

2024 SDAO
LEGISLATIVE REPORT



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SPECIAL DISTRICTS
ASSOCIATION OF OREGON

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2024 LEGISLATIVE SESSION IN REVIEW

The short session of the 82nd Oregon Legislative Assembly convened on February 5th and concluded March 7th at approximately 8:00 pm, three days earlier than the constitutional deadline to sine die. Nearly 300 bills, resolutions and memorials were introduced during the session with 115 ultimately passing both chambers.

Entering the short session, Governor Kotek outlined her priorities for the session which included the passage of her Housing Production Proposal that had failed on the last day of the 2023 long session by one vote in the Senate. She also indicated her openness to reforming Ballot Measure 110 that decriminalized the possession of small amounts of hard drugs, recommended additional funding for mental health, addiction services, education support, childcare and held state agencies accountable.

Meanwhile, legislative leadership entered the session with similar priorities including addressing housing production, infrastructure, and the homeless crisis, increasing access to addiction treatment and behavioral health support, and improving community safety. Speaker Dan Rayfield and Majority Leader Julie Fahey maintained their leadership roles for the majority party in the House; however, Rep. Jeff Helfrich served as the newly elected Minority Leader in that chamber. The leadership in the Senate remained the same from the previous long session with President Rob Wagner, Majority Leader Kate Lieber and Minority Leader Tim Knopp.

Each member was permitted to introduce up to two bills, and each committee was allowed to introduce up to three measures. Bills that were not worked long in advance of the convening of the assembly struggled due to the very tight timelines to get bills through committees. For example, bills had to be posted for a work session within seven days of the opening day to remain alive. Furthermore, ongoing construction on the Capitol frequently interrupted committee meetings and floor sessions, adding additional urgency to meet those deadlines.

A few days before the session began, the Oregon Supreme Court ruled that the nine Republican Senators and one Independent Senator – a third of the Senate – were ineligible to run for reelection, thereby upholding Ballot Measure 113 approved by the voters in 2022. Senate Minority Leader Tim Knopp (R-Bend) warned that the ruling would mean majority Democrats would have to come up with incentives for Republicans to attend sessions.

Generally speaking, the five-week session, which saw Democrats and Republicans come together to pass major bills, was a departure from the previous sessions; particularly the venomous 2023 session, when Senate Republicans walked out for six weeks and ground the legislature to a standstill. Significant legislation to address some of the state's most challenging issues, all of which was largely bipartisan, included bills to address housing production, infrastructure, addiction, and public safety concerns, and— a surprise nearing the end of session — campaign finance reform. A robust revenue forecast showed that the state had \$588 million more in general fund revenue from the previous forecast and more than \$1.21 billion in additional revenue from the close of session forecast, thereby clearing the deck to make substantial investments in various programs.

As the House concluded its business on the final evening, Julie Fahey (D-Eugene) was elected as its next speaker, as Dan Rayfield (D-Corvallis) stepped down to focus on his campaign for Attorney General.

LOOKING FORWARD

The following senators will be ineligible to run for their existing offices in 2024: Senator Tim Knopp (Bend), Senator Brian Boquist (Dallas) who is now running for Treasurer, Senator Lynn Findley (Vale) – retiring and not running, Senator Bill Hansell (Athena) – retiring and not running, Senator Dennis Linthicum (Klamath Falls) who is now running for Secretary of State, and Senator Art Robinson (Central Point). Four senators disqualified from running in 2026, but will serve until the end of 2026, include Senator Daniel Bonham (The Dalles), Senator Suzanne Weber (Tillamook), Senator Kim Thatcher (Keizer), and Senator Cedric Hayden (Fall Creek).

March 12th was filing day, and as a result, there will be at least seven new faces in each chamber. Senator Michael Dembrow of Portland is retiring after serving 16 years. Senator Elizabeth Steiner (Portland) and Senator James Manning (Eugene) could finish their four-year terms if they don't succeed in their bids for Treasurer and Secretary of State.

In the House, Democratic Representative Dan Rayfield (Corvallis) can't return to the House because he is running for Attorney General. Republican Christine Goodwin (Canyonville) and Democrat Khanh Pham (Portland) are running for open Senate seats. Democrats Maxine Dexter (Portland) and Janelle Bynum (Happy Valley) are running for U.S. House seats, and two members are retiring, Democrat Paul Holvey of Eugene after 20 years — he defeated a recall attempt last fall — and Republican Brian Stout of Columbia City after just two years serving in the chamber.

