



2024 Legislative Review

In stark contrast to the prior year, the 2024 Legislative Session was quick and efficient. Nearly 300 bills were introduced over the 32-day session of which a third crossed the finish line. As expected, the focus was housing production, Measure 110 reform and behavioral health access.

Chamber Policy Priorities

Re-build a state where businesses thrive in our community and ensure sustainable funding sources absent additional impacts on businesses

Increase the supply of attainable housing, prioritizing workforce housing at 80-120 percent AMI

Promote economic vitality, workforce development and innovation for a vibrant business community

Support for transportation and infrastructure projects to alleviate traffic congestion and plan for future growth

Increase access to affordable, high-quality childcare; and ensure adequate funding for K-12 public education

Advocate for a thoughtful balance between environmental sustainability and economic health

The short session started with great promise for significant investments in housing production strategies outlined in Governor's Kotek's signature legislative proposal (SB 1537). However, the legislative process splintered the comprehensive bill and drastically reduced the proposed \$500M investment intended to kick-start housing production. This was disappointing for several reasons, namely the lack of any funds directed towards Bend's infrastructure requests. Additionally, the limited UGB expansion process outlined in SB 1537 was amended to render it unusable in many communities, including Bend, due to strict demonstrations of need.

Despite the disappointment on the housing production front, there were several wins for Chamber priorities including funding for Employment Related Day Care (ERDC) to help offset the cost of childcare for working families, and the continuation of a program to ensure industrial land readiness. Additional funding for summer school programs was also included in the final budget bill.

Notably, much of the last two weeks of session revolved around finalizing details for Measure 110 reform. The bill (HB 4002) unwinds voter-passed Measure 110 by putting in place a new misdemeanor charge for drug possession, a move intended to encourage people to enter treatment programs rather than face charges and go to jail.

Potential jail time for misdemeanor drug possession will only kick in if a defendant violates their probation. Significant investments to the tune of \$200M+ were invested into court programs, youth prevention, community mental health clinics, treatment programs, new residential treatment facilities and other services like addiction medication in jails.

Finally, the Legislature passed significant and meaningful campaign finance reform in the waning days of session. The bill, HB 4024, is the product of extensive negotiations involving legislators and affected organizations, including business groups, public employee unions and, critically, the authors of a citizen initiative (IP-9). In addition to establishing limits on how much any donor can contribute, HB 4024 will create a system that preserves the ability of businesses and membership organizations to participate in campaigns while also containing provisions to mitigate the use of such organizations to evade limits or disclosure. It also includes substantial efforts to improve the state's campaign finance database and enhance transparency.

The composition of the General Assembly also changed in 2024 as new leadership was announced. Early on, House Speaker Dan Rayfield announced his intention to resign his leadership post to focus on his bid for the Attorney General seat in November. Majority Leader Julie Fahey was duly elected to the Speaker's post on the last day of session. The state Supreme Court also ruled that legislators who participated in the 2023 walk-out will not be eligible to run for office in 2024. This decision will bring a new crop of Senators into the building in 2025 with ten sitting members unable to run in future elections.

Throughout the session, the Chamber tracked 41 bills, and actively engaged in a dozen plus budget requests. A summary of priority legislation and major budget action is below.

Priority Legislation

SB 1537: Governor's Housing Production bill: Establishes Housing Production Accountability Office (HAPO) and directs review of infrastructure needs and one-time UGB expansion process usage. Amended to remove \$200M infrastructure funding; reduce the net acres of one-time UGB expansion from 150 to 100; and reduce the moderate-income revolving loan funds from \$200M to \$75M. *Passed and signed into law.*

SB 1530: Omnibus Housing Funding bill: A companion bill to SB 1537 it contains \$279M of housing investments, including \$89M of specific allocations for housing related infrastructure projects (Redmond, Madras, Prineville and Culver were all allocated funds for specific projects; Bend was excluded), \$65M for homeless shelter operational funding, \$36.5M for transitional housing facilities throughout the state. *Passed and signed into law.*

HB 4134: Water Infrastructure Funding bill for four specific cities (Burns, McMinnville, Amity and Toledo); Bend was excluded. *Passed and signed into law.*

HB 4042: Industrial Site Readiness: The bill died but the continuation of the Industrial Site Readiness Program was amended into an omnibus tax bill (SB 1526) without funding. Advocates will take another run at funding in 2025.

HB 4158: Childcare Infrastructure Grant for Small and In-Home Providers: The bill advanced through committee hearings but failed to make the cut list in Ways and Means.

