2013 Oregon Legislative Assembly

The 77th Session of the Oregon Legislative Assembly came in like a lion and went out like a lamb. Most policymakers and observers believe the session was marked more by what didn't happen rather than by what happened.

The 2013 session set goals to focus primarily on job creation proposals while balancing the state budget during difficult times. In the end, there was little or nothing to point to regarding job creation (the biggest job creating proposal, building the Columbia River Crossing bridge on I-5 between Portland and Vancouver, passed in Oregon but sputtered and failed in the Washington Legislature). And, while the Legislature passed a balanced state budget -- as required by the Oregon Constitution -- a "Grand Bargain," which would have reduced taxes on small businesses, increased taxes on larger corporations and wealthier individuals and made long-term changes to PERS (the Public Employee Retirement System), failed to garner enough votes to pass. PERS reform is a key issue across the state because the cost of PERS impacts not only the state budget, but also every county, city and school district budget. Making changes to reduce PERS overhead costs to state and local governments will free up much needed capital across the board for governments to use on everything from roads to schools and from local jails to public libraries and municipal swimming pools.

The "Grand Bargain" is so politically significant that Governor Kitzhaber recently announced plans to call the Oregon Legislature back into a Special Session on September 30 with the goal of passing the "Grand Bargain." Interestingly, at the time of the Governor's announcement on September 4th, both he and legislative leaders acknowledged that they still do not have the votes to pass a proposal. The Governor is hoping a deadline will help pressure lawmakers into a dealmaking frenzy.

NORTHWEST AUTO TRADES ASSOCIATION

NATA continues to be an active participant in discussions on larger, business-related issues. The NATA lobbyist has participated in regular meetings with other business lobbyists (the group is called the "Oregon Committee") to ensure business leaders were informed and, as often as possible, in unison on legislation which impacts the business climate in Oregon. Further, NATA is a member of the Oregon Small Business Coalition (OSBC) which, along with the National Federation of Independent Business (NFIB), are largely regarded as the "voice of Main Street" in the halls of the State Capitol Building.

NATA was specifically involved in monitoring eleven different legislative proposals. A brief description of all eleven are detailed below:

HOUSE BILLS
House Bill 2109 / Died in Committee
HB2109 would have permitted registered antique and special interest vehicles, which are currently prohibited from being driven on public roads except to and from shows and special events, to be driven for any reason during daylight hours as long as the vehicle is within 150 miles of its registered address. Many antique and specialty vehicles do not meet current standards and need a special exemption to be on the road. This bill would
have substantially increased the permissive uses of an antique or specialty vehicle registration in Oregon.

**House Bill 2171 / Died in Committee**
HB2171 would have permitted business to require a regulatory agency to sue the business in circuit court rather than relying on an administrative process if the penalty levied exceeded $2,000. The purpose of this bill was to provide businesses with an opportunity to force a state agency to prove their case to a judge when levying a fine in excess of $2,000. Many businesses believe regulatory agencies' fines are too high and the process of adjudicating an appeal is not entirely fair. However, the practical impact of this legislation would be that many agencies would simply cap fines at $1,999 rather than face a potentially expensive and protracted fight in a circuit court.

**House Bill 2263 / Passed Into Law**
HB2263 increased fees charged by DMV Business Regulation to license or certify vehicle-related businesses, including auto dealers and motor vehicle dismantlers. DMV has not increased fees in a number of years and the adjustments would permit the Business Regulation office to continue functioning at its current level of service. Motor vehicle dismantler fees were substantially increased outside of a modest upward adjustment. This was done to better reflect the actual time allocated to dismantler issues by DMV staff. The fee charged for a dismantler certificate was increased from $450 for three year to $800 for three years. The fee for a dismantler to have a supplemental location was also increased from $90 to $800 for three years. This change was made because the cost to DMV for regulating a supplemental location is no different than the cost of regulating a single or primary location. As a result, there was no justifiable reason to charge less for a supplemental location than a primary location.

Mary Ann Trout, a dismantler and NATA Board Member, testified in support of the change after surveying Oregon dismantlers to ensure there was no opposition. Mary Ann did not testify on behalf of NATA, but rather as a private citizen and as Chair of the Oregon Dealer Advisory Committee.

**House Bill 2403 / Passed Into Law**
HB2403 modified the purchaser's and seller's requirements for scrap metal dealers. NATA ensured that motor vehicle dismantlers continue to be exempt from scrap metal regulations since vehicle dismantlers are already certified and regulated by DMV. Duplicative regulations would serve only to increase red tape and costs. NATA continues to vigilantly monitor scrap metal-related legislation to ensure the exemption is not modified or removed. Motor vehicle dismantlers are exempt from scrap metal regulations only as long as all purchases are of motor vehicle-related scrap.

**House Bill 2912 / Passed Into Law**
HB2912 created Joint Advisory Committees between the Department of Education, the Department of Community Colleges and Workforce Development and the Bureau of Labor and Industries. These joint committees are tasked with developing and implementing goals to support career and technical education programs. While it is a
disappointing commentary on state government that a new law was needed to ensure
three state agencies were working together to meet common sense goals, it is
nevertheless an important step to facilitate cooperation between these three agencies
which have common and often overlapping responsibilities for blue collar workforce
development.

