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### **MEMORANDUM**

Date:            December 02, 2016

To:                NATA

From:            Darrell W. Fuller 

Re:                DECEMBER LOBBYIST UPDATE

*I am hoping to produce a monthly report which you are welcome to use in any way that may be helpful: Send it to the Board and/or Legislative Committee; post it on your website; add it to an email newsletter; put it in your magazine.*

*You are welcome to edit the length, or let me know how you would like it modified. I can also provide it to you as a Microsoft Word document at your request. I won't promise an article will be completed every month. But it is my goal.*

*Lobbyist Update for December, 2016*

## **THE ELECTION IS (FINALLY) OVER**

*By: Darrell W. Fuller / fuller\_darrell@yahoo.com / 971-388-1786*

### **NATIONAL ELECTION UPDATE**

On election morning, I was at the gym watching the television while trying to act healthy. The "talking heads" on one of the national news programs was explaining how the Republican party was going to collapse into a civil war after Trump's forecasted defeat. The "outsiders" who supported Trump would be at war with traditional conservatives and the moderate "insiders" who control the party machine in Washington, DC. The commentators mused that the GOP infighting could last for years, perhaps meaning it would be a decade or more before the Republican Party could field a credible candidate for the Presidency.



Not more than 14 hours later, Hillary Clinton had called Donald Trump to concede the election, just before President-Elect Trump took to the podium in New York, thanking his supporters for a

decisive 306 to 232 majority in the Electoral College. Despite the lopsided result, Hillary Clinton did win a plurality of the popular vote, besting Trump with 48.1% to his 46.4%.

The results of the elections nationally, and in state by state races across the nation, bring into sharp relief that Oregon is on an increasingly shrinking island of Democrat blue. Consider the following;

Next year, Republicans will control the Presidency, the United State Senate and the United States House of Representatives.

34 of the 50 Governors will be Republican.

Republicans will control both the state Senate and state House in at least 32 states while Democrats will have control of both chambers in only 13 states.

And, only four states will be completely blue (Democratic Governor and state Legislature). One of those four states is our very own Oregon. Another is California -- a pretty big prize. The other two are Hawaii and Rhode Island.

It was not all good news for Republicans nationally. The Republican majority in the United States Senate shrank from 54-44 to 51-48 (one seat will be determined by a runoff on December 10th). The United States House of Representatives went from a 246-186 Republican majority (with three vacancies) to a 240-194 majority (one seat will be determined by a runoff on December 10th).

#### **OREGON ELECTION UPDATE**

Ballot Measure Results / There were two initiatives of interest to most NATA members. The most contentious and expensive ballot measure in Oregon history, Measure 97, was a gross receipts tax on a small number of larger corporations. The initiative was projected to generate an additional \$6 billion in revenue every two years. The measure was handily defeated at the polls, 59 percent "no" (1,162,950) to 40 percent "yes" (806,610). With its demise and the resulting loss of potential (and anticipated) revenue for the state coffers, Democrats -- who will continue to control the Oregon state Senate and state House -- will focus their attention during the upcoming Legislative Session on raising revenue and punishing businesses with new and creative revenue enhancers and regulatory burdens. There is a LOT of bad blood between business groups and labor unions, and between Republicans and Democrats, as a result of Measure 97. So, everyone will come to Salem with bad attitudes. Group hugs and bipartisanship will be in short supply.

On a brighter note, Measure 98, which dedicates more state funding to career and technical education in public schools, passed easily by a 1,128,007 (65 percent) "yes" vote to a 649,608 (34 percent) "no" vote margin.

Statewide & Legislative Races / Despite being one of the "bluest" states in the country, Oregon Republicans did well in the 2016 election. It just might be hard to tell at first glance. Just as the nation is firmly controlled by Republicans, Oregon will continue to be firmly controlled by the Democratic party. Democrats will continue to control the office of the Governor, the state Senate and the state House of Representatives. Democrats will also control both of Oregon's U.S. Senators and four of our five members of the U.S. House of Representatives (Greg Walden, the sole Republican, will continue his long tenure representing south, central and eastern Oregon in the U.S. Congress). Democrats will also continue to own the state Treasury, the Attorney General and the Labor Commissioner.

But, for the first time since 2002, a Republican won a statewide election in Oregon. Dennis Richardson won election to the office of Secretary of State, besting Democrat Brad Avakian 47 percent (891,775 votes) to 43 percent (812,543 votes). This is quite noteworthy, although far from trend-setting. I think it fair to assert that Richardson was elected *despite* being a Republican, rather than *because* he was a Republican. The Secretary of State is next in the line of succession if the Governor's office is vacated. The SOS is also the state's chief elections officer, is the official auditor of state spending and runs the state's corporation's registration office.

Moreover, for the first time since 2010, Republicans actually made a gain in the state Legislature. The Oregon state Senate is currently controlled by Democrats by an 18-12 majority. This spread is a "supermajority" that allows Democrats to vote to increase taxes without any support from Republicans. And, that number would have stayed the same except that a state Senator from southern Oregon, Dr. Alan Bates, died suddenly in August creating an unexpected vacancy in the state Senate. His seat, which had not been up for election, was suddenly thrown in to the election day mix with little time for either side to mount a traditional campaign. A moderate Republican auto dealer from Medford, Alan DeBoer, won a very close election, thus changing the partisan split in the state Senate to 17 Democrats and 13 Republicans.

