

March 2024

Moving the Dial...

Was more done in the 2024 short session than the 2023 long session?

The 32-day session made statutory changes that have major impacts on drug addiction, housing, public safety, and campaign finance. Of almost 300 bills introduced, just over 100 passed – but the changes were monumental. The positive revenue forecast, the partnering between parties and the leadership provided by the Governor made for a session that achieved more than anyone expected.

AIA Oregon Major Outcomes:

- Duty to defend clauses prohibited in public contracts with design professionals.
- Housing package passed.
 - BCD “ready-made” plans not part of legislation – though SB 1537 requires the newly created Housing Accountability and Production Office to “Establish best practices related to model codes, typical drawings and specifications as described in ORS 455.062, procedures and practices by which local governments may comply with housing laws.”
 - Includes \$4 million for residential heat pump program.
 - Includes \$15 million for Healthy Home Repair Fund which includes grants to maximize energy efficiency of residences.

Building Projects Funded:

- \$35 million – Veterans’ Home in Roseburg.
- \$25 million – Multnomah County sobering center project.
- \$25 million – Albina Vision Trust for the purchase and redevelopment of property on North Dixon Street in Portland for development of affordable housing.
- \$15 million – Construction of the Hillsboro Hops Ballpark.
- \$15 million – Clackamas County Courthouse additional funding.
- \$12.9 million – Oregon Youth Authority Tillamook Dorm Renovation (funding previously provided at lower amount) and Tillamook Medical and Dental Renovations.
- \$11.5 million – Bridgeway Recovery Services, Inc., for the development of the Bridgeway Medical Center and substance use disorder treatment residential facilities.
- \$10 million – Multnomah County to support the construction of a behavioral health center.
- \$8.9 million – Washington County Behavioral Health Division to support the development of the Center for Addictions Triage and Treatment project.
- \$8 million – Wasco County for development of the Mid-Columbia Center for Living Campus.
- \$7.5 million – Lane County for construction of the Fairgrounds Multi-Use Facility.
- \$6.9 million – Benton County Courthouse additional funding.
- \$6 million – Port of Cascade Lock Bridge of the Gods
- \$6 million – Southern Oregon University, Central Hall Capital Improvements (Phase II).
- \$5.75 million – Lifeways, Inc., for the Ontario Medical Plaza project to convert vacant retail space into an integrated healthcare facility with supported housing units.
- \$5 million – Adapt Integrated Health Care construction of the Adapt Recovery Campus.
- \$5 million – Eugene Civic Alliance for the Civic Park Stadium project.

