

Oregon Fire District Directors Association



*Genoa Ingram, Executive Director
September 2015*

2015 Legislative Summary



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Session Overview

78TH OREGON LEGISLATIVE ASSEMBLY

The 78th Oregon Legislative Assembly convened for its organizational meeting on January 12, 2015, in Salem. During that time, leadership was elected, committee assignments were made by the respective leadership offices and the Rules timelines for each Chamber were adopted by the bodies via HCR 15, co-sponsored by Senate President Peter Courtney (D-Salem) and House Speaker Tina Kotek (D-Portland). Each Chamber then adjourned its organizational meeting in order to reconvene for the main legislative session beginning February 2, 2015, which was subsequently adjourned *sine die* on July 12, 2015.

LEADERSHIP FOR THE SESSION

Oregon House of Representatives: 35 Democrats; 25 Republicans

Speaker of the House	Tine Kotek (D) HD 44
Speaker Pro Tempore	Tobias Read (D) HD 17
House Majority Leader	Val Hoyle (D) HD 14
House Republican Leader	Mike McLane (R) HD 55

Oregon State Senate: 18 Democrats; 12 Republicans

Senate President	Peter Courtney (D) SD 11
President Pro Tempore	Ginny Burdick (D) SD 18
Senate Majority Leader	Diane Rosenbaum (D) SD 21
Senate Republican Leader	Ted Ferrioli (R) SD 30

Governor: John Kitzhaber, Democrat – Resigned February 13, 2015

Governor: Kate Brown, Democrat – Sworn in February 18, 2015

LEGISLATIVE PROPOSALS

Following is a summary of the legislative proposals introduced in each Chamber during the 78th Oregon Legislative Assembly for the Regular Session:

	House	Senate
Legislation Introduced	1,569	973
Budget Bills	52	52
Concurrent Resolutions	36	19
Joint Memorials	20	12
Joint Resolutions	33	27
Resolutions	9	4
TOTALS	1,719	1,087

LEGISLATION ENACTED

House Bills	460
Senate Bills	346
TOTAL	806

LEGISLATIVE DAYS 2015

September 28, 29, 30
November 16, 17, 18

FINAL ECONOMIC FORECAST

December 2, 2015

Introduction

With commanding leads in both the House and the Senate, Oregon Democrats focused on a robust agenda that included an extension of the low carbon fuel standard, gun control and worker benefits such as mandatory paid sick leave. In light of a healthy majority in both Chambers, it was interesting that the three most powerful people in the building each left without securing one of their top priorities:

- Senate President Peter Courtney did not achieve seismic renovation of the Capitol Building;
- House Speaker Tina Kotek did not achieve an increase in the minimum wage;
- Governor Kate Brown did not achieve a transportation package.

The majority did not always operate in a cohesive manner: the Senate often found itself at odds with the House, while House and Senate Revenue Committees wrangled with the Joint Ways and Means Committee over how Oregon's resources should be spent.

The House Revenue Committee took the opportunity to hear input regarding Oregon's property tax system in what was dubbed the Property Tax "Big Look". During the discussion, several entities called for a work group to take a holistic approach to a review of the system over the interim and make recommendations for possible legislation in 2017. The discussion included the impact of Measure 5, compression, and the possible authorization of local option levies outside of constitutional limitations (Measure 5). The legislature ultimately adjourned without follow-up action.

All in all, it was a fairly quiet session for the public safety community. Significant wins took shape in the form of what was defeated rather than what was passed.

A second attempt to remove authority for oversight of approach and water supply from the Office of State Fire Marshal was introduced in the form of SB 886. While not defeated outright, the bill was substantially watered down to require that any citation written by the State Fire Marshal must reference the law or rule relied upon.

Also defeated for the fourth Session was the Oregon Volunteer Firefighters Association's tax check-off legislation which would have removed financial obstacles to placing the Association on the charitable tax check-off list. However, momentum was gained in both the Senate and Republican caucuses. By end of Session, the Republican caucus vowed to make the check-off bill a caucus priority for February.

Following is a summary of significant legislation from the 2015 Session.

Summary of Legislation

9-1-1

HB 2426 - SYSTEM ENHANCEMENTS

Effective Date: June 4, 2015

Chapter: 247, (2015 Laws)

HB 2426 updates the statutory authority and language for technological enhancements to the current 9-1-1 emergency communication system. Public Safety Answering Points (PSAPs) field 1.6 million calls annually in Oregon. The current 9-1-1 answering service is over 40 years old and has an end-of-service date of June 30, 2017. Chapter 403 of the Oregon Revised Statutes limits 9-1-1 contact to voice telephone calls only. The bill was amended to add language recognizing agency rulemaking authority and clarifying definitions.

HB 2919 - EMERGENCY CONTACT DATA

Effective Date: January 1, 2016

Chapter: 255, (2015 Laws)

In 2014, the legislature passed the Kelsey Smith Act, which requires cellular service providers to turn over cellular device location information to authorities for emergency response purposes in situations involving risk of death or serious physical harm. The measure included a requirement for the Office of Emergency Management to coordinate collection of emergency contact information for cellular service providers with Public Safety Answering Points and law enforcement. HB 2919 eliminates this requirement.