The state House of Representatives is currently controlled by Democrats with a 35-25 majority (one vote shy of a 36-24 supermajority for tax votes). After more than \$11 million in campaign spending, the numbers in the state House did not change at all. The partisan split next year will remain 35 Democrats and 25 Republicans. While a number of legislators chose not to run for re-election, every Republican who left was replaced by a Republican and every Democrat who left was replaced by a Democrat. For \$11 million, the results were a wash.

Finally, Oregon experienced a surge in voter registration this cycle resulting from a new law automatically registering voters through the DMV. Overall, about 76.2 percent of Oregon's 2.6 million voters cast ballots (down from 82.8 percent in the 2012 presidential contest). The drop in participation can be attributed, at least partially, to the large number of "motor voters" who were registered, but who did not vote. Of the approximately 230,000 new voters, only about 43 percent of "motor voters" actually voted.

### **2017 Legislation & Regulation**

The 2017 Session of the Oregon Legislature will begin its work in earnest come February. In the meantime, Legislators have been meeting as "interim" committees every 2-3 months to discuss emerging issue and to prepare for the 2017 session. To my knowledge, there have been no specific discussions in any of the interim hearings on issues of specific concern to NATA members. But that is not to say that issues are not bubbling to the surface in other ways.

Stolen Vehicles / The Office of the Attorney General is in the middle of high level discussions about the issue of cost and cost recovery for victims of auto theft. The group is called the "Crime Victims and Towing Work Group" and I am a member on behalf of NATA and OVDA. The representative from the Attorney General has made it clear that a number of Legislators are very interested in passing legislation of some kind next year to protect innocent auto crime victims.

Not frequently -- but often enough to attract attention -- victims of auto theft find themselves unable to afford to pay to release their stolen vehicle from the yard of a tow truck operator contracted by law enforcement to remove the stolen vehicle from where it was abandoned.

While this issue is not of direct concern to NATA (although we have played a role in representing tow truck operators in the past), the issues under discussion could have an ancillary impact on mechanic's liens and others cost-drivers associated with people who become unable to take possession of their vehicle once it is under the control and custody of an auto-related business. I will continue to attend and monitor these meetings to ensure the final product does not negatively impact NATA members.

Consumer Bill of Rights / Last session, Rep. Gail Whitsett (R-Klamath Falls) introduced "auto repair customer bill of rights" legislation. We were able to successfully scuttle the effort. Rep. Whitsett is not returning to the Capitol this year, so perhaps we will dodge the bullet of similar legislation next year. However, since the bill did get some attention, and since the bill was co-sponsored by House Speaker Tina Kotek (D-Portland), it is quite possible the bill will be reintroduced in 2017.

Vehicle Transporters / DMV Business Regulation certifies vehicle transporters. While they are required to certify them, DMV has no authority to regulate their activities. An effort may be made to better regulate these transporters. Whether or not this effort will impact auto dismantlers or other NATA members is undetermined.

Air Pollution Rules / Most everyone in the Portland Metro area is aware of the controversy that resulted from the toxic emissions from a boutique colored glass manufacturer -- Bullseye Glass -- in Portland. The glass manufacturer was following all the relevant Federal and state regulations for emissions. Nevertheless, some toxic materials were being vented outside the facility and into nearby residential neighborhoods. This revelation caused the creation of an advisory committee comprised of DEQ, the Oregon Health Authority, other state and local regulators, business and industry representatives, and environmental groups. The "Cleaner Air

Oregon Advisory Committee" is just starting its fact-finding mission. It has been holding public hearings across the state. In less than a year, the CAOAC will begin to draft new rules for toxic air emissions which will likely go further -- perhaps much further -- than current Federal and state emissions laws regarding commercial toxic emissions. Governor Kate Brown has promised "sweeping changes" in Oregon's toxic emissions restrictions, focusing on clean air and public health issues. It is not yet clear if, or how, this could impact NATA members. However, I am monitoring the process closely, concerned primarily about potential impacts to NATA members with paint booths.

Oregon Dealer Advisory Committee / I continue to regularly attend ODAC meetings to represent the interests of NATA members. Mary Ann Trout is an official member of the Committee (and its immediate Past Chair). Her appointment to ODAC expires at the end of this calendar year. Fortunately for NATA, she has agreed to serve another term if she is reappointed. We owe her a big "thank you" for her service to the auto industry in Oregon.

I am merely an observer at ODAC, but it does server as a vital clearing house and sounding board for legislation and regulation which impacts the motor vehicle industry in Oregon. Currently I am also a member-observer of a possessory lien subcommittee, which has not yet met for the first time.

*If you have any thoughts or questions about the information I've provided, please let me know. I always appreciate hearing from my clients. You can email me at fuller\_darrell@yahoo.com or call me at 971-388-1786. A very Merry Christmas to you all!*