

**REVENUE:** No revenue impact

**FISCAL:** May have fiscal impact, statement not yet issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	4 - 1 - 2
<b>Yeas:</b>	Edwards C., Holvey, Rosenbaum, Schaufler
<b>Nays:</b>	Berger
<b>Exc.:</b>	Esquivel, Smith P.
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	3/28, 4/11, 4/13

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**WHAT THE MEASURE DOES:** Requires the Commissioner of the Bureau of Labor and Industries to audit information used to determine prevailing wage rates. Modifies the maximum fee limits paid by contractors on public works contracts to offset costs incurred in the prevailing wage rate setting and audit process. Clarifies that the fee will be paid by a public agency at the time the agency enters into a public works contract. Sunsets the audit and restores the maximum fee limits on January 1, 2011.

**ISSUES DISCUSSED:**

- Whether the Bureau of Labor and Industries currently has the authority to perform audits
- Rationale behind changing the fee limits
- Sunset on the measure's provisions

**EFFECT OF COMMITTEE AMENDMENT:** Establishes a sunset for the audits and the increased maximum fee limits for January 1, 2011. Clarifies that a public agency shall pay the fee at the time the agency enters into the public works contract.

**BACKGROUND:** Prevailing wage rates (PWR) in Oregon are determined by using the standard wage being paid to construction workers in a particular occupation in one of 14 different regions throughout the state. The regions are established in statute, and data relating to wage rates are gathered through an annual independent survey of wages paid on commercial projects by union and non-union contractors. The PWR is the rate paid to the majority of workers in a particular trade and locality; if there is not a majority of workers paid at the same rate, the PWR is set at the average wage in that locality. PWR also includes fringe benefits.

HB 2795 A moves current statute relating to the annual survey from a section of ORS 279C.800 (PWR definitions) to a section of 279C.815 (determination of PWR). The measure creates a new provision in 279C.815 which requires the Commissioner of the Bureau of Labor and Industries to periodically audit data collected from the annual survey as well as the survey's reports. The Commissioner can perform the audit at a random basis or when the Commissioner has cause to question the accuracy or adequacy of data on a report or on a return.

A fee is imposed on contractors that are working on a public works project and is used for paying the costs of conducting the annual wage survey. The current fee rate is 0.1 percent of the contract price, with a minimum fee of \$100 and a maximum limit of \$5,000. HB 2795 A increases the limits to a minimum fee of \$250 and a maximum fee of \$7,500 to offset increased costs from conducting the periodic audits, and will restore the current fee limits on January 1, 2011.

4/19/2007 1:39:00 PM

***This summary has not been adopted or officially endorsed by action of the committee.***