Building Codes

SB 133 - E-PERMITTING SYSTEM

Effective Date: January 1, 2016

Chapter: 170, (2015 Laws)

Beginning in 2003, the Building Codes Division worked with local governments, contractors and the legislature to implement a pilot electronic (or E-permitting) building permit system. Legislation was passed in 2005 and 2007 moving the program from a pilot to a regional then statewide service to contractors and local governments. The program continues to operate successfully across the state, with more city and county jurisdictions joining each year. The 2007 legislation included a sunset to allow the program to be evaluated. SB 133 removes the sunset and reauthorizes the program to make E-permitting available to additional local governments that provide construction-related services.

Elections

HB 2178 - CAMPAIGN FINANCE REFORM

Effective Date: July 20, 2015

Chapter: 702, (2015 Laws)

HB 2178 establishes a 15-member Task Force on Campaign Finance Reform and specifies membership, charge and reporting requirements. In addition, the bill shortens the time period for campaigns to report a contribution or expenditure of \$2,500 or more to two business days if it occurs during the 14-day period preceding an election. A Senate version, SB 75, would have established a 9-member Task Force on Campaign Finance Reform to conduct an analysis and determine the best method(s) to address campaign finance reforms. The Committee Services Office of Legislative Administration Office is to provide staff support for the Task Force. That bill was in committee upon adjournment.

HB 2957 - ELECTION DATES

Effective Date: April 22, 2015

Chapter: 44, (2015 Laws)

HB 2957 establishes specific dates for elections on measures not referred to the people by county governing bodies, city governing bodies, or district elections authorities. The bill provides that these initiatives and measures shall be included in the regularly scheduled election in May or November, in odd- and even-numbered years.

Enterprise Zones

HB 2643 - ZONE DESIGNATION

Effective Date: October 5, 2015

Chapter: 648 (2015 Laws)

HB 2643 authorizes designation of additional enterprise zones. The bill was amended to allow the enterprise zone process to be initiated by local governments rather than by the Oregon Business Development Department. Additionally, specific criteria was added to provide natural limitations on enterprise zones, including:

- Projects must increase full-time permanent employment by 10 percent;
- There may be no concurrent job losses in other parts of the state;
- Jobs created must be 150 percent of average median wage;
- There must be agreement with other local governments;
- Each new zone represents an administrative chore for local governments.

Environment

HB 2614 - FUEL DISPENSING

Effective Date: June 2, 2015

Chapter: 207, (2015 Laws)

Under current law, there is a minimum 900-gallon purchasing threshold for nonretail dispensing facilities. This measure makes an exception to the 900-gallon requirement for ports and certain types of special districts, including rural fire protection districts and 9-1-1 communications districts.

SB 85 - SEISMIC IMPROVEMENTS

Effective Date: May 4, 2015

Chapter: 48, (2015 Laws)

The Portland area has a high percentage of unreinforced masonry buildings, many of which have private owners for whom the cost of retrofitting is prohibitive. SB 85 permits local governments to develop financial programs to assist qualifying private owners throughout the state with seismic improvements.

Ethics

HB 2058 - LOBBYIST EXPENDITURES

Effective Date: August 12, 2015

Chapter 813, (2015 Laws)

In 2013, HB 3528 was adopted to exempt registered lobbyists from reporting to the Oregon Government Ethics Commission moneys spent on lobbying another registered lobbyist, excluding legislative officials, executive officials, or members of state boards or commissions. This 2013 bill had a sunset provision of June 30, 2015. Measure HB 2058 extends the exemption through June 30, 2017.

SB 293 - GIFT EXEMPTIONS

Effective Date: January 1, 2016

Chapter: 665, (2015 Laws)

Under current law, there is an exemption to the definition of "gift" for public officials for admission provided to or the cost of food or beverage consumed by a public official or a member of the household or staff who accompany the public official at a reception, meal or meeting held by an organization who the public official represents state, local or a special government body. SB 293 extends this exemption to include relatives of the public official who are not members of the household.

SB 294 - EXECUTIVE SESSIONS

Effective Date: January 1, 2016

Chapter 666, (2015 Laws)

The Oregon Government Ethics Commission (OGEC) is responsible for reviewing and investigating any complaints alleging that a public official has violated statutes regarding executive sessions (ORS 192.600), but OGEC does not have rulemaking authority under current law. SB 294 extends certain rulemaking authority to the OGEC for the purpose of carrying out its duties with regard to the enforcement of executive session provisions of public meeting laws.

SB 295 - ECONOMIC INTEREST STATEMENTS

Effective Date: January 1, 2016

Chapter: 233, (2015 Laws)

SB 295 adds the Chief Education Officer, members of the Oregon Education Investment Board, and the Auditor of the Metropolitan Service District to the list of public officials required to file verified statements of economic interest with the Oregon Government Ethics Commission. Previously, these statements were filed on a voluntary basis.

Forestry

HB 2453 - LARGE COMMERCIAL EVENTS

Effective Date: January 1, 2016

Chapter: 713, (2015 Laws)

HB 2453 requires an organizer of a large commercial event on state forestlands to obtain a permit from the State Forestry Department (ODF) and stipulates the conditions of the permit, requirements for application and grounds for revocation. An organizer commits a Class A misdemeanor for violation of a permit requirement or for recklessly allowing violation of permit terms and conditions.

HB 2501 - STATE FORESTER ANNUAL REPORT

Effective Date: January 1, 2016

Chapter: 517, (2015 Laws)

This measure requires that the State Forester's annual report regarding costs of fire suppression also include private property loss information for fires of 1,000 acres or more.

