



Friday Forum

5/28/2021

**Partisan Tensions
Rise as Time
Runs Short**

**Prevailing Wage
Survey Bill
Passes House**

**Bills of Interest
Updates**

OHBA Week in Review

Partisan Tensions Rise as Time Runs Short on Session

With just under a month left before the proposed Sine Die on June 18 and the task of writing a state budget still ahead, legislators furthered negotiations last week on which legislation will make it to the finish line and what will be left behind.

Republican leadership has said that any bills that don't focus on the budget rebalance, COVID-19 response, or wildfire recovery/preparation should be outside the scope of the legislature's purpose in 2021.

The session must end no later than June 27 with a biennial budget complete and sent to the Governor's office. At least one special session is already planned for September to allow legislators to create a redistricted Oregon map.

This Friday is the last deadline of the session

All remaining second chamber policy measures must hold a work session by the end of the week to stay alive. As with other deadlines, this does not apply to Ways & Means, Revenue, Rules, and other joint committees.

Prevailing Wage Survey Bill Passes House

SB 493A, which ties the prevailing wage rate to the collectively bargained agreements in the 14 prevailing wage regions, passed the House on a 36-21 vote. With the bill passing the Senate on a 16-11 vote without Republican support, the bill will now go to Gov. Kate Brown's desk for signature before becoming law in 2022.

Updates on Previous Bills of Interest

HB 2884 – Passes through Senate Committee, 4-3

Extends time for recording partition plat incorporating city or county's permit validating unit of land to 365 days. Allow recording of all existing validating permits before December 31, 2022.

HB 2611 – Passes through Senate Committee, 5-0

Permits agricultural building to be used for uses other than uses set forth in definition of "agricultural building" if additional uses are incidental and accessory to defined uses, are personal to farm owner and farm owner's

immediate family or household and do not pose greater hazard to persons or property than defined uses.

HB 2415 – Passes through Senate Committee, 4-1

Requires Department of Consumer and Business Services to adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits and performing field inspections.

SB 805 – Passes through Senate Committee, 8-0

Permits Construction Contractors Board to establish voluntary certification program for residential general master builder of vertical homeownership structures and other structures and to define vertical homeowner structure by rule.

HB 2605 – Passes through Senate Committee, 4-1

Imposes tsunami design standards for certain buildings and other structures. Allows local government to impose vertical evacuation standards for new or existing buildings and other structures as part of local tsunami evacuation plan. Requires that sites for new structures be evaluated for vulnerability to seismic geologic hazards if structures are major structures or are designated as having specified tsunami risk for design.

HB 3372 – Passes through Senate Committee, 4-1

Authorizes Department of Environmental Quality to require certain information related to history of compliance with environmental quality laws from applicant for license or permit.

A Few Bills OHBA is watching this week:

SB 391 - Authorizes county to allow owner of lot or parcel within rural residential zone to construct one accessory dwelling unit on lot or parcel, subject to certain restrictions.

HB 3160 - Establishes Oregon Wildfire Preparedness and Community Protection Fund and directs State Fire Marshal, State Forestry Department and Oregon Watershed Enhancement Board to make expenditures from fund for various activities related to restoration, protection and recovery from wildfires. Assesses a new tax on all residential and commercial property and casualty insurance policies.

HB 2680 - Establishes limits on campaign contributions that may be accepted by candidates and political committees.

Reserve your spot now for OHBA's Annual Conference on June 24th.

OHBA will meet live and in-person at the Riverhouse on the Deschutes in Bend. The conference will feature guest speakers, break-out sessions on land-use, building codes, OSHA and more. OHBA's annual board meeting and awards banquet will follow the conference. Save the date and visit www.oregonhba.com to reserve your spot or find out more information.

Forecast Comes in Rosy, but Economists urge Caution

The revenue forecast released Wednesday, May 20 predicts extremely strong economic growth in the first year of the biennium. A major reason the forecast is so bright is due to the unprecedented influx of federal resources to individuals and businesses.

Because of this, state economists predict a recovery similar to 1980 or 1990, rather than the slow recoveries of 2001 and 2009. Full pre-pandemic employment is expected in the fourth quarter of 2022. Labor demand will play a key role in the recovery, and inflation is expected throughout the near term.

The other risks are supply bottlenecks and labor shortages. Some supply constraints have already surfaced with lumber, steel, rental cars, and other items. As more emerge, the impact may be a slower than expected recovery. As for labor, factors including strong household finances, uncertainty about the virus, and lack of childcare have kept more people out of the workforce.

State Resources

COVID-19 blew a \$2 billion hole in the budget in 2020, but that has since been closed. State economists now predict more than a billion dollars in new resources will be available in this biennium and for that number to increase over the next two biennium.

However, economists urged budget writers to set aside savings with the unknown effects on the kicker two years from now.

The revenue forecast sets the bar for the 2021-23 budget and Oregon's unique kicker law. As of now, the personal income tax kicker is expected to return about \$1.4 billion to individuals as tax credits in 2022. The corporate tax kicker is projected to send about \$664 million to K-12 education funding. Final kicker numbers will be certified later summer after the accounting books are closed.

The economists cautioned that we don't have all the information that we normally would have in a May forecast due to the extension of tax filings. CAT collections are on track, but few returns have been filed for 2021.

Oregon Recession Comparison

Employment Percent Change from Pre-Recession Peak

