



March 18, 2025

TO: Members of the House Committee on Commerce and Consumer Protection
FR: Kelsey Wilson, Legislative Advocates on behalf of Oregon Business & Industry
RE: Opposition to HB 3899

Chair Sosa, Vice-Chairs Chaichi and Osborne, and Members of the Committee,

Thank you for the opportunity to testify today. My name is Kelsey Wilson, and I am testifying on behalf of Oregon Business & Industry (OBI). OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, over 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Today, I am here to express our opposition to House Bill 3899. While our members are committed to ensuring the protection of consumer data and to maintaining the trust of Oregonians through responsible business practices, this bill introduces changes that would create significant challenges for Oregon's businesses, particularly small businesses, who are already struggling to comply with complex new regulations.

1. The Importance of SB 619 and the Extensive Stakeholder Negotiations

Like my colleagues that have come before me today, I too served at the central table of the Oregon Attorney General's Consumer Privacy Data Task Force. Over the course of four plus years, a diverse group of stakeholders, including business, labor, consumer and public interest groups, and other key community members, engaged in extensive negotiations that resulted in Senate Bill 619 in 2023 – the Oregon Consumer Privacy Act. The bill was a carefully crafted piece of legislation that passed with overwhelming bipartisan support. This bill was the product of collaboration, compromise, and significant efforts to balance the interests of all parties involved.

HB 3899, however, threatens to undo the progress made under SB 619 by introducing provisions that were not part of the original negotiations, reverse negotiations, and that have the potential to create additional burdens for Oregon businesses and consumers. Given the time, effort, and broad agreement that went into SB 619, we believe that HB 3899 undermines the spirit of collaboration and bipartisan compromise that was achieved.

2. SB 619 Has Been in Effect for Just Over Six Months—It's Too Early to Make Such Major Changes

It is important to recognize that SB 619 has only been in effect for a little over six months. The Attorney General (AG) recently released a [report](#) showing results from the first six months of the Act. While there have been a significant number of complaints—more than seen in other similarly sized states—this does

not necessarily mean the law is failing. In fact, it is an indication that the law is working as intended. The complexity of the law means businesses need time to adjust and adapt to new requirements, something we argued for in the negotiations.

However, despite this, the current landscape requires a substantial amount of education and support to help businesses navigate the changes. Given that SB 619 is still in the early stages of implementation, it would be premature to drastically alter its structure by passing HB 3899. More time and support should be given to help businesses comply with the existing law before considering any additional changes.

3. Small Businesses Are Particularly Affected by Reductions in Thresholds

One of our most pressing concerns with HB 3899 is the proposal to reduce the thresholds for businesses subject to the law. Small businesses, which often lack the staff, resources, or expertise to handle complex regulatory compliance, would be swept in under these new thresholds.

For small businesses, compliance with the law is not only expensive but also labor-intensive. These companies often don't have dedicated compliance staff, and the resources required to meet the law's demands take away from their core business functions. Many small businesses are struggling to keep up, and expanding the scope of the law by reducing thresholds would place an unsustainable burden on them.

4. Compliance with SB 619 is Already Costly and Labor-Intensive for Businesses

The costs associated with complying with SB 619 are significant. Businesses must invest time, money, and personnel into ensuring compliance with the law's complex requirements. This includes administrative costs, potential legal fees, and the internal labor costs involved in meeting regulatory obligations. These costs have already stretched businesses thin, especially small businesses that lack the resources of larger organizations.

The reality is that compliance is not simply a matter of paying fees or making one-time adjustments—it is an ongoing effort that requires substantial resources to stay compliant. When HB 3899 introduces further changes to the law, businesses are forced to divert even more of their already limited resources to adapting to these new requirements. This added uncertainty comes at a time when many businesses are still working to fully comply with the original law.

5. HB 3899 Changes the Rules of the Game Midstream

Perhaps one of the most troubling aspects of HB 3899 is that it significantly changes the rules of the game in the middle of the compliance process. Businesses have already committed substantial time, effort, and money to comply with SB 619. These businesses are doing their best to meet the law's requirements, and now, just months into implementation, HB 3899 seeks to make major changes to the regulations, some which are unprecedented and not seen in any other state law to date.

This kind of sudden regulatory shift is deeply problematic. It erodes trust in Oregon's regulatory environment, creating uncertainty that makes it more difficult for businesses to plan for the future.

Constantly changing the rules midstream undermines the stability businesses need in order to succeed and grow.

6. Conclusion: A Better Path Forward

Rather than rushing to make sweeping changes through HB 3899, we urge the legislature to take a step back and allow more time for businesses to adjust to SB 619 and set a table to work through recommendations for updates. Providing businesses with the time, support, and education they need to comply with the law is a better approach than further complicating and changing the rules of the road.

Small businesses, in particular, should not be further burdened with additional regulations that they cannot afford to implement. Instead, we should focus on providing these businesses with the tools they need to succeed under the existing framework.

Oregon Business & Industry urges this committee to reject HB 3899 and consider the unintended consequences of changing the regulatory framework so soon after the passage of SB 619. We stand ready to continue working with all stakeholders to ensure that Oregon remains a place where businesses can thrive while also protecting workers and the community.

Thank you for your time and consideration.