General Government

HB 2174 - MUNICIPAL AUDITS

Effective Date: April 16, 2015

Chapter: 29, (2015 Laws)

HB 2174 makes several changes to the requirements regarding municipal audits. Among other changes, the measure deletes the requirement that the Secretary of State prescribe the form of contract for conduct of municipal audits. If an audit report is found to contain deficiencies, the governing body of the municipal corporation must adopt a plan of action and file it with the SOS. If a municipality fails to submit an audit report, the Secretary of State is allowed to direct certain state agencies to withhold 10 percent of specified state funds otherwise to be distributed to the municipality.

HB 2270 - STATE RESILIENCE OFFICER

Effective Date: July 27, 2015

Chapter: 762, (2015 Laws)

The Oregon Resilience Plan aims to reduce risks and improve recovery after the next Cascadia earthquake. The top recommendation by the Task Force on Resilience Plan Implementation was to centralize oversight within the Governor's office. HB 2270 creates the new position of State Resilience Officer within the Governor's office to provide centralized policy guidance and oversight of efforts for implementing the Oregon Resilience Plan.

HB 2430 - DONATIONS TO STATE POLICE/OFFICE OF STATE FIRE MARSHAL

Effective Date: May 21, 2015

Chapter: 131, (2015 Laws)

HB 2430 clarifies current law regarding gifts and donations by authorizing the Department of State Police and State Fire Marshal to accept and distribute gifts, grants, donations and funds from any source, including services and property, for the purpose of carrying out Oregon State Police or marshal duties.

Health Care

SB 144 - TELEMEDICINE

Effective Date: June 10, 2015

Chapter: 340, (2015 Laws)

SB 144 is the result of the recommendations of the Telemedicine Reimbursement Expansion Workgroup. Under SB 144, a health benefit plan is required to provide coverage of a health service performed using synchronous two-way interactive video conferencing if it is being provided safely and effectively according to accepted health care practices. The technology must meet all the state and federal privacy and security laws. The measure eliminates the requirement that the plan provide coverage if the health service does not duplicate or supplant a health service available to a patient in person and deletes the originating sites requirement. Additionally, the bill establishes that telemedicine coverage is subject to the reimbursement specified in the contract between the plan and healthcare professional. Clackamas Fire District 1 participated in the task force that brought the bill forward.

SB 874 - ADRENAL INSUFFICIENCY

Effective Date: January 1, 2016

Chapter: 501, (2015 Laws)

SB 874 directs the Oregon Health Authority (OHA) to compile information on the dangers associated with adrenal insufficiency, how to identify a person suffering from an adrenal crisis, and the types of medication used to treat adrenal insufficiency. OHA is required to disseminate this information to health care professionals and the public. In distributing this information, OHA is to establish the most effective means of providing this information to emergency medical services providers and health care professionals in hospital emergency departments.

SB 875 - ADRENAL INSUFFICIENCY

Effective Date: July 6, 2015

Chapter: 676, (2015 Laws)

SB 875 requires the State Board of Education to adopt rules concerning which school personnel may administer medications for treating adrenal insufficiency to students experiencing an adrenal crisis. The bill requires the Oregon Health Authority to direct training of school personnel and permits trained individuals to administer such medications in emergency situations when a licensed health care professional is not immediately available. School districts are only required to have trained school personnel when a parent or guardian notifies the school district that a student has been diagnosed with adrenal insufficiency.

Labor

SB 128 - COMPARABLE COMPENSATION

Effective date: July 27, 2015

Chapter: 769, (2015 Laws)

SB 128 applies to arbitration hearings, which are required to base their criteria on comparison of overall compensation for employees performing similar services with employees in comparable communities. SB 128 defines “comparable” for the purpose of establishing a base pay for the Department of State Police dispatchers as

the base pay for dispatchers employed by the five Oregon public safety answering points with the most employees.

SB 238 - PERSONNEL RECORDS

Effective Date: May 20, 2015

Chapter: 118, (2015 Laws)

Current Oregon law requires public safety agencies to provide the Department of Public Safety Standards and Training (DPSST) with personnel records of present or past employees for the purpose of investigating the individual's qualifications for employment, training or certification as a public safety officer. SB 238 includes private safety agencies in these requirements. In addition, the measure authorizes the DPSST Director to apply for a court order requiring compliance and clarifies that internal use of a public safety officer's photograph is permitted without written consent.

SB 454 - PAID SICK LEAVE

Effective Date: January 1, 2016

Chapter: 537 (2015 Laws)

SB 454 sets out requirements for employers, including government entities, to provide paid sick leave to employees. The bill sets a minimum rate of accrual at one hour for every 30 hours worked, and requires employees to be allowed to earn and use up to 40 hours of sick leave per year. Employees are required to give advance notice of intent to use sick leave under certain circumstances. SB 454 prohibits discrimination against employees who inquire about or use sick leave. Any violation of sick leave provisions is considered an unlawful practice under the jurisdiction of the Bureau of Labor and Industries and allows for both equitable and compensatory relief.

SB 681 - DEFINITION OF "LOCAL GOVERNMENT"

Effective Date: January 1, 2016

Chapter: 300 (2015 Laws)

SB 681 includes intergovernmental entities in the definition of "local government" for the purpose of benefits plans offered by Public Employees' Benefit Board.