- \$4 million – Willamette Family, Inc., to support the construction of the Willamette Family Medical Detox and Resident Services facility.
- \$4 million – Clackamas County for the construction of a crisis stabilization center.
- \$4 million – Oak Creek Youth Correctional Facility building.
- \$4 million – Parrott Creek Child and Family Services for construction of a youth residential treatment campus in Clackamas County.
- \$4 million – Expansion of Portland’s 4th Dimension Recovery Center
- \$4 million – Jackson Armory Service Life Extension.
- \$4 million – Latino Network for the La Plaza Esperanza - Service Hub for Portland and Gresham residents.
- \$3.6 million – Clackamas County Children's Commission for the Milwaukie Head Start Center.
- \$3.5 million – Lincoln County Health and Human Services Department to support the Lighthouse Village Apartments Mental Health Housing project.
- \$3.5 million – Ashland Armory Service Life Extension.
- \$3.5 million added – Oregon Youth Authority, Camp Riverbend Dorm Renovation.
- \$3 million – Center for Intercultural Organizing (DBA Unite Oregon) for the purchase of property on East Burnside Street in Portland for development of affordable housing.
- \$3 million – Round-Up City Development Corporation for construction of the Pendleton Regional Sports Complex.
- \$3 million – distribution to the Family YMCA of Marion and Polk Counties for the development of a centralized social service and resource center.
- \$2.5 million – Transformations Wellness Center for the construction of a residential, co-occurring, substance use disorder treatment facility.
- \$2.5 million – Oregon Vietnamese American Cultural Center acquisition and development of a community center.
- \$2.4 million – Klamath Basin Behavioral Health to support the construction of a residential treatment facility with a crisis stabilization center.
- \$2 million – Construction of the Oregon City Resource Center, homeless services.
- \$2 million – University of Oregon expansion and modernize of training facilities for workforce development related to the semiconductor industry.
- \$2 million – Nehalem Bay Health and Senior Care Improvement project.
- \$1.4 million – Clackamas County Children's Commission for the Marylhurst Center for Children and Families.
- \$1.25 million – Center for African Immigrants and Refugees Organization for the purchase of property on Southeast Stark Street for development of affordable housing.
- \$1.9 million – Portland State University establishment a center for semiconductor research, education, and workforce development.
- \$1 million – Clatsop County Historical Society expansion of the Oregon Film Museum.
- \$1 million – Mid-Willamette Family YMCA for Linn County YMCA Veterans Housing.
- \$900,000 – the Black United Fund of Oregon for building the United Futures Complex.
- \$750,000 to Center for Hope and Safety for the HOPE Plaza project.
- \$600,000 – New Directions Northwest, Inc., to build a crisis receiving center addition to the Recovery Village Crisis Stabilization and Detox Center.
- \$500,000 – Rainier Oregon Historical Museum for a new museum building.
- \$500,000 – Painted Sky Center for Arts for the arts building acquisition.
- \$500,000 – Southern Oregon Historical Society for creation of an event center and new museum.
- \$500,000 – City of Gresham Fire Department replacement of the training tower at Gresham Fire and Emergency Station 74.
- \$455,690 – Friends of the Oregon Caves and Chateau for restoration of the Oregon Caves Chateau.

- \$424,603 – Josephine Community Library Foundation for acquisition of land for a new library and commons.
- \$400,000 – Columbia County Museum Association for relocation and improved accessibility of the Columbia County Museum.
- \$350,000 – Very Little Theatre for renovation and remodeling of the theater.
- \$300,000 – the Portland Playhouse for acquisition of Portland Playhouse and property.
- \$250,000 – Portland Art Museum for the PAM CUT Tomorrow Theater.
- \$150,000 – Portland Institute for Contemporary Art for capital repairs and building upgrades.
- \$150,000 – Salem Parks Foundation for restoration of the Eco-Earth Globe at Riverfront Park.

Of note for Portland area firms.....

- ODOT received \$20,000,000 for right of way health and safety. ODOT reports it will use in Portland area:
 - \$4 million to remove homeless camps.
 - \$4 million for graffiti cleanup.
 - \$4 million for garbage removal.
 - \$8 million to install barriers that block pedestrian access to bridges, retaining walls other areas that attract trash and graffiti.
- Greater Portland Inc. received \$2,500,000 to build a marketing strategy to attract businesses and generate investment in Oregon.

The Emergency Housing Stability and Production Package:

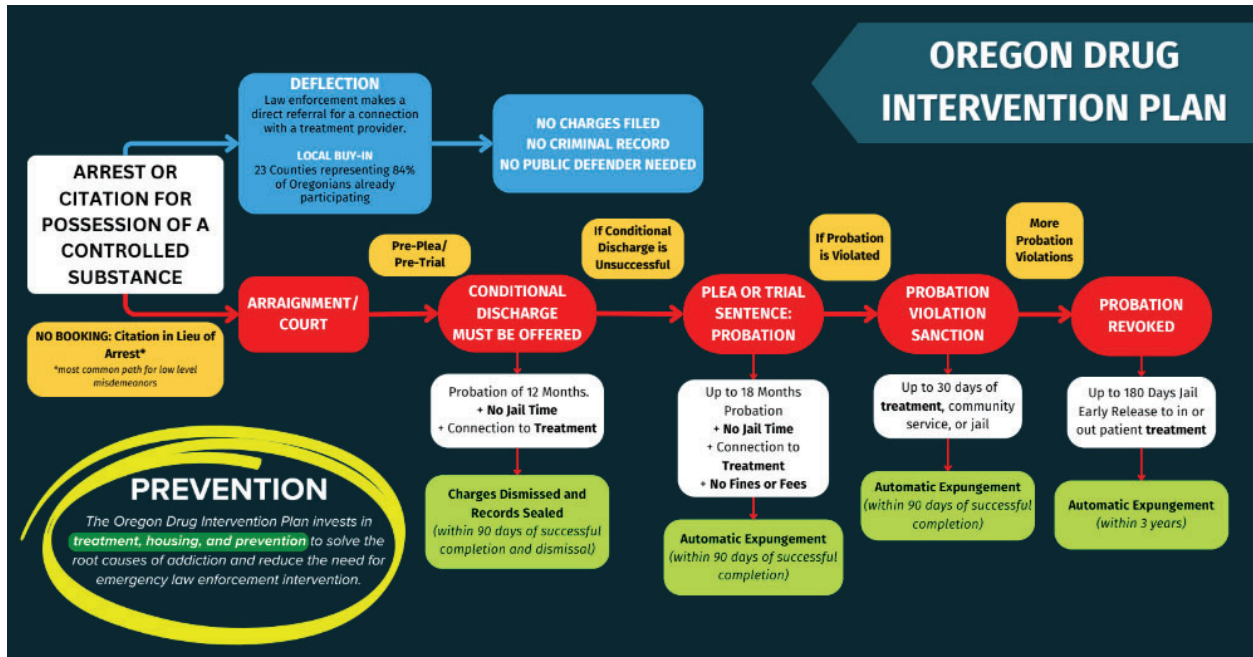
- **Governor’s Housing Bill & Funding Package:** [SB 1537](#) and [SB 1530](#) allocated \$376M in funding for various housing initiatives across the state. The package, which includes establishing a new Housing Accountability and Production Office, grants one-time urban growth boundary exemptions, and creates an affordable revolving loan fund, was Governor Kotek’s singular issue for the 2024 session.
- **Direct funding for construction projects:**
 - \$94.3 million for 44 infrastructure “shovel-ready” housing production projects across the state (Shovel ready: the project is all ready to go and is waiting for final funding).
 - \$18 million for substance-use recovery housing.
 - \$29.25 million for affordable housing in historically under-resourced communities (mostly on the east side of Portland).
- **Urban Growth Boundary Expansion:**
 - One-time expansions of the UGB: allows 50 acres for cities under 25,000 (25K) people, 100 acres for cities over 25K, Metro area caps at 300 acres total.
 - 30% of the housing in this expansion must be for affordable housing (one of the highest requirements in the nation).
 - Developers must demonstrate comprehensive planning, permitting, and need for both housing and land.
- **Revolving Loan Fund:** [\\$75 million](#) for local governments to finance affordable and moderate-income housing.
- **Housing Accountability & Production Office:** a new agency to oversee local governments’ housing production.
- **Climate-change mitigation:**
 - \$15 million to improve energy efficiency and safety in already-built homes as part of the [Healthy Homes Grant Program](#) (i.e. more efficient heat pumps, mold abatement, seismic retrofitting, electrical upgrades, and more).