Voters will decide the fate of three referrals from the legislative assembly passed during the 2023 session, two constitutional, and one statutory:

- **Senate Joint Resolution 34** would amend the Oregon Constitution to establish an independent public service compensation commission that will be responsible for establishing the salaries of state-wide elected officials, judges at the state and circuit level, and the members of the legislative assembly.
- **House Joint Resolution 16** would amend the Oregon Constitution to give the House of Representatives the power of impeachment for statewide elected officials of the Executive Branch for malfeasance or corrupt conduct in office, willful neglect of statutory or constitutional duty, or other felony or high crimes, and the Senate the power to try any impeachment received from the House.
- **HB 2004** would establish ranked choice voting as voting method to determine major political party nomination and elections for the office of President and Vice President of the United States, United States Senator, Representative in Congress, Governor, Secretary of State (SOS), State Treasurer, and Attorney General and allow local governments including cities, counties, school districts and special districts to use ranked choice voting as well.

To qualify constitutional measures for the ballot, gatherers will need to collect approximately 156,231 signatures; statutory measures to qualify for the ballot will need 117,173 signatures. The deadline to turn in those signatures will be July 5, 2024. 55 petitions have already been filed, although several have already been withdrawn and it is hard to predict what petitions will have the financial backing to have a chance to appear before the voters.

Finally, there will be three statewide seats that will be up during the upcoming election cycle – State Treasurer, Secretary of State, and Attorney General.

NOTABLE ACTIONS TAKEN THIS SESSION

- Temporarily fixed Oregon’s recreational immunity statute under SB 1526
- Campaign finance reforms place limits on contributions by individuals and organizations
- New drug addiction system that recriminalizes small amounts of hard drugs that were decriminalized under Ballot Measure 110 – \$211 million
- Passed right to repair legislation to enable Oregonians to repair their own electronic equipment
- Gave cities the option to expand their urban growth boundaries to build housing
- Housing infrastructure development – \$101.4 million
- Housing project revolving loan fund – \$75 million
- Supporting shelters, turnkey sites and navigation centers – \$65 million
- Homeless prevention services – \$41 million
- Subsidized childcare – \$170 million
- Homeless prevention services – \$34.0 million (one-time General Fund appropriation)
- Summer learning programs – \$30 million
- ODOT winter road maintenance – \$19 million
- Address health and safety issues along state highways in the Portland – \$20 million
- Semiconductor workforce development – \$10 million
- Bridge of the Gods preservation study – \$6 million

ELECTION BILLS THAT PASSED

HB 4024 – Campaign Finance Reform

Chapter Law: 9 Effective Date: June 6, 2024

Oregon is one of the only remaining states that does not have any campaign finance limits. The backers of two initiative petitions have agreed to stand down as a result of HB 2024’s passage. Initiative Petition 9, backed by nonpartisan groups including Honest Elections Oregon, Common Cause and the League of Women Voters, would have installed stricter limits. Initiative Petition 42, backed by labor unions and progressive groups, would have created limits while still allowing large donations from unions and small donor committees are both now moot.

HB 4024 will not be effective until the 2027 election cycle. Under the bill’s main provisions individuals and corporations are limited to giving a candidate no more than \$3,300 per election, or \$6,600 for a candidate who appears in both the primary and general, beginning January 1, 2027. Small donor political committees that accept up to \$250 per year from individuals, could give up to \$10 per donor per election to statewide candidates and \$5 per donor per election for other candidates. And unions and other membership organizations could give \$26,400 per election to a statewide candidate and \$13,200 per election to non-statewide candidates.

GENERAL GOVERNMENT BILLS THAT PASSED

HB 4006 – Surety Bonds in Lieu of Retainage

Chapter Law: 2 Effective Date: March 7, 2024

This bill requires contracting agencies to accept surety bonds from a contractor in lieu of retainage for large commercial projects or public improvement contracts. It provides contracting agencies with the ability to reject a surety bond after an agency finds good cause for rejection in writing. The measure requires contractors on large commercial structure or public improvement contracts to accept a surety bond from subcontractors or suppliers from which the contractor has withheld retainage if the contracting agency or owner has accepted a surety bond in lieu of retainage from the contractor. It permits contractors on large commercial projects or public improvement contracts, upon the request of a subcontractor, to submit a surety bond for the portion of the contractor's retainage that pertains to subcontractor and specifies the relationship between contractors and subcontractors when a contractor submits surety bond on subcontractor's behalf.