HB 3025 - BAN THE BOX

Effective Date: January 1, 2016

Chapter: 108, (2015 Laws)

HB 3025, also known as "Ban the Box", establishes an unlawful employment practice for an employer to require disclosure of convictions on an employment application. The bill prohibits prospective employers (including public bodies as defined in statute) from asking about a potential employee's criminal history or conducting a background check prior to offering the employee a conditional offer of employment and a notice of rights. Further, an employer cannot deny employment based on the results of a background check unless:

- The conviction is directly related to the duties and responsibilities of the employment position;
- The position offers the opportunity for the same or a similar offense to occur;
- The position offers the opportunity for other circumstances leading to the conduct for which the person was convicted to occur.

The bill contains an exemption for employers subject to federal, state or local law requiring consideration of applicant's criminal history, law enforcement agencies, employers within the criminal justice system, and employers seeking non-employee volunteers. The intent of the bill is to assist ex-offenders with the integration process following their release. According to the National Conference of State Legislatures (NCSL), at least 27 states limit or prohibit the use of criminal records for public or private employment and/or licensing eligibility. NCSL also reports that 13 states, plus the District of Columbia, have enacted "Ban the Box" legislation restricting or prohibiting employers from using applicant's criminal history in employment consideration. Employers, both private and public, expressed concerned that this will drastically lengthen the hiring process.

PERS

HB 2684 - 1039 LIMITATION

Effective Date: January 1, 2016

Chapter: 108, (2015 Laws)

HB 2684 extends the sunset date to January 2, 2026, of a provision first enacted in 2007 that allows Tier One and Tier Two members of Oregon's Public Employees Retirement System (PERS) to work full-time for a public employer as a nursing instructor or trainer for the Department of Public Safety Standards and Training without loss of retirement benefits. Currently, a Tier One or Tier Two retiree may "hire back" so long as the number of hours worked does not total 1,040 hour or more per calendar year. In response to a shortage of workers, Senate Bill 342 was enacted in 2007 to temporarily exempt retired Tier One and Tier Two registered nurses working for a public employer as a nursing instructor and trainers at the Department of Public Safety Standards and Training from the 1,039 limit. This exemption expires on January 2, 2016. HB 2684 extends the sunset date to January 2, 2026, thus allowing these two specific groups of workers to continue working an unlimited number of hours for a public employer without a loss of retirement benefits. (See also HB 3058.)

HB 3058 - 1039 LIMITATION

Effective Date: June 18, 2015

Chapter: 475, (2015 Laws)

HB 3058 allows Tier One and Tier Two members of Oregon's Public Employees Retirement System to work for a school district or education service district as a teacher of career and technical education for unlimited hours without loss of retirement benefits. (See also HB 2684)

Public Contracting

HB 2375 - PROCUREMENTS

Effective Date: July 6, 2015

Chapter: 646, (2015 Laws)

HB 2375 is intended to standardize forms and contracts for state agency procurements. HB 2375 requires state contracting agencies to use the solicitation template and contract form developed by the Attorney General and the Department

of Administrative Services (DAS) as a basis for all public procurements and contracts. Unique procurements are exempt with the approval of the Attorney General or DAS. The Secretary of State and State Treasurer are to develop and use their own forms and establish standards for staff.

SB 491 - PAY EQUITY

Effective Date: June 16, 2015

Chapter: 454, (2015 Laws)

SB 491 directs the Department of Administrative Services (DAS) to establish a pay equity training program. The measure requires any contractor employing 50 or more full-time workers who bids on a public procurement or contract exceeding \$500,000 to possess a certificate showing participation in a DAS pay equity training program. Contractors are prohibited from retaliating against employees who discuss compensation with one another. Compliance with prohibition against discriminatory compensation and wage payments must be included as a provision in the public contract.

SB 675 - BIDDING PROCESS

Effective Date: June 22, 2015

Chapter: 539, (2015 Laws)

SB 675 revises the requirement for bidder and proposer for a public contract to a state or local contracting agency to demonstrate tax responsibility regarding compliance with state tax laws. Instead of requiring bidder and proposer to submit a signed affidavit, observed and certified by a notary public, the measure allows the bidder or proposer to provide compliance through an attestation.

HB 3321 and HB 3322 - PUBLIC CONTRACTING

Effective Date: Did Not Pass

HB 3035 from the 2013 Legislative Session directed the Department of Administrative Services (DAS) to develop a plan to include additional contracting information on its transparency website. Two pieces of legislation were brought forward in 2015 to attempt to comply with that directive.

HB 3321 would have made the following changes:

- Require contracting agency to publish certain information about public contracts on Oregon transparency website;
- Require contractors to provide information to contracting agency, and for contracting agency to treat information as public record subject to disclosure;
- Require meetings between contractor and contracting agency head to comply with public meeting laws;
- Prohibit contracting agency from awarding contract before determining agency has necessary personnel and expertise to administer contract;
- Require bidders to submit affidavit demonstrating compliance with applicable laws.

HB 3322 would have made the following changes:

- Require contracting agency to conduct study on how potential procurement will affect local area where work connected to procurement will occur;
- Require contracting agency to demonstrate procurement will result in at least 10 percent cost savings compared to using agency's personnel and resources;
- Require contracting agency to provide to employees or employees' certified representative results of cost analysis and opportunity to provide alternative cost analysis, and requires agency to consider employees' cost analysis;
- Require contractor on public contract to pay employees equivalent wages and benefits to those agency's employees would receive.

