

MARCH 2024



FEBRUARY 5, 2024 – MARCH 8, 2024

2024 OREGON LEGISLATIVE SESSION REPORT TO MEMBERS

Legislative Session Recap

In the brisk, month long 2024 Oregon Legislative Short Session, the legislature was focused primarily on issues around housing and Ballot Measure 110. The legislature was successful in passing legislation addressing both issues. On housing, the governor's priority bill passed, which increased funding for housing projects and made changes to state land use laws. For BM 110 reform, the legislature recriminalized possession of small amounts of certain drugs, while allowing options to pursue drug treatment rather than criminal penalties. In addition to those two main policy areas, there were bills critical to the construction industry, both positive and negative. We faced threats of liability shifts from both wage theft and duty to defend legislation, as well as the continued threat of government mandated labor standards. On the positive side, we were able to get our coalition's retainage bond bill across the finish line, after it was stalled by an unexpected fiscal statement last session. Read more about these bills and others from the 2024 Legislative Short Session below.

SESSION BY THE NUMBERS:

291

BILLS INTRODUCED

135

BILLS PASSED

66

BILLS AGC TRACKED

General Construction

Defeated: [SB 1573](#)–Wage Theft

SB 1573 was a reintroduction of HB 2057 that AGC and our coalition successfully defeated in the 2023 Oregon Legislative Session. It would make upper-tier contractors liable for the unpaid wages of their subcontractors, with liability lasting six years. The bill would have drastically changed the liability structure for wages in the construction industry, by penalizing upper-tier contractors for unpaid wages they had no control over. AGC led the coalition against this bill again this session, and the bill did not move forward at the deadline. We expect and are preparing for wage theft legislation to be reintroduced in the 2025 legislative session.

Passed: [HB 4006](#)–Retainage Fix

HB 4006 is a reintroduction of our coalition’s bill from the 2023 legislative session to remove the interest-bearing escrow account requirement for retainage that passed in 2019. The bill also clarifies the ability of contractors and subcontractors to submit surety bonds in lieu of retainage, similar to the law in Washington. Retainage continues to be limited to 5%, and agencies must accept a bond request unless they can cite with good faith a unique project circumstance. The bill faced some opposition from local governments but passed unanimously in both the House and Senate, and has since been signed into law.

Amended and passed: [SB 1575](#)–Duty to defend

After nearly a decade of efforts by design professionals to win approval for so-called “duty to defend” legislation, they were finally successful in passing SB 1575. AGC worked closely with Oregon Concrete & Aggregate Producers Association (OCAPA), local governments, and others in our public contracting coalition to substantially amend the bill into a form that allowed AGC to become neutral on the legislation. Design professionals agreed to amend prior versions of the bill by narrowing its scope from applying to all construction contracts to exclusively applying to public works projects where the design professional was in direct privity of contract with the public owner. The amended bill protects AGC members from any shifting of liability from design professionals to contractors.

Public Contracting

Passed: [HB 4080](#)–Labor Standards on Offshore Wind Projects

HB 4080 creates strict labor standards for offshore wind projects in Oregon, in addition to creating a roadmap process to allow for local participation in the federal decision process around offshore wind projects. The labor standards require that contractors either be a Oregon Bureau of Labor & Industries (BOLI) registered training agent and meet other requirements, or sign a project labor agreement and labor peace agreement. Either compliance path requires Buy America provisions as well. AGC and our coalition partners fought to compromise with the bill proponents to codify the federal Inflation Reduction Act (IRA) tax credit requirements instead of the labor standard mandates, since they will likely be in place on these large projects already. However, the bill proponents were not open to changes to the labor standards. The bill passed the House and Senate with these standards in place, due to significant political pressure.

Employment Law

Amended and passed: [SB 1515](#)–OFLA & PFML Alignment

SB 1515 streamlines the intersection between Oregon Family Leave Act and Paid Family and Medical Leave, and repeals portions that are duplicative. This bill is intended to simplify the process for employers and ensure that the laws work in coordination instead of conflicting.

Failed: [HB 4050](#)–Pay Equity Bonuses

HB 4050 was spearheaded by Oregon Business and Industry (OBI) to fix provisions of Oregon’s Pay Equity law that limits when employers can offer hiring and retention bonuses to employees. AGC was part of the coalition that pushed for the change, so that employers could have flexibility for hiring and maintaining their workforce. While the bill did not pass this session, it has led to a conversation with stakeholders and legislators about how to address this issue.

Workers’ Compensation

Amended and passed: [SB 1580](#)–Workers’ Compensation Fraud

SB 1580 was brought forward by SAIF, to ensure that employers who commit fraud against their workers’ compensation insurers are subject to penalties for this fraud. After several iterations, the bill clarifies the current law that fraud by an employer, by filing false information knowingly, will be subject to a Class A misdemeanor and related fine. The bill has passed both the House and Senate, after gaining the approval of the Management Labor Advisory Committee, which reviews workers’ compensation legislation.



Transportation

Failed: [HB 4165](#)/[SB 1519](#)–Highway Cost Allocation Study Fixes

The Highway Cost Allocation Study, or “HCAS,” has revealed a significant imbalance in the amount paid by light-duty vehicles in gas tax and the amount paid by heavy-duty vehicles through weight mile charges, with the heavy-duty vehicles overpaying by approximately \$500,000 per day. There were several bills this session to help deal with this imbalance, both HB 4165 and SB 1519. Despite a lingering lawsuit by the Oregon Trucking Associations, there was little progress this session on resolving the issue.

Campaign Finance

Amended and passed: [HB 4024](#)–Campaign finance reform bill

Late in the session, the legislature negotiated and passed HB 4024, a bipartisan-supported campaign finance limits law. It is important to note that the new law, if signed by the governor as expected, will not go into effect until January 1, 2027. The most immediate impact is that two ballot measures severely limiting industry’s ability to effectively and directly participate in Oregon elections, will no longer be on this November’s ballot. As noted by legislators from both parties, and the business and public union interests who negotiated the bill, there is something for everybody to hate in this law. Bottom line: the bill preserves for two election cycles AGC’s ability to politically support candidates that support our industry and a healthy business climate. Finally, it is important to note that business interests will have to stay engaged and diligent as the rules for HB 4024 are written and as any changes are proposed in the 2025 session. Please feel to reach out to PAC Treasurer John Rakowitz (johnr@agc-oregon.org) with any questions.

Legislative Forum

Interested in learning more about the legislative process and the positions AGC takes? AGC’s Legislative Forum is open to all members, and helps set our agenda and core policies before each legislative session. If you’re interested in joining or learning more, please reach out to Kirsten Adams.

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