HB 4006 permits a contractor, when contractor or subcontractor are performing work on large commercial project or under public improvement contract and have not deposited surety bond in lieu of retainage, to elect to have the project owner or contracting agency deposit the accumulated retainage in an interest-bearing account with a bank or other financial institution or to pay interest on accumulated retainage at rate of two percent plus the discount rate on 90-day commercial paper that is in effect at Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date the retainage is paid. It modifies the language of the surety bond form. Lastly, the bill repeals the requirement that a public or private contracting party is required to place retainage in an interest-bearing escrow account when the contract price exceeds \$500,000.

SB 1568 – Prevailing Wages for Electricians

Chapter Law: 61 Effective Date: June 6, 2024

This bill specifies that the applicable locality, when determining the prevailing rate of wage for electrical workers, is the geographical area within which each local union is the exclusive representative for the local union's membership and the applicable collective bargaining agreement is the collective bargaining agreement to which the local union is a party.

SB 1575 – Duty To Defend

Chapter Law: 112 Effective Date: January 1, 2025

In Oregon, it is common for governmental bodies to have construction agreements that require contractors and subcontractors to defend the government body in the event of a lawsuit or a claim that alleges a person or property was damaged by the construction or the design of the project. A person who has the duty to defend another may be required to pay up front for the defense costs of not only their own alleged fault, but also the alleged fault of the government body. This bill prohibits a public body from including a duty to defend the public body in construction agreements with persons providing professional design services, except to the extent that the professional's liability or fault is determined by adjudication, alternative dispute resolution, or a settlement agreement. Design professionals include a person or entity providing architecture, landscape architecture, engineering, photogrammetric

mapping, transportation planning, land surveying services or related services, as defined in ORS 279C.100. The bill sunsets December 31, 2034 and becomes effective January 1, 2025.

SB 1576 – Recreational Immunity Fix

Chapter Law: 64 Effective Date: March 27, 2024

As a result of a case entitled *Fields v. City of Newport*, City County Insurance Services recommended that all improved trails owned and operated by cities and counties in the state be closed to the public. The Oregon Court of Appeals remanded the case back to the circuit court and it was determined that Oregon’s Recreational Immunity statute needed modifications to maintain the long-standing principle that those who open their lands to the public for recreational purposes should be immune from liability, provided the owners of the land make it available free of charge. SB 1576 temporarily restores the State’s Recreational Immunity statute by adding the words “running, walking, and bicycling” to the non-exclusive list of outdoor activities in the definition of recreational purposes in ORS 105.672. It also clarifies that the immunities provided under the statute apply to improved trails. The bill permits districts to opt into another statute providing immunities exclusively to cities and counties. SDAO is currently evaluating this addition and will provide further details if it is determined that this new provision will be beneficial to the membership. The changes made by this bill sunset on January 2, 2026. It is anticipated that an interim workgroup will be convened to seek a more permanent solution to be considered during the 2025 Legislative Session.

LABOR BILLS THAT PASSED

HB 4004 – Child Labor Penalties

Chapter Law: 1 Effective Date: June 6, 2024

Prior to the passage of this measure, the Bureau of Labor and Industries (BOLI) was prohibited from assessing penalties when a violation of child labor law had been assessed a penalty for a similar violation in fact(s) by the United States Department of Labor (USDOL). Effectively, if BOLI substantiated a violation of child labor law and assessed civil penalties, the funds had to be refunded if the employer paid the USDOL a penalty related to the same factual circumstances. This bill permits BOLI to impose a civil penalty of up to \$10,000 for violation of child labor laws even when a civil penalty has been paid to USDOL for a violation of the same facts. In addition, the measure repeals the requirement that BOLI refund any civil penalties collected by the agency, if civil penalties are paid to USDOL. Effective 91 days after sine die.

HB 4115 – Supervisors in the Bargaining Unit

Chapter Law: 84 Effective Date: April 4, 2024

The Public Employee Collective Bargaining Act (PECBA), enacted in 1973, codifies the laws governing employment relations and public employers and employees in the state, counties, cities, school districts, transportation districts, and other local governments, as well as private employers not subject to the jurisdiction of the National Labor Relations Board. Employees that are not covered under the PECBA and who are prohibited from organizing include elected officials, persons appointed to serve on boards or commissions, certain incarcerated persons, or persons who are confidential employees, supervisory employees or managerial employees.