Had they passed, both bills would have become effective on January 1, 2016.

Public Records

HB 3037 – PERSONAL INFORMATION

Effective Date: April 9, 2015

Chapter: 26, (2015 Laws)

HB 3037 extends the current public records exemption on the personal information of public body employees or volunteers to include residential address, residential telephone numbers, personal cellular telephone numbers, personal email addresses, drivers' license numbers, and other personal information. The measure also extends the exemption to personal identifiers of home care workers, family child care providers, operators of child care facilities, and operators of adult foster homes. HB 3037 removes the public interest disclosure based on clear and convincing evidence. A public body with this information is required to redact personal information prior to releasing documents that were submitted in confidence.

HB 3035 – PUBLIC RECORDS REFORM

Effective Date: Did Not Pass

HB 3035 would have made sweeping policy changes to Oregon's public records laws, including the removal of an exemption that shields legislators from the state's public records law during a legislative session. The bill would have required public bodies to establish public records retention schedules requiring a minimum three-year retention of public records. Of primary concern to local government entities were the following additional requirements:

- Would have required public bodies to respond to public records request within seven days of receiving request;
- Requirement to waive fees public body would have received if complete disposition of request has not been made within three weeks of request;
- Would have treated request as denied if complete disposition has not been made within six weeks of request;
- Would have authorized Attorney General to impose civil penalties for violation of storage requirements.

The bill received one hearing in the House Rules Committee where it remained until adjournment.

Public Safety

HB 2210 - MEDIA ACCESS

Effective Date: January 1, 2016

Chapter: 151, (2015 Laws)

HB 2210 authorizes the media to access restricted areas under emergency declaration to maintain critical broadcasting equipment. The measure prohibits emergency personnel from seizing property that belongs to the media. The Office of Emergency Management is required to authorize a private association of broadcasters to plan and create a program to issue credentials for authorized persons. In response to concerns from the fire service, the bill was amended to accomplish the following:

- Clarifies that individuals requesting access must be employed by or under contract with a broadcaster providing public service or maintaining infrastructure;
- Removes provision for granting access for purpose of gathering and reporting news;
- Maintains authority of the Incident Commander;
- Allows Incident Commander to grant access to restricted areas for personnel servicing or repairing commercial broadcasting infrastructure.

HB 2228 - FINGERPRINT RETENTION PROGRAM

Effective Date: January 1, 2016

Chapter: 705, (2015 Laws)

HB 2228 requires the Oregon State Police to create a voluntary fingerprint retention program for the purpose of notifying agencies and districts that subscribe to the program of receipt of fingerprints or other identifying information by the department relating to the administration of criminal justice. The measure sets limitations on the program and how the information can be used. The Department of Administrative Services is required to develop rules governing the administration of the program.

HB 2409 - SCHOLARSHIP PROGRAMS

Effective Date: June 22, 2015

Chapter: 513, (2015 Laws)

HB 2409 abolishes a number of old, defunct, and unfunded scholarship and grant programs. Additionally, the measure combines the fund accounts for alternative student loan program, scholarships for foster youth, and the Nursing Services Program in order to consolidate accounting procedures. The measure also separates the statute regarding scholarships for foster youth and scholarships for dependent children of public safety officers killed or disabled in the line of duty into two in order to clarify the distinction between these two programs.

HB 2432 - FIREWORKS

Effective Date: January 1, 2016

Chapter: 57, (2015 Laws)

HB 2432 allows an owner or lessee of a property to purchase, maintain, use and explode fireworks for the purpose of scaring away or repelling birds or animals under certain conditions, primarily in conjunction with farming activities. The bill

expands the list of properties for which a permit for this purpose may be issued. Fireworks must be purchased from a licensed wholesaler and stored in accordance with fire codes adopted by the State Fire Marshal. The State Fire Marshal has the authority to revoke a permit if the permit holder has violated certain laws or rules applicable to fireworks. Federal and state agencies are exempted from the permit requirements for use in the control of predatory animals.

HB 2566 - TAX EXEMPTION FOR OUT-OF-STATE ASSISTANCE

Effective Date: October 5, 2015

Chapter: 468, (2015 Laws)

Under current law, corporations and individuals could be subject to the state's income tax laws if they are in the state assisting in the response to a natural disaster or other emergency. HB 2566 establishes that disaster or emergency related work conducted by an out-of-state business may not be used as the sole basis for determining that the company is doing business in Oregon and therefore subject to Oregon's income tax. Similarly, out-of-state individual employees working in Oregon for disaster or emergency related work would not be subject to the personal income tax for such earned income.

HB 2594 - EMERGENCY RESPONSE REIMBURSEMENT

Effective Date: January 1, 2016

Chapter: 720, (2015 Laws)

When an insurer of a liable party is obligated to reimburse private emergency responders for services provided to respond to an emergency, HB 2594 requires the insurer to reimburse the private emergency responder for the actual costs incurred. Similar legislation was passed in 2013 which required insurance companies to provide direct payment for ambulance transport, rather than to the patient.

SB 496 - PUBLIC SAFETY MEMORIAL FUND ELIGIBILITY

Effective Date: January 1, 2016

Chapter: 236, (2015 Laws)

SB 496 clarifies that death or permanent total disability that is a compensable workers' compensation claim is a qualifying criteria for benefit eligibility from the Public Safety Memorial Fund.

