more than 75 or 150 acres, depending on city population.

* **Housing Accountability and Production Office (HAPO)**

HAPO will provide cities and housing developers with tools to help streamline the development process. As an example, the office will produce ready build plans and model codes to expedite development and then work to ensure that the state’s housing laws are being followed by offering a voluntary process to address complaints, concerns, and issues from local governments and developers about compliance with state housing law.

* **Funding for Housing Production**

$500 million investment package from existing state resources to unlock more housing production by providing funding to build core infrastructure like water and sewer to support new housing development, and funding to moderate income housing.

The fix to M110, HB 4002, coined the Oregon Drug Intervention Plan, gives law enforcement tools to confiscate hard drugs and connect people to treatment. House Bill 5204 is the budget companion of HB 4002 and invests $211 million in shovel-ready projects and programs to expand behavioral health treatment capacity, apprenticeships and training for behavioral health workers, Medication Assisted Treatment (MAT) in jails, addiction prevention programs and education, deflection-to-treatment programs, drug courts, and criminal justice system capacity.

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 2025. Spring will be busy as agency bill concepts must 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 yet another busy campaign cycle with the primary election occurring on Tuesday, May 21st. While the Presidential election will take up a lot of the airtime, there will be a number of races that will be hotly contested here locally and will send out a brief summary outlining races to watch which will give you a preview of what to be watching for in November. As always, please do not hesitate to reach out with any question you might have.

Upcoming key dates include:

* May 21st Primary election
* May 29th-31st Interim Legislative Days
* Sept 23rd-25th Interim Legislative Days
* Sept 27th deadline to request presession filed legislation for 2025.
* Dec 10th-12th Interim Legislative Days

Here are a few bills of particular interest to your industry that were passed this session:

SB 1520 This legislation creates an Oregon personal income tax subtraction for any amount received in judgment or settlement of a civil action arising from wildfire. It requires wildfire to be subject of a state of emergency declared by the Governor, which occur in an area subject to executive order of the Governor invoking the Emergency Conflagration Act, or by a federally declared disaster located within Oregon or elsewhere. Disallows subtraction if amount is otherwise claimed as a credit or deduction on a taxpayer's federal income tax return, or amount is compensated by insurance or otherwise. It also creates Oregon personal income tax subtraction for legal fees incurred by a plaintiff seeking compensation for losses, expenses, or damages through wildfire-related litigation. These provisions are only allowed between 2018 and 2025, but do

allow for past tax returns to be amended.

SB 1545 This bill allow for a homeowner that rebuild from the 2020 wildfires on the same land and essentially the same type of home be given the same assessed property value by the County.

HB 4016 This legislation modifies the Prescribed Fire Liability Pilot Program, extends the deadline for the Fire Hardening Grant Program to December 31, 2025, and modifies terminology for an existing smoke monitoring program. The liability pilot program is prescribed as follows:

* Directs the Department of Consumer and Business Services (DCBS) to reimburse claims under the Prescribed Fire Liability Pilot program that meet certain criteria related to the use of prescribed fire and cultural burning.
* Adds new criteria that the claimant was not willful, malicious, or negligent in the origin or spread of the fire; and that the claim is for economic and property damage or, if the claimant is the State Forester or a forest protective association or agency, for actual costs incurred to control or extinguish the fire if the costs would be recoverable under existing fire abatement laws (ORS 477.068 and 477.120).
* Removes the criterion that the claim must be submitted to DCBS 60 days after the completion of an incident report or as specified by rule.
* Limits the amount paid from the Prescribed Fire Claims Fund to a maximum of $1 million per claim for losses arising from a prescribed fire or cultural burn.
* Limits the total paid for all claims to the total amount in the fund and allows claim awards to be reduced if there is insufficient money in the fund to pay the claims. • Clarifies that a person may assert a claim under another law in lieu of asserting a claim under the program.