- \$3.5 million to provide emergency air conditioners and air filters for at-risk individuals (this is essential for wildfire season).
- \$2 million for warming and cooling emergency shelters during weather events.
- **Reducing Homelessness: \$131 million**
 - \$65 million in funding for Emergency shelters, Project Turnkey sites, and navigation centers.
 - Homelessness prevention services, through Oregon Eviction Diversion and Prevention and Eviction Prevention Rapid Response Programs with 30% set aside for culturally responsive organizations (\$34 million).
 - Urban League of Portland for homelessness prevention services (\$7 million).
 - Maintain and expand capacity for 27 recovery housing projects (\$18 million).
 - Individual development accounts for first-time homebuyers (\$5 million).
 - Support for the furnishing of reused household goods to low-income residents through Community Warehouse (\$1 million).
 - Education and support of tenants at risk of rent increase or possible eviction through Seeding Justice (\$1 million).
- **Infrastructure** - we need water, sewer, roads, power, and more in order to build new housing. Legislators focused on the water/sewer issues, using a ranked system of need, cost, and readiness for investments in a variety of projects. The resulting financing was folded into SB 1530 and allocated over \$90 million to projects.
- SB 1530 full legislative staff [summary](#) – full budget [report](#)
- SB 1537 full legislative staff [summary](#) – full budget [report](#)

Ballot Measure 110 Reform:

- [HB 4002](#), reinstating criminal penalties for minor drug possession, was passed in an effort to stop ballot measure initiatives filed to undo BM 110. The outcomes of the statewide initiative approved by voters which decriminalized drug use had communities concerned that homelessness and criminal activity was increasing to the point that even those who voted for it were concerned about safety and the degradation of livability statewide. While many were convinced that we just needed to give BM 110 treatment assistance and associated services more time, the looming efforts to undo the measure all together compelled action by the legislature to adjust provisions. The result of HB 4002, once signed by the Governor, will be the withdrawal of pending measures for the 2024 ballot. HB 4002 made these changes that added accountability, though some are still concerned about the funding needed to implement the deflection program developed in the legislation:
 - Establishes misdemeanor for crime of possession of a controlled substance.
 - Requires the Criminal Justice Commission to create deflection programs for substance abuse treatment.
 - Increased penalties for drug trafficking in parks, near homeless shelters, or treatment facilities.
 - The new "Drug Enforcement Misdemeanor" will allow 180 days of jails for those caught with small amounts of drugs, but only under special circumstances. People would either have to violate probation or not follow through with treatment Institute pre-booking diversion to direct people into treatment in order to avoid jail.
 - Expands welfare holds for fentanyl from 48 hours to 72 hours.
 - Allocated \$211 million for treatment and other services.
 - Allows pharmacists to dispense early refills of medications used to treat opioid use disorders.
 - Requires Alcohol and Drug Policy Commission to study substance use disorders in the state and report by September 2025.

- Establishes Joint Task Force on Regional Behavioral Health Accountability to make recommendations on improving funding for behavioral health systems in Oregon.
- [HB 5204](#), increased the amount of money allocated to public education system to increase awareness of lethal and devastating drugs to youth.
- HB 4002 full legislative staff [summary](#) – full budget [report](#)



Other legislation passed:

[HB 4006](#) Construction Surety Bonds

requires contracting agencies to accept surety bonds from contractors in lieu of retainage for large commercial projects or public improvement contracts. The measure requires a contractor on a large commercial project or public improvement contract to accept a surety bond from subcontractors or suppliers from which contractor has withheld retainage if contracting agency or owner has accepted a surety bond in lieu of retainage from contractor. The measure also permits a contractor on a large commercial project or public improvement contract, upon request of subcontractor, to submit a surety bond for the portion of contractor's retainage that pertains to subcontractors.

[HB 4016](#) Prescribed Fire Liability

Modifies the Prescribed Fire Liability Pilot Program, extends the deadline for the Fire Hardening Grant Program to December 31, 2025, and modifies terminology for an existing smoke monitoring program.

Prescribed Fire Liability Pilot Program:

- Directs the Department of Consumer and Business Services (DCBS) to reimburse claims under the Prescribed Fire Liability Pilot program that meet certain criteria related to the use of prescribed fire and cultural burning.
- Adds new criteria that the claimant was not willful, malicious, or negligent in the origin or spread of the fire; and that the claim is for economic and property damage or, if the claimant is the State Forester or a forest protective association or agency, for actual costs incurred to control or extinguish the fire if the costs would be recoverable under existing fire abatement laws (ORS 477.068 and 477.120).