In 2014, the legislative assembly passed Senate Bill 1518, which modified the definition of “supervisory employee” to exclude firefighters who are prohibited from striking and who assign, transfer, or direct the work of others but lack authority to hire, fire, or impose economic discipline. In 2023, the Legislative Assembly passed SB 194, which further modified the definition of “supervisory employee” to exclude any employee of the Oregon State Police who serves in a rank equivalent to or below the rank of sergeant. House Bill 4115 A clarifies the delineation between supervisory employees and non-supervisory employees for correctional institutions, law enforcement agencies, mental hospitals, and other related institutions. The exclusion from the definition of a "supervisory employee" makes someone eligible to participate in a labor organization. The bill’s provisions apply to 9-1-1 by including “emergency communications workers” to the provisions of the bill as though they had been included in the legislation passed in 2014.

SB 1515 – Oregon Paid Leave and Oregon Family and Medical Leave Alignment

Chapter Law: 20 Effective Date: March 20, 2024

This bill makes several revisions to the Oregon Paid Leave Act and the Oregon Family and Medical Leave Act. It repeals the provisions of the Oregon Family Leave Act (OFLA) that are duplicated by Paid Leave Oregon to minimize stacking of leave under these two laws. Except as noted below, many of the changes will go into effect on July 1, 2024, which means Oregon employers have four months to prepare for the changes. Highlights include:

- OFLA will no longer cover parental leave or serious health condition leave. Leave for these purposes will only be available under Paid Leave Oregon.
- Sick child leave under OFLA is expanded. An employee may take leave under OFLA to care for a child suffering from any illness, injury, or condition that requires home care (even if it may qualify as a serious health condition). An employee may still also use OFLA sick child leave to care for a child whose school or place of care has been closed in conjunction with a statewide public health emergency declared by a public health official.
- Bereavement leave under OFLA is capped at four weeks per leave year.
- OFLA still allows for an additional 12 weeks of pregnancy disability leave. In addition to any other OFLA leave used for sick child leave and bereavement leave, an employee may still take up to 12 additional weeks of OFLA leave for their own pregnancy disability in the same leave year.
- OFLA is temporarily amended to cover two additional weeks of leave for the fostering or adoption process. In addition to the OFLA leave above, between July 1, 2024, and December 31, 2024, an employee may take an additional two weeks of OFLA leave to effectuate the legal process for the placement of a foster child or the adoption of a child.
- OFLA leave will be *in addition to* leave under Paid Leave Oregon. That is, OFLA leave may not be taken concurrently with any leave under Paid Leave Oregon.
- Use of paid time off during a period of leave under Paid Leave Oregon is changing (again). An employee will now be permitted to decide whether to use any accrued paid time off in addition to their Paid Leave Oregon benefits, if the total amount received by the employee does not exceed their regular pay. However, an employer may still permit an employee to use their paid time off such that the total combined amounts exceed their regular pay.
- Family leave under Paid Leave Oregon will include leave for the fostering and adoption process. Beginning January 1, 2025, Paid Leave Oregon will include leave to effectuate the legal process required for the placement of a foster child or the adoption of a child.
- Predictive scheduling relief – Employers will be exempt from the predictive scheduling compensation penalties if (1) an employee provides less than 14 days’ notice of the need for or

return from leave under Paid Leave Oregon, OFLA, or any other leave under ORS Ch. 659A, and (2) the employer makes a change to the schedule of an employee who was temporarily assigned to specific shifts to cover for an employee on leave.

LAND USE, HOUSING & SYSTEM DEVELOPMENT CHARGE BILLS THAT PASSED

HB 4063 – Housing Production in Urban Unincorporated Areas (UUAs)

Chapter Law: 102 Effective Date: June 6, 2024

This bill contained several housing related provisions. Importantly, it contained language that will require Multnomah, Washington, and Clackamas Counties to plan for needed housing in their urban unincorporated areas (UUAs). In 2023, the legislative assembly required all cities to plan for needed housing to meet Governor Kotek’s housing production goals and the cities will be held accountable in meeting housing production goals. This bill will require that the three metropolitan counties plan for needed housing in urban unincorporated areas as well. Specifically, Sections 1-6 define “Metro urban unincorporated lands” as lands within the Metro urban growth boundary (UGB) that are not within a city; are zoned for urban development; are within the boundaries of specified sanitary and water districts; and are not zoned with an interim designation. It defines “Metro urbanizable lands” as lands within the Metro UGB outside cities and which are not Metro urban unincorporated lands. The bill allows local governments to plan for Metro urbanizable lands using intergovernmental agreements. It directs the Department of Land Conservation and Development (DLCD) to request appropriations for technical assistance to counties, local governments, and special districts. Finally, the measure directs the Oregon Department of Administrative Services (DAS) to include, as part of a statewide housing analysis, one allocation for Metro urban unincorporated lands for each county in Metro. The bill becomes effective the 91st day after sine die.

