**ACEC Oregon**

**UPDATE / MAY 16, 2019**

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**SCHEDULE**  
5:00 P.M. – Social  
6:00 P.M. – Dinner  
6:30 P.M. – Taking care of business

**WHERE**  
Multnomah Athletic Club  
1849 SW Salmon Street  
Portland, OR 97205

**ACEC Dinner** – May 23  
Social hour will honor ODOT Director Matt Garrett’s service to industry.

Join us for fun, food & festivities!

Catch up on ACEC Oregon news, hear brief committee reports and vote on the 2019-20 budget.

The newly elected board of directors also will be inducted.

This is a great event to gain a good overview of the organization. It’s also an excellent event for networking with
registered.

leaders and up-and-comers of Oregon and southwest Washington engineering companies.

Tropical attire encouraged!

Wear your favorite Hawaiian shirt!

THANK YOU SPONSORS!

Coba’s Capitol Comments

QBS legislation HB 2769, signed by Governor Kate Brown on May 3, will become law January 1, 2010.

Senate Republicans returned to the Capitol early this week with an agreement to kill a gun bill and the vaccination bill in order to gain a quorum and pass HB 3427-A, the education bill funded by a business activities tax. The bill passed with a party line vote and Senator Betsy Johnson saying she was a YES based on PERS reform bills that are still working their way through the Capitol. Johnson said if they do not pass into law she will actively oppose the measure and support a referral to the public.

With the scheduled June 21 adjournment fast approaching the pace in the Capitol has increased. Major issues left are the state budget, a carbon bill and hundreds of other policy bills that are still alive. Today’s May revenue forecast of $750 million additional funds available for the state budget will accelerate the pace for final budget action and an anticipated smooth end to session.

Yesterday a delegation of ACEC representatives met with Derek Sangston, Esq., Chief of Staff for Senator Mark Hass, to discuss ACEC’s concerns over the Commercial Activities Tax under HB 3427. Specifically, ACEC is concerned about the following: (1) the tax appears to allow for multiple levels of taxation on the same dollars that constitute gross receipts (prime taxed on their gross receipts including subcontractors,
subcontractors taxed on their gross receipts from the prime, and so on, to each level of subcontractor; (2) since there is a deduction of up to 35% of labor allowed against gross receipts, companies would have a disincentive to subcontract work in favor of having their own employees perform on a contract so that they can get the deduction; (3) contract dollars will not go as far since the costs for performing the work will increase to cover the new tax, which will reduce the level of infrastructure and school improvements being contracted for.

Mr. Sangston stated that the intention is to not include in gross receipts the costs paid for subcontracted services. He provided an example wherein an architect is hired to design a building. That architect might hire an appraiser to value the property. The architect in this case wouldn’t include in gross receipts the amount paid to the appraiser. Mr. Sangston noted that the intent here is covered in Section 58(1)(b)(1) of the bill. While ACEC is satisfied that the intent will take care of our issues (1) and (2) above, we are working on getting clarification and examples in the legislative record so that it will be clear that subcontractors are excluded from gross receipts. Regarding (3) above, Mr. Sangston noted that the committee did consider exempting government projects from the tax, but that would have required an increase in the tax rate. To keep the rate low, a larger base is needed, so the committee decided to not exempt government projects.

Mr. Sangston also noted that there are expected to be four technical corrections coming in this session. One relates to agricultural co-ops; the next noting that the intent of the tax is for a broader definition that what is included section 471 of the Internal Revenue Code, so they will provide better definition of the cost inputs; the third relating to auto dealers and a markup they pay; and the final relating to residential construction and their agency relationship. We don’t necessarily feel that a technical correction is needed to address our concerns about subcontractors, because Mr. Sangston noted that our concern is already covered in the bill, but we will work to make sure the details are in the legislative record.

I thank Diana Strassmaier, Aldrich CPAs + Advisors LLP who attended the meeting and wrote this summary. She is available for further discussion at her office in Lake Oswego or dstrassmaier@aldrichadvisors.com or (503) 716-9352. Also in attendance at the meeting yesterday were ACEC Oregon Legislative Committee Chair (and Past President) Karen Tatman, Quincy Engineering; Brandon Nevers, Kittelson & Associates; and ACEC Oregon Executive Director Alison Davis and me.

ACEC lobbies Capitol Hill

ACEC Oregon members lobbied Capitol Hill as part of Legislative Summit activities during the ACEC National Convention, May 5-8, in Washington, DC.
The group met with each of Oregon’s members of Congress (or a staff member) and southwest Washington’s Jaime Herrera Beutler.

KEY ISSUE
Passing major infrastructure legislation that increases federal funding to support surface transportation, aviation, and water projects, and restores the solvency of the Highway Trust Fund.

Pictured above in front of Senator Ron Wyden’s office are, from left: ACEC Oregon President Mike Meyer, Cornforth Consultants; ACEC Oregon National Director (and Past President) Erik Peterson, Peterson Structural Engineers; and Diana Strassmaier, Aldrich CPAs + Advisors.

Pictured above, from left are: Brett Moore, Anderson Perry & Associates; Karen Moore; Congresswoman Suzanne Bonamici; ACEC Oregon Executive Director Alison Davis; and ACEC Oregon Past President Troy Bowers, Murraysmith.

Pictured above, from left are: ACEC Oregon Regional Vice President Larry Fox, OBEC Consulting Engineers; Congressman Earl Blumenauer; ACEC Oregon Past President Marc Butorac, Kittelson & Associates; and ACEC Oregon Vice President Tim Blackwood, Pali Consulting.
ACEC National Engineering Excellence Awards

ACEC Oregon firms take top honors!

Last week at the ACEC National Engineering Excellence Awards Gala in Washington, D.C., three projects submitted by ACEC Oregon member firms took top honors out of a record 197 entries from projects all over the world. Only 16 of the most complex and innovative projects received a prestigious Grand Award, and just 20 firms received an impressive Honor Award.

Congratulations!

GRAND AWARD

Anderson Perry & Associates
Crooked River Wetlands
Pictured above, from left: Linda Darr, ACEC National President & CEO; Eric Klann, City of Prineville; Brett Moore, Anderson Perry & Associates; and Manish Kothari, ACEC Chair.

GRAND AWARD
HDR
Infinity Loop

Pictured above, from left: Kurt Reichelt, Brent Felker and Paul Weber, HDR.

HONOR AWARD
BergerABAM
Vancouver Waterfront Park
Contribute to the scholarship fund!

Consider joining your fellow member firms in creating a named scholarship ($2,500) or making a donation to the general fund.

Click HERE for more information and a pledge form, or contact mwebber@acecOregon.org.

THANK YOU, SCHOLARSHIP FUND DONORS!

UPCOMING

June 19 – Networking Day golf tournament, Langdon Farms Golf Club
Bring your clients!

COURTESY ANNOUNCEMENTS

- July 11 – OSBEELS 100th Anniversary Celebration, Oregon Museum of Science and Industry (OMSI)

SAVE THE DATES

September 19-21, 2019
ACEC Oregon Fall Conference

Comments? Questions? Please e-mail mwebber@acecOregon.org or adavis@acecOregon.org.

AMERICAN COUNCIL OF ENGINEERING COMPANIES OF OREGON
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Member of the American Council of Engineering Companies, Washington, D.C. ~ www.acec.org
Upcoming events: http://www.acecoregon.org/calendar_list.asp.

ACEC Oregon is 120 member firms strong representing more than 3,700 employees!
Check out our online directory at http://www.acecoregon.org/AF_MemberDirectory.asp.

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