SB 1576: Civil Law Omnibus bill: Amended to allow local governments to temporarily opt into existing statute limiting liability from ordinary negligence claims arising from recreational use. A permanent solution will be workshopped over the interim for 2025. *Passed, awaiting Governor's signature.*

OSU-Cascades Site Mitigation Request (\$24M): The budget package (HB 5201: Bonding Authority, HB 5202: Capital Construction Allocations) did not include this request.

City of Bend's Sewer Modernization Request (\$6M, reduced from \$24M): The Christmas Tree bill (HB 5701) did not include this request.

Employment Related Day Care Request (\$99M): The state agency budget bill (HB 5701) does include \$86M additional funds towards the current wait list, and approval of up to \$72M allocation to the Emergency Board for interim needs.

Other bills of interest and updates from our partners at Oregon Business and Industry:

HB 4005, which would unwind Oregon's professional employer organization industry, did not pass this session. With the announced retirement of the bill's chief proponent (Rep. Paul Holvey), there is less momentum to continue this discussion in future sessions.

HB 4050, which would give employers more flexibility to give workers pay incentives under Oregon's Pay Equity law, did not pass this session.

HB 4130, which would change Oregon law regarding how medical practices may be owned and make noncompetition agreements unenforceable against nonowner physicians working in a medical practice, did not pass this session.

SB 1515, which repeals the provisions of the Oregon Family Leave Act that are duplicated by Paid Leave Oregon to prevent stacking of the programs, passed this session. OBI and others have already begun to discuss the next set of changes needed to decrease the burden Paid Leave Oregon and Oregon's many leave programs impose on employers.

HB 4024, Creates a system that preserves the ability of businesses and membership organizations to participate in campaigns while also containing provisions to mitigate the use of such organizations to evade limits or disclosure. It also includes substantial efforts to improve the state's campaign finance database and enhance transparency. Contribution and spending details will take effect Jan. 1, 2027.

Budget Overview

\$409 million: Dedicated to wide variety of programs in what's traditionally called the "Christmas Tree" bill, [SB 5701](#). Significant areas include:

- \$86 million for employment-related day care program caseload
- \$76.2 million to Department of Human Services and Oregon Health Authority budgets for changes in forecasted caseloads
- \$42.6 million general fund for fire season costs
- \$39 million to support winter and highway maintenance and health and safety issues along agency rights of way in the Portland area
- \$10 million to higher education institutions for semiconductor workforce development
- \$10 million to Oregon State University to support student scholarships

\$376 million: Dedicated to the governor's housing package, which includes [SB 1530](#), [SB 1537](#) and [HB 4134](#).

\$30 million: Dedicated to educational summer programs related to [HB 4082](#)

Interim Work and Looking Ahead

Over the interim, the legislature is out of session, but the Joint Emergency Board can meet for budget issues or appropriations that arise. Additionally, legislatively created task forces and work groups meet informally to develop policy recommendations for the 2025 long session. The expected focus for 2025 will be transportation funding as the state and individual communities grapple with funding challenges.

The Legislature will convene three times over the interim to make budgetary adjustments via the Emergency Board and host informational hearings during Legislative Days. New this year is the addition of Task Force Days; wherein legislatively appointed task forces provide updates and informational hearings related to legislation under consideration. These meetings are scheduled for May, September and December.

Rulemaking at various state agencies to enact legislation and/or programs created by the Legislature will begin in earnest. Of note is a rulemaking process to further codify the state's Climate Protection Program (CPP) which was invalidated in early December due to administrative oversights. The Department of Environmental Quality (DEQ) will begin a new rulemaking process in April 2024. Additionally, the state's Climate Friendly and Equitable Communities (CFEC) program and rules are now fully in place, as the Oregon Court of Appeals upheld the state rulemaking process in a March legal decision.

The 2024 election season is in full swing leading up to the May 21 primary election, which will inform the ballot for the November general election. In Bend, we have three statewide offices on the ballot in the fall. Rep. Jason Kropf (D-Bend) is running unopposed for his third term in HD 54. Rep. Emerson Levy (D-Bend) has a challenger in Keri Lopez (R-Bend) for HD 53. Sen. Tim

Knopp was one of the ten legislators disqualified from a future election, leaving his Senate seat in SD 27 open to challengers Anthony Broadman (D-Bend) and Matthew Summers (R-Redmond).

The Chamber will be actively engaged with local and state partners in planning a Central Oregon strategy for the 2025 session. For more information and to stay updated on advocacy efforts, please visit the Chamber website: www.bendchamber.org/advocacy or contact Sara Odendahl, Director of Government Affairs and Strategic Initiatives (sara@bendchamber.org).