HB 4134 – Housing Oregon’s Workforce (HOW)

Chapter Law: 103 Effective Date: April 17, 2024

This bill includes direct grants to four cities to support housing developments in which at least 30% of the units are affordable to households earning 130% or less of county median income.

SB 1530 – Funding for Housing-Related Infrastructure

Chapter Law: 109 Effective Date: April 17, 2024

This bill appropriated nearly \$280 million for various purposes. Among other things, the bill appropriates nearly \$88 million to various cities and two districts for water, wastewater and transportation projects that will promote the production of housing to those at 120% or less of area median income. Most of those that received funds under this bill were originally found in HB 4128.

SB 1537 – Governor’s Housing Production Proposal

Chapter Law: 110 Effective Date: June 6, 2024

After failing by a single vote on the Senate floor on the last day of the 2023 session, Governor Kotek reintroduced her Housing Production Proposal after working feverishly over the interim on the proposal. Her original proposal sought about \$600 million and contained several provisions including a revolving fund to pay for pre-development costs and the opportunity for cities to conduct a one-time Urban

Growth Boundary (UGB) expansion for the purposes of making more land available to produce housing. Ultimately, the Legislative Assembly pared down her ambitious proposal, and this time it passed both chambers easily. SB 1537 does the following:

- Establishes a new Housing Accountability and Production Office with \$5 million for local technical assistance grants.
- Requires cities to grant up to ten administrative adjustments to local siting and design standards for housing development.
- Establishes and funds a new state revolving loan fund with \$75 million for local governments to administer loans for moderate-income housing development.
- Allocates \$3 million to Business Oregon to help small and rural local governments access infrastructure programs.
- Provides a one-time UGB expansion tool, among other land use changes.
- Requires the Department of Land Conservation and Development (DLCD), in consultation with the Housing and Community Services Department, the Oregon Business Development Department (OBDD) and other agencies that fund and support local infrastructure projects, to submit a report to an appropriate interim committee of the Legislative Assembly that includes a list of key considerations and metrics the Legislative Assembly could use to evaluate, screen and prioritize proposed local infrastructure projects that facilitate and support housing within an urban growth boundary.

LAND USE, HOUSING & SYSTEM DEVELOPMENT CHARGE BILLS THAT FAILED

HB 4099 – State Guarantee Payment for Delayed Collection of SDCs

This bill would have directed the Oregon Housing and Community Services (OHCS) to purchase and collect past-due debt from a developer, based on a deferred system development charge (SDC). To be eligible a city, county or district would have to agree to defer the collection of an SDC until 180 days after any dwelling unit in the project receives a certificate of occupancy or, for affordable housing development projects, between 180 days and one year following the receipt of a certificate of occupancy. In addition, the bill created the Municipal Development Protection Fund within the State Treasury, and appropriated \$10 million in general funds for the purposes described in the Act. This measure never made it out of Ways & Means.

PERS BILLS THAT PASSED

HB 4045 – PERS Changes for Police & Fire + 911

Chapter Law: 101 Effective Date: January 1, 2025

HB 4045 makes the following changes to Oregon Public Service Retirement Plan (OPSRP) for police and fire members:

- Lowers prospectively the normal retirement age for police officers and firefighters under the Oregon Public Service Retirement Plan (OPSRP) with the normal retirement age changed from the of age 60 if the member has 25 or more years of retirement credit to the earlier of age 55 or age 53 if the member has 25 or more years of retirement credit.

- This provision applies to active and inactive non-retired members (not employed in a PERS eligible position but who retains a vested right to a future PERS retirement benefit due to prior PERS-eligible employment). This benefit becomes operative on January 1, 2025 (2023-25 biennium) and will be reflected in employer contribution rates during the 2025-27 biennium (2023 actuarial valuation).

HB 4045 makes the following changes to elected district attorneys police and fire benefits:

- Recategorizes prospectively elected district attorneys from general service to police and fire members in Tier One, Tier Two, and OPSRP pension plans, which would provide higher benefit multipliers and a lower normal retirement age. This provision applies to active and inactive non-retired members.
- This benefit becomes operative on January 1, 2025 (2023-25 biennium) and will be reflected in employer contribution rates during the 2025-27 biennium (2023 actuarial valuation).