**NATA supported House Bill 2912**

**House Bill 2923 / Died in Committee (but passed in a different bill)**

HB2923 was introduced to fix a loophole in Oregon's workers compensation laws. A
recent court decision pierced the "exclusive remedy" shield for workers compensation
insurance for LLCs. All Oregon businesses work on the assumption that their workers
compensation insurance is the sole resource of redress for injured workers. But a judge
ruled that LLCs were not similarly protected. While everyone agreed that LLCs are
SUPPOSED to be protected and the judge's ruling was only technical in nature, the fact
that this provision in the law needed to be tweaked made the issue a big political
football. Legislators sympathetic to workers who complain they are not treated fairly by
current workers compensation laws withheld votes and used the issue as a bargaining
chip to negotiate concessions from the business community. The negotiating was
primarily done by Associated Oregon Industries (AOI) and NFIB, but NATA was part of
a broader coalition which helped keep pressure on all lawmakers to solve this issue.
While HB2923 died in committee, the provisions of HB2923 were amended into Senate
Bill 678 which did become law and LLCs will now be protected like all other business
entities in Oregon.

**NATA supported House Bill 2923**

**House Bill 3443 / Died in Committee**

HB3443 would have required DEQ to modify its current Vehicle Emissions Testing
Program to eliminate the test for newer motor vehicles (six years old or newer). Test
results show that newer vehicles very rarely fail the test. As a result, some lawmakers
view the test as an unneeded and costly government program. Two NATA members
(Bob Anderson, AJ's Auto Repair, Salem and Jim Houser, Hawthorne Auto Clinic,
Portland) came to the Capitol to testify on the bill. Both testified on their own, not on
behalf of NATA. Neither realized the other was attending until they met in the committee
room!

**SENATE BILLS**

**Senate Bill 212 / Died in Committee**

SB212 would have required DEQ to modify its current Vehicle Emissions Testing
Program to match the program in the State of Washington.

**Senate Bill 280 / Died in Committee**

SB280 would have permitted DMV to reissue a clear title to a motor vehicle which was
previously branded as a totaled vehicle if the title holder could provide documentation
the brand was misapplied. There was considerable discussion among the NATA
Legislative Committee on the power held by insurance committees and the potential
impact of creating a process to "unwind" an insurance company designation. The
discussion ranged from counterbalancing the power of insurance companies to the importance of ensuring the road-worthiness of motor vehicles after a collision. It is likely this issue will resurface in future sessions of the legislature.

Senate Bill 498 / Passed Into Law
SB498 allocated $9.3 million for the "Career and Technical Education Revitalization Grant Program". Of that, $8.8 million will be granted out to programs across the state, potentially including auto shop programs. In the last biennium the Legislature allocated $2 million for this important start up program which provides grants to local schools for career and technical education programs. In these difficult economic times, for Legislators to substantially increase a program rather than cut it like most state budgets is a real testament to the importance of the program and the success of the very broad coalition of partners (including NATA) which supported it. The increase in this grant program may end up being the most significant "job creation" legislation passed by the 2013 session.

NATA supported Senate Bill 498

Senate Bill 613 / Passed Into Law
SB613 modified current law related to continuing education requirements for motor vehicle dealers. This is important to NATA because some NATA members are also motor vehicle dealers. SB613 made a number of important changes to the continuing education requirements.
They are:
1. Reduced the number of required continuing education hours from 5 per year to 4 per year;
2. Requires dealers to pass a test of not less than 10 questions for each hour of continuing education. Passing rate is 70 percent or above;
3. Prohibits a dealer from taking the same class for continuing education credit more than once in a three-year cycle;
4. Gives the Oregon Dealer Advisory Committee (ODAC) authority to approve or deny applications to be an education provider; and
5. Requires education providers to reapply for approval every two years.
NATA Board Member and Legislative Committee Chair Mary Ann Trout is currently serving as Chair of ODAC and spent countless hours working to achieve consensus in the industry on these changes.

NATA supported Senate Bill 613

CONCLUSION
It is possible, perhaps even likely, the Legislature will meet on September 30 in special session. If all goes well, they will meet only one day and they will enact legislation curtailing the ever-increasing cost of PERS while making equally important adjustments to our tax code. If the special session extends beyond a single day or fails to pass any legislation at all, it will be both a psychological and political blow to the body politic. It will result in assigning lots of blame and pointing lots of fingers. The 2014 session of the 77th Legislative Session (remember, voters passed a constitutional amendment in 2008 and now the legislature is required to meet every
year instead of every other year) will meet in February, 2014. This shorter, one-month session will give lawmakers a chance to make corrections to the state's biennial (two-year) budget while addressing important timely issues prior to putting their campaigns into full gear.

If you have any questions about this memo, or the legislature or politics in general, please contact NATA's lobbyist at: fuller_darrell@yahoo.com or 971-388-1786