SB 641 - ELECTRONIC DEVICE DATA

Effective Date: January 1, 2016

Chapter: 613, (2015 Laws)

SB 641 prohibits law enforcement from duplicating or copying data from portable electronic devices without a warrant or consent. The court has the authority to order law enforcement to purge duplicated data if a defendant files for motion for return of property. The measure allows exemptions for correctional facilities, state hospitals, community corrections, and probation officers acting in an otherwise lawful manner.

SB 886 - FIRE SAFETY CITATIONS

Effective Date: January 1, 2016

Chapter: 678, (2015 Laws)

As introduced, SB 886 represented yet another attempt to remove authority for oversight of approach and water supply from the Office of State Fire Marshal. The bill was substantially amended and now requires the State Fire Marshal, deputy or

assistant of State Fire Marshal, or person acting for governmental subdivision who inspects structure and issues citation or order for nonconformity with fire safety standards, to include on the citation or order: the exact reference to law, regulation, rule or other source of authority that establishes the fire safety standard and a plain statement of facts upon which the citation or order is based. As of this writing, the Office of State Fire Marshal has completed drafting a “write and cite” policy to assist with implementation of the bill.

SB 919 - FALSE REPORTS

Effective Date: January 1, 2016

Chapter: 361, (2015 Laws)

SB 919 elevates the offense classification for those who falsely report hazardous substance, fire, explosion, catastrophe, or other emergency in court facilities and all public buildings to Disorderly Conduct in the First Degree. This is a Class A Misdemeanor for the first offense and a Class C Felony for each subsequent offense.

Revenue and Taxation

HB 2131 - GENERAL OBLIGATIONS BONDS

Effective Date: May 12, 2015

Chapter: 53, (2015 Laws)

Oregon local government general obligations bonds are secured by a statutorily dedicated property tax levy that was not subject to a lien, which was seen as less secure by investors. HB 2131 pledges revenues from ad valorem property taxes as security for bonded indebtedness of public bodies, and the property tax subject to a lien.

HB 2486 - PROPERTY TAX REVENUES UNDER BALLOT MEASURE 5

Effective Date: October 5, 2015

Chapter: 368, (2015 Laws)

The measure removes two statutory provisions relating to the categorization of property tax revenue under Ballot Measure 5 (1990). These subsections were held unconstitutional by the Oregon courts in *Urhausen v. Eugene*. In that case, the Oregon Supreme Court upheld the Tax Court's judgment holding subsections (2) and (3) of ORS 310.155 as unconstitutional. The measure, as amended, removes the two subsections from statute.

HB 2635 - LOCAL OPTION TAX

Effective Date: October 5, 2015

Chapter: 41, (2015 Laws)

Currently, Oregon law requires the ballot title for a local option tax to state the total amount of money to be raised by the proposed local option tax. The measure expands this statement by requiring that the ballot title also state that the tax cost is an estimate only and that it may reflect the impact of early payment discounts, compression and collection rate.

HB 3001 – DAMAGED PROPERTY

Effective Date: October 5, 2015

Chapter: 92, (2015 Laws)

The measure allows application for determination of real market value and assessed value of property destroyed or damaged between January 1 and July 1 to be filed on or before December 31. Applications filed after the later of August 1 or the 60th day following the date on which the property was damaged or destroyed, but still filed before December 31, must be accompanied by a late filing fee.

SB 611 – CENTRAL ASSESSMENT

Effective Date: October 5, 2015

Chapter: 023, (2015 Laws)

After Google representatives indicated Oregon tax laws (specifically those relating to central assessment) would negatively impact their decision to build a fiber network in Portland, the Legislature scrambled to put a bill in place to fix any potential issues—drafting SB 611. The bill creates and makes available several new exemptions to companies subject to central assessment. New exemptions relate to the value of franchises, satellites used to provide service directly to retail consumers, and an alternative exemption calculation based on a company’s historical or original cost of real property and tangible personal property multiplied by 130 percent.

ORS 308.505 - 308.665 requires the Department of Revenue to assess utility properties as described in 308.515(1). This assessment is referred to as "central assessment". Central assessment differs from property assessments done by the county assessor in that central assessment follows a unitary assessment approach. Unitary valuation includes the tangible and intangible value of a company in reaching a unitary value. Beginning with the 2009-10 tax year, reflective of general industry changes, Department of Revenue changed its interpretation of a communication company as defined in ORS 308.515(1). This change resulted in companies being subject to central assessment that were previously locally assessed. The change in interpretation was upheld by the Oregon Supreme Court in *Comcast Corporation v. Department of Revenue*. The result of interpreting more companies as being "communication" companies and therefore subject to central assessment is the inclusion of those company's tangible and intangible value in their property tax assessment. The revenue impact includes losses in revenue to local governments derived from the exemptions provided in the bill that would reduce value and subsequent taxes levied for existing companies:

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2015-16	2016-17	2015-17	2017-19	2019-21
Local Government		(4.3)	(4.3)	(8.8)	(9.1)
Local Education Districts		(3.5)	(3.5)	(7.2)	(7.5)
Total Revenue Loss		(7.8)	(7.8)	(16.0)	(16.6)

**Source: Legislative Revenue Office*

State Agency Budgets

HB 5019 - DEPARTMENT OF FORESTRY

Effective Date: August 12, 2015

Chapter 809, (2015 Laws)

The measure appropriates money from the General Fund to the State Forestry Department for certain biennial expenses. The Oregon Department of Forestry (ODF) is funded with General Fund, Lottery Funds, Other Funds, and Federal Funds. ODF's programs are funded through a network of public and private sources. General Fund comprises just over 19 percent of the total agency funding.