HB 4045 makes the following changes to Oregon State Police forensic scientists and evidence technicians police and fire benefits:

- Recategorizes prospectively Oregon State Police (OSP) forensic scientists and evidence technicians, at the discretion of the OSP Superintendent, in Tier One, Tier Two, and OPSRP pension plans from general service to police and fire members, which would provide higher benefit multipliers and a lower normal retirement age. This provision applies to active and inactive non-retired members.
- This benefit becomes operative on January 1, 2025 (2023-25 biennium) and will be reflected in employer contribution rates during the 2025-27 biennium (2023 actuarial valuation).

HB 4045 creates a new “hazardous position” within Oregon Public Service Retirement Plan (OPSRP):

- Establishes a new “hazardous position” classification within the OPSRP pension plan with higher benefit multipliers and earlier normal retirement eligibility than OPSRP general service (state and local members).
- The final average salary benefit multiplier is 1.8% of pay for service accrued in the new hazardous position classification. The normal retirement age would be the earlier of age 60, or age 58 with 25 years of retirement credit.
- Membership in the new classification is limited to OPSRP members in the following two categories: (a) qualifying employees of the Oregon State Hospital employees (“Oregon State Hospital” is undefined by the measure); and (b) telecommunicators under ORS 181A.355.
- This benefit becomes operative on January 1, 2030 (2029-31 biennium) and will be reflected in employer contribution rates during the 2031-33 biennium (2029 actuarial valuation). This benefit is retroactive back to January 1, 2019, for qualifying members and applies to active and inactive non-retired members.

While the measure is silent at whose discretion hazardous position classifications are made, such decisions are presumably made by member’s employers through administrative rule. Tier One or Tier Two members do not qualify for participation in the hazardous position classification, even if their positions would otherwise qualify.

The PERS Board is required to separately establish the pension liability of employers for the hazardous position classification and charge employer contribution rates accordingly. The measure allows PERS to act on the new hazardous position classification change before January 1, 2030.

Employer contribution rates have already been adopted and published by the PERS Board for the 2023-25 biennium. These rates will remain unchanged for the 2023-25 biennium regardless of the passage of this measure. In the fall of 2023, the PERS Board, released advisory employer contribution rates for the 2025-27 biennium with final rates planned for adoption in the fall of 2024, which will need to account for the impact of this measure other than the hazardous benefit classification. The changes to employer contribution rates under this measure by the four benefit modifications represent the change of reducing general service pension contribution rates and increasing either police and fire or hazardous pay classification pension contribution rates.

PERS' consulting actuary estimates that the lowering of the normal retirement age for police officers and firefighters in OPSRP will increase employer contribution rates from 10.55% general service to 15.14% Police and Fire or by 4.59% (change of +44%). PERS' consulting actuary estimates that the lowering of the normal retirement age for police officers and firefighters is that OPSRP will increase employer contribution rates from the entire OPSRP rate pool, both general service as well as police and fire, from 17.76% to 18.62% or by 0.86% (change of +4.84%).

Stated differently, the lowering of the normal retirement age for police officers and firefighters means that OPSRP will increase employer police and fire contribution rates by 0.79% and the UAL contribution rate for the entire OPSRP rate pool by 0.07%. This is currently estimated to add \$10 million in additional employer contributions for police and fire employers and \$9.7 million across all OPSRP employers per biennium (based on 2022 biennial-zed payroll costs).

The consulting actuary for PERS estimates that the creation of a new hazardous position classification will increase affected employer rates (those employers who employ members in hazardous positions) by an average of 4.95% above their current general service contribution rate. This will apply to employers who have hazardous position members on their payroll.

PERS' consulting actuary estimates that the lowering of the normal retirement age for police officers and firefighters under would increase on a one-time basis the unfunded actuarial liability (UAL) by \$110 million total funds. The current estimate of the 2023 UAL, exclusive of this measure, is \$22.8 billion with the funded status of the system of 78% with side accounts. The impact of recategorizing elected district attorneys from general service to police and fire members and recategorizing OSP forensic scientists and evidence technicians is expected to have a de minimis impact on the UAL. The consulting actuary is currently unable to accurately estimate the UAL impact of the new hazardous benefit plan, as the actuary requires population-specific demographic data from effected employers to calculate a more precise estimate (e.g., mortality, retirement, disability incidence, termination, salary increase factors or Final Average Salary, etc.). Based on initial estimates using all 911 telecommunicators and all Oregon State Hospital employees, there could be an increase in normal cost to affected employers of 2.75% and an additional UAL rate for affected employers of 2.20%, for an increase in affected employer rates of 4.95%.

