

# 2016 LEGISLATIVE REPORT

## OREGON LANDSCAPE CONTRACTORS ASSOCIATION



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## **GENERAL SUMMARY**

Never before has the short legislative session been so acrimonious. The 2016 Legislative Session adjourned Sine Die at 1:07 p.m. on Thursday, March 3rd. Interestingly, by the time the end was in sight, you would have had a hard time telling that for the 32 days prior rancor and mistrust prevailed. Complete with the passage of a minimum wage increase, a limitation on the use of coal power, affordable housing solutions and a re-balance for the budget, it is no wonder that Republicans felt that they were merely along for the ride. Upset with the Majority Democrats expansive agenda for the short session, the Republicans resorted to stall tactics that included requiring the bills to be read in full on the chamber floor and refusing to show up for evening or weekend floor sessions.

The 2016 Legislative short session produced more far reaching policies on the economy and the environment than the 2015 long session. Session highlights included:

- Multi-year increase in the state's minimum wage which will top out at \$14.75 an hour in the Portland area, \$13.50 in midsize counties such as Marion and Lane and \$12.50 in rural areas by July, 2022. This makes Oregon's minimum wage the highest nationally.
- Eliminating the use of coal power in the state by 2040 and requiring the state to get at least 50% of its power from renewable energy.
- Affordable housing package that included protections for renters, removing the ban on inclusionary zoning and construction excise taxes and additional funds for affordable housing and homelessness relief programs.
- State budget adjustments of \$300 million.

## **OLCA PRIORITIES**

With only five weeks to move a bill through both chambers, the OLCA Legislative Committee and advocacy team worked to stay ahead of the deadlines - essentially one at the end of each week! While there were less than 300 bills introduced (compared with nearly 3,000 during the longer session), we continued our vigilance regarding issues of concern to the landscape contracting industry.

***Here are the highlights of the 2016 Legislative Session:***

**SB 1532A: Increases Oregon Minimum Wage Rates**

This bill raises base minimum wage to \$13.50 per hour by July 1, 2022. It establishes higher minimum wage (\$14.75 by 2022) for employees working within the urban growth boundary of Portland metropolitan area and a lower minimum wage (\$12.50 by 2022) for those working in 18 nonurban counties. The measure adjusts base minimum wage annually for inflation starting July 1, 2023. It sets Portland metropolitan area minimum wage after June 30, 2023, to be no less than \$1.25 more than base minimum wage and the nonurban minimum wage after June 30, 2023, to be no less than \$1.00 less than base minimum wage.

SB 1532A raises the minimum wage according to the schedule below.

The nonurban counties are Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, and Wheeler.

	<u>Base</u>	<u>Portland Metro</u> <u>UGB</u>	<u>Nonurban</u> <u>Counties</u>
July 2016 – June 2017	\$9.75	\$9.75	\$9.50
July 2017 – June 2018	\$10.25	\$11.25	\$10.00
July 2018 – June 2019	\$10.75	\$12.00	\$10.50
July 2019 – June 2020	\$11.25	\$12.50	\$11.00
July 2020 – June 2021	\$12.00	\$13.25	\$11.50
July 2021 – June 2022	\$12.75	\$14.00	\$12.00
July 2022 – June 2023	\$13.50	\$14.75	\$12.50
July 2023 and after	CPI adjusted	+\$1.25	-\$1.00

The following table reports Oregon jobs data for the first quarter of 2015 as provided by the Oregon Employment Department.

	<u>Jobs</u>	<u>Percent</u>
Minimum Wage \$9.25	100,000	5%
\$9.26 to 13.49	518,000	28%
\$13.50 to \$14.99	119,000	6%
\$15.00 and above	1,148,000	61%

*OLCA opposed the bill.*

**HB 4117: Revises Practical Examinations for Landscape Contractor License**

In 2015, the Legislative Assembly passed HB 3304 to direct the Landscape Contractors Board to offer an alternative to a written test for those applying for a landscape construction professional license or a limited or specialty license. The alternative specified was passage of a practical skills test and attendance of a business practices class. The Board was directed to offer the practical skills test and business practices class three times per year, starting no later than September 2016. The Board

formed a committee to help guide the implementation of HB 3304. The committee recommended that the existing examination used to certify landscape technicians be used as the practical skills test. This examination, which is owned by the National Association of Landscape Professionals, is offered annually by the Oregon Landscape Contractors Association. Testimony received by the Senate Workforce and General Government Committees indicates that the national association is in support of the OLCA sharing their license to use the certification test with the Landscape Contractors Board.

HB 4117 scales back the requirements set by House Bill 3304 (2015). Under this measure, the Board must provide a practical skills test and business practices course only for two types of limited or specialty licenses. Rather than offering the practical skills test and business practices class three times a year, the Board will be required to offer them only once every 12 months.

*OLCA supported the bill.*

**HB 4113B: Establishes the Task Force on Drought Emergency Response**

The bill establishes the Task Force on Drought Emergency Responses. The task force will have 11 to 15 members who are charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill also directs the task force to submit a report to a Legislative interim committee related to natural resources no later than November 1, 2016, and provide a copy to the Water Resources Commission. The report is to include recommendations for improvements in information sharing that will enable the public, water users, and recreational in-stream users to understand drought conditions and to assist in efforts to mitigate or adapt to drought. HB 4113 directs the Water Resources Department to staff the task force, and to reimburse members for the actual and necessary travel and other expenses incurred. The bill appropriates \$25,000 General Fund to the department to address the expenses of the task force members and to defer a portion of the estimated additional costs of staff support to the task force.

*OLCA monitored this bill.*

**SB 1529A: Prohibits the Enforcement of Residential Irrigation Requirements by a Homeowners Association during a Drought**

The bill prohibits the enforcement of residential irrigation requirements by a homeowners association following: 1) a drought declaration by Governor; 2) a finding by Water Resources Commission that severe or continuing drought exists or is likely to occur; or 3) the governing body of political subdivision within which planned community is located adopting an ordinance that requires conservation or curtailment of water use. SB 1529A stipulates that the irrigation requirement is only unenforceable while a finding or declaration is in effect. The measure is effective on passage.

*OLCA monitored this bill.*

***This report has been prepared by OLCA's government affairs advocates Bill Cross and Niki Terzieff.*** Please feel free to contact Bill Cross at [bill@wvcross.com](mailto:bill@wvcross.com) or Niki Terzieff at [niki@leadingedgepublicaffairs.com](mailto:niki@leadingedgepublicaffairs.com).