- Removes the criterion that the claim must be submitted to DCBS 60 days after the completion of an incident report or as specified by rule.
- Limits the amount paid from the Prescribed Fire Claims Fund to a maximum of \$1 million per claim for losses arising from a prescribed fire or cultural burn.
- Limits the total paid for all claims to the total amount in the fund and allows claim awards to be reduced if there is insufficient money in the fund to pay the claims.
- Clarifies a person may assert claim under another law in lieu of asserting claim under program.

Fire Hardening Grant Program:

- Extends the deadline to apply for the Fire Hardening Grant Program from June 30, 2025, to December 31, 2025. Requires DCBS and the Oregon State Fire Marshal to report to natural resources-related committees of the Legislative Assembly by September 15, 2024, on a proposal for a proactive home hardening program.

Health Systems for Smoke:

- Replaces "particulate matter" and "poor air quality" terminology with "smoke events" and "smoke impacts" for a program to support community monitoring of air quality conditions caused by smoke (ORS 468A.836).

SB 1515 Paid Family and Medical Leave Insurance Fund

The measure makes several technical fixes to Paid Leave Oregon. The measure also addresses administration and reporting of Paid Leave Oregon, the Oregon Family Leave Act (OFLA), and other protected leave provisions. The measure works to establish concurrency and alignment of OFLA and Paid Leave Oregon. The measure creates a two-week temporary leave type within OFLA for leave needed to effectuate the legal process required for placement of a foster child or adoption of a child. Finally, the measure declares an emergency and is effective on passage.

Administration and Reporting for Oregon Employment Department and Bureau of Labor and Industries (Section 1)

- Requires the Director of the Oregon Employment Department (OED) to report to the interim committee of the Legislative Assembly related to labor and business by September 15, 2024, on the payment of Paid Leave Oregon benefits to seasonal employees and persons employed through hiring halls, and on consideration of implementing programmatic changes to the Paid Leave Oregon program.
- Requires OED and the Bureau of Labor and Industries (BOLI) to jointly report to the interim committee of the Legislative Assembly related to labor and business by September 15, 2024, on the apportionment of duties between BOLI and OED regarding protected leave provisions under Paid Leave Oregon and ORS chapter 659A.

Technical Changes to Paid Leave Oregon (Sections 2-7)

- Exempts employers from the requirement to provide specified compensation to an employee when the employer violates the requirement to provide an employee written notice of their schedule in writing at least 14 calendar days before the first day of work when the employer is provided less than 14 days' notice before the first day of a work schedule of the need for leave or of return from leave under either Paid Leave Oregon or other protected leave provisions within ORS Chapter 659A, and an employer makes a change to another employee's schedule who is assigned to cover the specific shifts for the employee on protected leave.
- Includes "federally recognized Indian tribe" under the exclusion from definition of "employer".
- Amends the definition of "family leave" under Paid Leave Oregon to include leave to "effectuate the legal process required for placement of a foster child or adoption of a child."
- Entitles an employee to use accrued paid leave offered by an employer in addition to Paid Leave Oregon benefits while on leave to extent that the total combination of Paid Leave Oregon benefits and benefits received by the employee do not exceed the employee's full wage replacement unless the employer permits the employee to receive combined amounts in excess.

- Specifies that employees who are eligible for time loss workers' compensation benefits are ineligible for Paid Leave Oregon benefits.
- Exempts Paid Leave Oregon benefits from garnishment except for child or spousal support garnishments and restitution for crime victims.