PORTS BILLS THAT PASSED

HB 4080 – Offshore Wind Roadmap

Chapter Law: 31 Effective Date: March 27, 2024

This bill creates two new state policies related to offshore wind. The policies include support for the engagement between offshore wind developers and impacted organizations, communities, and tribes in the development of an offshore wind roadmap and promotes economic diversification and resilience in offshore wind energy development by ensuring labor and supply chain standards.

HB 4109 – Aviation Grants

Chapter Law: 82 Effective Date: June 6, 2024

House Bill 4109 was the transportation omnibus bill for the 2024 session and contained several provisions. The one provision of interest to ports specifies that grant funds available to the Oregon Department of Aviation can be used as matching funds for any Federal Aviation Administration grant available, rather than just for Airport Improvement Program grants.

HB 4132 – Marine Reserves

Chapter Law: 38 Effective Date: March 27, 2024

This measure appropriates \$894,324 General Fund to the Oregon Department of Fish and Wildlife (ODFW) for the implementation of recommendations made by the Ocean Policy Advisory Council in 2022 related to marine reserves. It directs the ODFW and the State Land Board to implement recommendations from the Ocean Policy Advisory Council to develop an adaptive management plan and a collaborative process through social monitoring data for marine reserves. HB 4132 requires ODFW to develop and implement an adaptive management plan including specific, measurable, achievable, relevant, and time-oriented objectives for ecological and socioeconomic monitoring and research, consistent measurable indicators of social impacts, efficient long-term ecological sampling protocols, assessment for the capacity of the marine reserves, and defined goals for outreach and engagement.

SB 1526 – Uncollectable Property Taxes and Regionally Significant Industrial Sites

Chapter Law: 52 Effective Date: June 6, 2024

This bill contained several provisions, three of which are of interest to ports. The first provision of interest fixes a mistake in a bill from the 2023 session that would have cancelled the uncollectible property taxes for the Oregon International Port of Coos Bay. The fix contained in this bill should result in those outstanding property taxes finally being cancelled. The second important provision extended the sunset to the Regionally Significant Industrial Site program that had sunset in 2023 by three years by moving the sunset from July 1, 2023 to December 31, 2029. A similar bill was introduced in the House, HB 4042, but that bill did not proceed. SB 1526 changes employment level and wage qualification language to align with available data. And finally, the bill adds semiconductor-related development activities in a designated e-commerce city to property that may qualify for a property tax exemption from three to five years under the e-commerce provisions of the Enterprise Zone exemption.

HB 5201 – Bond Authorization Bill - International Port of Coos Bay & Port Orford

Chapter Law: 104 Effective Date: April 17, 2024

Among other things, this bill approved the following scope or recipient modifications to previously approved lottery bond authorizations. Specifically, it modified the scope of \$40 million in lottery revenue bond proceeds authorized during the 2023 legislative session for the 2023-25 and 2025-27 biennia. The new scope is for distribution to the Oregon International Port of Coos Bay to deepen and widen the Coos Bay Federal Navigation Channel and for the design, engineering, permitting and land acquisition efforts related to the Pacific Coast Intermodal Port project.

Additionally, HB 5201 approved modifying the scope of the Infrastructure Improvements of Port Facilities and Site for the Port of Port Orford, to install a seawater pump ashore and distribution system to pump undiluted seawater directly from the ocean adjacent to the Port of Port Orford, including installation of a seawater reservoir. The new system will benefit the seafood and aquaculture industries, commercial fisherman and researchers. The project was funded with \$500,000 in net lottery bond proceeds authorized for the Regional Infrastructure Fund in the 2017 legislative session and approved at the September 2018 meeting of the Emergency Board, to include improvements to port facilities and site.

SB 5701 – Port of Cascade Locks – Bridge of the Gods

Chapter Law: 114 Effective Date: April 17, 2024

Senate Bill 5701 served as the budget reconciliation bill for the short session. It contains a one-time General Fund appropriation of \$6 million for distribution to the Port of Cascade Locks to fund engineering analysis, site investigations, project cost estimating, external outreach, and impact analysis for a seismic retrofit and other preservation actions for the Bridge of the Gods. The studies will also examine the feasibility of the addition of a pedestrian and bike pathway to enhance safety on the Pacific Crest Trail crossing of the Columbia River. HB 4110 and SB 1512 were introduced in both chambers seeking this funding. Ultimately, HB 4110 was moved to and remained in the Ways and Means Committee.

