



To: Senate Committee on Labor & Business

From: Paloma Sparks, on behalf of Oregon Business & Industry

Re: SB 1506, Tax to Fund BOLI Operations

Date: Feb. 4, 2026

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Chair Taylor, members of the Senate Committee on Labor & Business.

For the record, I am Paloma Sparks, here for 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.

Let me first start by saying that OBI does not object to the underlying policy contained in this bill. We agree that BOLI has been asked to do too much with too few resources for far too long. Session after session we have seen new employment laws passed with no new funding for enforcement or education for employers and employees.

OBI also agrees that the fact that employees, as well as employers, would pay for this agency makes the most sense given who BOLI serves. Oregon employers have been asked for far too long to shoulder the burden of funding the agency's work.

That said, we have serious concerns about the process we have seen with this bill. The Oregon Constitution contains two key provisions related to revenue raising bills. Article 4, section 18 requires bills for raising revenue to originate in the House of Representatives and Article 4, section 25 requires bills for raising revenue to receive a three-fifths majority in each house of the Legislative Assembly for passage.

The Legislative Counsel drafting manual clearly states that "a bill for raising revenue should always be treated as requiring origination in the House of Representatives and a three-fifths vote in favor in each legislative chamber for passage." There can be no question that this is a revenue raising bill: it taxes all employees and employers regardless of their interaction with the agency, those funds are for an entirely new purpose, and it is for the general welfare of the State. Year after year, we have seen this provision of the Constitution eroded and we cannot be silent on our objection to that this year.

Proponents may argue that the creation of the Worker Benefit Fund did not have such a requirement, but they are missing two very important factors. First, the WBF was created in 1995 to consolidate several existing funds. Second, and more relevant, the revenue raising requirement was established by an amendment to the Constitution approved by voters AFTER the creation of the WBF on May 21, 1996.

Finally, were HB 4027 to be the vehicle for this policy and amended to include a 3/5 vote requirement, OBI could be neutral on the bill.