Alignment of Paid Leave Oregon and Oregon Family Leave Act (Sections 7-11)

- Removes 16 week leave cap per benefit year for leave taken in any combination under both Paid Leave Oregon and Oregon Family Leave Act (OFLA.)
- Removes unpaid, protected leave to care for self or a family member with a serious health condition and unpaid, protected leave to care for an infant or newly adopted or newly placed foster child under OFLA.
- Modifies sick child leave to include all illnesses, injuries, or conditions requiring home care.
- Specifies that leave taken is in addition to leave taken under Paid Leave Oregon.
- Reduces bereavement leave to maximum of four weeks in any one-year period.
- Removes additional 12 weeks of sick child leave currently permitted if employee has taken bonding leave.
- Clarifies when two or more family members who work for the same employer may take protected leave concurrently under OFLA.
- Specifies that an employee may begin OFLA leave without prior notice when employee is taking pregnancy disability leave.
- Modifies provisions governing medical verification for leave when an employee takes leave under OFLA for sick child/public health emergency or pregnancy disability leave.

Temporary Oregon Family Leave Act Provision (Sections 12-13)

- Permits eligible employee to take an additional two weeks of protected, unpaid leave under the Oregon Family Leave Act to effectuate the legal process required for placement of a foster child or adoption of a child. Specifies the notice that an employee must provide an employer.

Operative and Effective Dates (Sections 22-23)

- Declares an emergency, effective on passage. Specifies an operative date of July 1, 2024, and a sunset date of January 1, 2025, for the temporary Oregon Family Leave Act (OFLA) provision for effectuating the legal process required for placement of a foster child or adoption of child. Specifies an operative date of January 1, 2025, for provision amending the definition of "family leave" under Paid Leave Oregon to include leave to effectuate the legal process required for placement of a foster child or adoption of a child. Specifies an operative date of July 1, 2024, for remaining technical fixes and alignment provisions under Paid Leave Oregon and OFLA.

SB 1529 Residential Air Conditioner Program & Landlord Guarantee Program

SB 1529 authorizes the Oregon Health Authority to distribute air conditioners and air filters to entities that can provide them to eligible individuals during an emergency and requires reimbursement of costs associated with identifying eligible recipients and product delivery and installation. The measure also modifies the Housing Choice Landlord Guarantee Program to allow the Housing and Community Services Department to increase the maximum reimbursement for damage to units that landlords can claim.

SB 1545 Wildfire Destroyed Housing Rebuilds

Authorizes a county to allow those that had their homesteads destroyed by the September 2020 wildfires and have had the homestead rebuilt on the same lot, receive a specially assessed value equal to the destroyed homestead's real market value for the 2020-21 tax year, up to the square footage of the destroyed homestead. Allows retroactivity back to the 2021-22 tax year. Requires overpayment refunds for the retroactive period. Disqualifies properties at the earliest of when the rebuilt homestead is no longer the owner's principal dwelling, is rented to another person or is transferred to new ownership. Specifies that special assessments continue the same terms if the county ends or amends the program. Makes relief from special assessment in addition to any other property tax relief.

SB 1564 **LCDC Model Rules**

Directs the Department of Land Conservation and Development to create three model ordinances that provide clear and objective standards for the development of various housing types. The model ordinances are to be targeted towards cities with different population sizes, ranging from populations of less than 2,500, to populations of more than 25,000. DLCD is to develop the model ordinances by January 1, 2026. Appropriates \$550,000 General Fund to DLCD for adoption of the model ordinances. Projected costs under this measure include contracting for work on model codes, community engagement, and legal expenses.

SB 1575 **Design Professional Duty to Defend Provisions Barred**

Our major, multi-year effort with ACEC limits a public body from including a duty to defend requirement in a construction agreement with persons providing certain professional services, except to the amount of the person's proportionate fault.

- Restricts a public body from including a “duty to defend” the public body in construction agreements design professionals, except to the extent that the professional's liability or fault is determined by adjudication, alternative dispute resolution, or settlement agreement.
- Design professionals will still pay their own defense costs and will pay their share of public body defense costs at time share of fault determined.
- Applicable to a person or entity providing architecture, landscape architecture, engineering, photogrammetric mapping, transportation planning, land surveying services or related services, as these are defined in ORS 279C.100.
- Excludes design-builds.
- Applies the limit to agreements entered into or renewed on or after the measure's effective date.
- Sunsets the changes on Jan. 1, 2035.