PUBLIC MEETINGS BILLS THAT PASSED

HB 4117 – Oregon Government Ethics Commission Advisory Opinions on Public Meetings

Chapter Law: 14 Effective Date: March 20, 2024

In 2023, the Legislative Assembly passed HB 2805 giving the Oregon Government Ethics Commission (OGEC) the authority to enforce the entire public meetings law (ORS 192.610 to 192.705). The public meetings law generally requires that meetings be open to the public at accessible locations with appropriate notice of the time, place, and subjects anticipated to be considered. This bill authorizes the OGEC and their staff to give advice on the application of the entire public meetings law, not just the executive session provisions.

PUBLIC SAFETY BILLS THAT FAILED

HJR 201 – Statewide Property Tax to Fund Public Safety

House Joint Resolution 201 (2024) proposed an amendment to Oregon’s Constitution to require the Legislature to impose a statewide property tax to fund public safety. The measure would have required the Legislature to define taxable property, establish the process to levy an annual property tax based upon necessary funding requirements, and to further define “public safety”. The measure would have limited the annual tax rate to no more than 25 cents per \$1,000 of the assessed value. Had the measure passed, it would have been referred to the voters in November 2024.

WATER/WASTEWATER/STORMWATER BILLS THAT PASSED

SB 1566 – County Right of Way Permit Fees

Chapter Law: 60 Effective Date: March 27, 2024

SB 1566 was the product of a workgroup during the interim. The bill requires that a person who wants to construct, alter, relocate, maintain, as well as repair a water, gas, electric or communication service line, fixture, or other facility within the right of way of a county road is responsible for applying for any permit and paying any fee required by the governing body. If a county adopts an ordinance or resolution, it can require a permit for such activities and may charge a fee of up to \$500 for the permit. Emergency work is exempted from the need to pay a fee and public utilities can enter into intergovernmental agreements with the county that may have different arrangements. If they adopt a fee, counties must issue or deny the permit within 15 business days of an application. The bill allows the fee to be increased by the Consumer Price Index (CPI) on an annual basis. The bill becomes operative on January 1, 2025, and sunsets on January 2, 2031. One thing to keep an eye on is whether counties are charging or will begin to charge permit fees for wastewater and stormwater activities that do not disturb the county right of way. The original bill excluded maintenance activities for wastewater; however, the counties strenuously objected to the inclusion of wastewater and stormwater maintenance activities.

SB 1567 – Walla Walla Water 2050 Strategic Plan

Chapter Law: 22 Effective Date: January 1, 2025

The Walla Walla Watershed is partially located in southeastern Washington, and partially in northeastern Oregon, with two-thirds and one-third of its area in each respective state. The Walla Walla Water 2050 Strategic Plan is a 30-year plan to improve stream flows and water supplies in the Walla Walla watershed. The plan uses an integrated water resources management approach and engages stakeholders in both Washington and Oregon to develop a long-term plan for water use in the basin. The Walla Walla Basin Advisory Committee (WWBAC) provides policy and project development advice on implementation of the Walla Walla Water 2050 Strategic Plan. WWBAC includes participation from Washington State, Oregon State, the Confederated Tribes of the Umatilla Indian Reservation, and local governments. This bill directs the Oregon Water Resources Department (OWRD), in collaboration with the Confederated Tribes of the Umatilla Indian Reservation and the State of Washington, to implement and guide bistate water management in the Walla Walla River Basin following the Walla Walla Water 2050 Strategic Plan.

WATER/WASTEWATER/STORMWATER BILLS THAT FAILED

HB 4049 – PFAS in Biosolids

This bill would have appropriated \$740,000 from the General Fund for distribution to Oregon State University (OSU) and would have required the OSU Extension Service and OSU College of Agricultural Sciences (CAS), in collaboration with the Oregon Department of Environmental Quality (DEQ) and Oregon wastewater service providers, to study the occurrence and distribution of perfluoroalkyl and polyfluoroalkyl (PFAS/PFOS) found in biosolids applied to agricultural fields that do not produce crops intended for human consumption. The measure would have required the OSU Extension Service and CAS to submit a progress report and a final report to agriculture-related interim committees of the Legislative Assembly by December 15, 2025 and September 1, 2027, respectively. The bill failed to receive the necessary funding at the end of the session.

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