



A STATE GOVERNMENT AFFAIRS REPORT

CAPITOL COMMENTS

March 18, 2021

Halftime on the Horizon: Oregon Legislative Session Nearing Midway Point

It has been a very busy few weeks for the Oregon Legislature. Although the Capitol remains closed to the public, legislators continue holding online committee hearings to vet and pass legislation. Bills are now starting to work their way to the House and Senate floors, albeit at a slow pace, during twice-a-week floor sessions. While votes are occurring, the limited number of floor sessions could lead to a bottleneck of bills in the coming weeks.

One of the issues driving the pace of legislation is the legislative calendar. The deadline to introduce legislation came and went on February 23. Tomorrow, March 19, is the next major deadline. It is the deadline for committees to schedule bills for work sessions in their house of origin. Those work sessions must take place by April 13. Bills in their house of origin must move to their chambers' floor, or move to their chamber's revenue or rules committees or the Joint Committee on Ways and Means, by the close of the day on April 13. If bills are not so moved, they will die. This is an important deadline for winnowing the field of active legislation. We are hopeful that at least some of the "bad" legislation introduced this session will not survive these deadlines, although major legislation is likely to be with us throughout the remainder of the session.



While there were rumors that there were going to be as many as 4,000 bills introduced this session, so far approximately 2,500 have been introduced. More are on their way, but it doesn't look like we'll reach the 4,000 estimate.

Every session there are good and bad ideas that surface, and this session includes plenty of problematic proposals. Examples include bills that would reinstitute a foreclosure moratorium ([House Bill 2009](#)), create publicly-owned banks ([House Bill 2696](#), [House Bill 2743](#) and [Senate Bill 339](#)), prohibit banks from charging fees to cash checks ([House Bill 2356](#)), repeal the mortgage interest deduction ([House Bill 2578](#) and [House Bill 2838](#)), and implement a variety of tax measures, to name just a few. OBA's government relations team, with the help of many individual bankers, is actively addressing these bills.

Bankers Join OBA to Testify Before Legislative Committees

Over the past few weeks, bankers have joined OBA to testify on several bills being heard in legislative committees. On the offensive side, **Ryan Dempster**, President and CEO of Willamette Valley Bank, joined OBA President and CEO **Linda Navarro** in testifying before the House Revenue Committee in support of [House Bill 2268](#), a bill introduced at the request of OBA that would exempt from Oregon's corporate activity tax interest income derived from small business lending. While banks do a great job doing small business lending, we're looking to provide even more incentive for banks to further help their communities. To be honest, such a concept is an uphill climb in this legislature, but the hearing was a good opportunity to talk about small business lending and educate lawmakers about the credit union industry's exemption from both income and the corporate activity tax.

OBA also testified before the Senate Finance and Revenue Committee on [Senate Bill 15](#), a measure that would provide much-needed reform to Oregon's estate tax. **Stuart Allen**, President and CEO of OBA member Allen Trust Company, testified with Linda in support of the bill, introduced by Senator **Lynn Findlay** (R-Vale). [Kiplingers](#) has noted that "The Beaver State is the most frightening place in the U.S. to die if you're concerned about estate taxes." Ouch ...

On the defensive side of things, OBA Chair **Jeff Sumpter**, President and CEO of Lewis & Clark Bank, joined Linda in voicing OBA's concerns about a bill sponsored by the credit union association, [House Bill 3079](#). While billed as a technical proposal, sections of the bill would in fact eviscerated state credit union field of membership rules, which are already some of the most liberal state rules in the nation. In addition to opposing the field of membership expansion, we took the opportunity to urge the legislature to reexamine the tax-exempt status of those Oregon credit unions that look and act like tax-paying banks. We are optimistic that our testimony on House Bill 3079 resonated with the House Business and Labor Committee and hope for an amendment that would remove the onerous provisions from the credit union bill.

OBA Updated Top 20

We have updated our Top 20 bill list. The Top 20 list of bills in play during this session of the Oregon Legislature can be viewed by [clicking here](#) or on the button in the

upper right-hand corner of this email. Remember, the Top 20 is a list of those bills likely to have a major impact on the banking industry and/or have a significant political impact. This is a fluid list that changes as additional bills of importance are introduced, amended, or die during the course of the session.

If you have any questions about the session or particular legislation, please contact OBA's Vice President and Government Affairs Director **Kevin Christiansen** at (503) 576-4123 or kchristiansen@oregonbankers.com. If you have an interest in particular bills, you can [click here](#) to review any bill.

Representative Hernandez Resigns Amid Harassment Allegations

Representative **Diego Hernandez** (D-Portland) resigned his legislative seat effective March 15, 2021 amid several allegations of harassment. As [reported by OPB](#), Hernandez was the subject of an independent investigation into allegations of harassment by three women. Members of the House Conduct Committee determined Hernandez harassed and created a hostile workplace in the Capitol.

With the resignation of Hernandez, Democrat precinct committee persons announced Monday three candidates to replace Hernandez: **Andrea Valderrama**, a policy director for the ACLU; **Adrienne Enghouse**, a nurse; and **Robin Castro**, a former candidate for Portland City Council. Multnomah County commissioners will select one of these finalists to fill the seat toward the end of the month.

Political Odds and Ends

- [According to The Oregonian](#), Oregon added 13,900 jobs last month, nearly twice as many as it gained in January. Oregon's unemployment level was 6.1% in February, down a tenth of a percentage point from January.
- Speaking of employment, [House Bill 3144](#) was introduced to provide Oregon legislators a pay raise. As [reported in The Oregonian](#), the formula in the bill could raise Oregon's part-time legislators' salary from \$32,800 to roughly \$55,000. Other bills have been introduced that would raise or study a possible pay raise: [Senate Bill 830](#) and [House Bill 3342](#).



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