Other Fund revenues includes timber sale revenues on state lands, harvest taxes paid by all timber harvesters in Oregon, and fire protection assessments paid by private forest landowners. Other revenue sources are seed cooperative assessments, camping fees on state forest lands, a portion of all-terrain vehicle license fees, Federal Funds for fire protection services on federal lands, and General Fund support for parts of the Fire, Private Forests, and Agency Administration programs. Lottery Funds support debt service and one-time funding to continue and expand federal forest restoration work.

The budget assumes passage of House Bill 2455, which would set the Forest Products Harvest Tax rates for calendar years 2016 and 2017. This tax helps fund the Forest Practices program. Major Other Funds revenue sources in the upcoming biennia include \$178,720,000 from timber sales on State Forest Land; \$45,971,548 from Forest Protection Taxes; \$15,947,087 from charges for services; and \$9,586,000 from timber sales on Common School Land.

The legislature approved a budget of \$62,937,941 General Fund; \$7,481,960 Lottery Funds; \$225,656,455 Other Funds; and \$34,793,265 Federal Funds for 2015-17 which is 40.0 percent lower than the legislatively approved spending level for the 2013-15 biennium. The recommended 2015-17 budget is substantially lower than the previous biennium due to the phase out of expenditure authority and appropriations for emergency fire costs during the 2013 and 2014 fire seasons.

HB 5020 - GOVERNMENT ETHICS COMMISSION

Effective Date: July 1, 2015

Chapter: 465, (2015 Laws)

The OGE is funded from an assessment model with operating costs equally shared between state agencies and local government entities. State agencies are assessed based upon their number of full-time equivalent positions. Local entities are assessed based upon a formula connected to the Municipal Audit charge collected by the Secretary of State. A portion of these assessment revenues originates as General Fund. Additionally, the Commission collects fines and forfeitures through the imposition of civil penalties. These revenues are transferred to the General Fund and are not used to support agency operations. The Commission collected more than \$25,988 in fines and forfeitures in 2011-13 and anticipates collecting \$30,000 during the 2015-17 biennium. The legislature approved a budget of \$2,283,828 Other

Funds. The approved budget is an 8.2 percent increase from the 2013-15 Legislatively Approved Budget and includes eight positions (8.00 FTE).

SB 5531 - OREGON STATE POLICE (OREGON FIRE MARSHAL)

Effective Date: July 15, 2015

Chapter: 696, (2015 Laws)

The budget for the Oregon State Police includes the budget for the Office of State Fire Marshal, which is charged with protecting life and property from fire and hazardous materials. It has the following three major program areas:

- *Fire Prevention Services*, which is responsible for fire prevention and investigation, emergency response including the Conflagration Act, administration of the Uniform Fire Code, a clearing house for fire prevention information, and collection of fire incident data. There are 18 Deputy Fire Marshals who serve Oregon communities that choose not to provide their own full-service fire prevention programs.
- *Licensing and Permit Services*, which, in coordination with Fire Prevention Services, regulates the storage and use of explosives, fireworks, and liquid petroleum. This unit also administers regulations governing non-retail fuel dispensing.
- *Hazardous Materials Services*, which administers the Community Right to Know law, collects and maintains data on hazardous substances, and insures state and local jurisdictions are prepared to respond to incidents. This unit is also responsible for equipping, training, and assisting the 15 Regional HazMat Response Teams to insure timely and complete mitigation of hazardous materials incidents.

The legislature approved a budget of \$21,701,922, comprising \$21,191,600 Other Funds and \$510,322 Federal Funds, with 65 positions (65.00 FTE). This represents a 0.6 percent increase in total funds and a 0.5 percent increase in Other Funds expenditures from the 2013-15 Legislatively Approved Budget. The budget also contains an “infrastructure” package for the Oregon State Police in the amount of a \$36,646 expenditure limitation for expenses associated with relocating the Springfield Patrol Division offices.

SB 5534 - DPSST

Effective Date: July 6, 2015

Chapter: 658, (2015 Laws)

SB 5534 appropriates money from the General Fund to the Department of Public Safety Standards and Training for debt service. The primary revenue source for criminal justice training and certification is the Criminal Fines Account (CFA). This source also supports the Public Safety Memorial Fund as well as a large portion of administrative and support services.

Fire service training is supported by the Fire Insurance Premium Tax, administered by the State Fire Marshal. Private security and private investigator programs are supported by fees specific to each profession. General Fund is used solely for debt

service associated with borrowings for construction of the Salem academy in 2006. The legislature approved a budget of \$51,174,820 total funds and 137.17 FTE (139 positions). This is a 10.6 percent increase from the agency's 2013-15 Legislatively Approved Budget primarily due to the addition of fiduciary responsibility for the High Intensity Drug Trafficking Area (HIDTA) grant program and Federal Funds expenditure limitation required to operate the program. The budget transfers the HIDTA program from the Department of Justice to DPSST.

Transportation

HB 3225 - HAZARDOUS MATERIALS

Effective Date: July 20, 2015

Chapter: 739, (2015 Laws)

HB 3225 is part of the implementation of a statewide hazardous material emergency response system. The bill will provide \$365,255 from the General Fund to the State Police Budget with the intention that the money go to the Office of State Fire Marshal for the purpose of carrying out the directive to adopt a coordinated plan of response for hazardous spills that occur during rail transport. The \$365,255 would go, in part, to hiring another staff person to oversee the program. In response to questions from legislators as to why additional staff was needed when OSFM already has a hazmat team, State Fire Marshal Jim Walker explained that rail transport is highly specialized and needs staff dedicated specifically to that program.

Urban Renewal

HB 2591 - URBAN RENEWAL

Effective Date: Did Not Pass

HB 2591 would have required urban renewal agencies to exercise board powers by including one member representing each taxing district rather than the municipality that activated the agency. The bill would have also required approval of an urban renewal plan by all municipalities and taxing districts with jurisdiction in urban renewal areas included in the plan. Additionally, certain tax abatement programs would have been applicable only to property taxes imposed by taxing districts that elect for them to apply.

Volunteers

HB 2818 - TAX CHECK-OFF FOR VOLLUNTEER BENEFITS

Effective Date: Did Not Pass

HB 2818 represented the fourth attempt to exempt the Oregon Volunteer Firefighters Association from the requirement to have banked \$1.0 million in order to qualify for the Tax Check-off program. The program allows taxpayers to elect to make contributions to charitable organizations from their tax refunds. Five other organizations are exempt from the million dollar requirement. The bill gained momentum and support from both parties and House Republican Caucus vowed to make the bill a Caucus priority for the upcoming session.

Worker's Compensation

HB 2644 - WRONGFUL DEATH

Effective Date: June 16, 2015

Chapter: 419, (2015 Laws)

The Oregon Tort Claims Act gave a public body and its officers immunity if the claim for injury or death of any person is covered by workers' compensation insurance. HB 2644 allows for wrongful death claims against the state if the death occurred within the course and scope of the decedent's employment, the person responsible for the death is convicted of murder or found guilty except for insanity, and the decedent was not employed by the public body at the time of death. The measure applies to claims based on crimes committed on or after May 1, 2012.

**Appendix:
Testimony Submitted by OFDDA**



1284 Court Street N.E. • SALEM, OREGON 97301
1-800-223-9708 • (503) 378-0896 • FAX (503) 364-9919

**House Revenue Committee
Testimony in Support of HB 3550
May 14, 2015
Mark Kreutzer, President
Oregon Fire District Directors Association**

The Oregon Fire District Directors Association (OFDDA) was formed in 1950 and serves the elected public officials of over 200 Fire Protection Districts throughout Oregon, all Special Districts formed under ORS Chapter 478. The five-member governing boards are responsible for the financial and management oversight of the Districts. They serve without compensation.

The OFDDA wishes to thank Representatives Hack, Barreto and Boone and the other sponsors for bringing this bill forward for your consideration. It represents a creative approach to growing fire service personnel who protect our rural communities.

HB 3550 would help the fire service in addressing one of the biggest problems facing public safety, both in Oregon and across the county: the attraction and retention of volunteer firefighters. Over the past decade, training and certification for volunteer firefighters has increased substantially, requiring a greater commitment of both time and cost.

HB 3550 is not a mandate to counties. It is enabling legislation that provides discretion to counties to grant exemptions from property taxes imposed on the homes of volunteer firefighters. Counties will respond based on their need and dependence on volunteers. Like HB 2818, the OFDDA believes that HB 3550 represents a small step forward in assisting volunteers.

As has been stated in support of other legislation in support of volunteer firefighters, the need is great. Please join Oregon's Rural Fire Protection Districts in their support of HB 3550.



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**House Revenue Committee
Testimony in Support of HB 2818
May 14, 2015
Mark Kreutzer, President
Oregon Fire District Directors Association**

The Oregon Fire District Directors Association (OFDDA) was formed in 1950 and serves the elected public officials of over 200 Fire Protection Districts throughout Oregon, all Special Districts formed under ORS Chapter 478. The five-member governing boards are responsible for the financial and management oversight of the Districts. They serve without compensation.

The attraction and retention of volunteer firefighters has been a top priority for the fire service, both in Oregon and across the United States for a number of years. FEMA has published booklets on how to attract and retain volunteers and governors have formed task forces to study the issue.

When Oregonians pay their taxes, they have the option of checking a box that allows a portion of their return to go to a charitable organization. HB 2818 would remove the \$1 million requirement by providing an exception for the OVFA as the legislature has done for similar organizations such as the Oregon Veterans' Home, the Nongame Wildlife Fund, the Alzheimer's Disease Research Fund and the Oregon Military Emergency Financial Assistance Fund. This would not set a precedent. The bill would not grant any other special consideration to the OVFA.

The OFDDA believes that HB 2818 represents a small step forward in assisting volunteers. For small rural fire protection districts in particular, volunteers are the life blood of their communities and often the first responders to fires, traffic accidents and other potential tragedies.

As the number of volunteers dwindles at an alarming level, it is up to us as elected officials to make policy decisions that will provide incentives and increase training. HB 2818 accomplishes this objective.

On behalf of the elected officials of Oregon's Rural Fire Protection Districts, we urge your support of HB 2818 and we thank you for hearing our testimony. And, while we are appreciative of the Public Hearing, we respectfully ask that HB 2818 be scheduled for a work session in the House Revenue Committee as soon as possible.