

**2007 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 2892                      **STATUS:** Original  
**SUBJECT:** Prohibition of use of state funds to deter union organizing under the State Financial Accountability Act  
**GOVERNMENT UNIT AFFECTED:** State agencies and Bureau of Labor and Industries  
**PREPARED BY:** John F. Borden  
**REVIEWED BY:** Dallas Weyand and Robin LaMonte  
**DATE:** April 20, 2007

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	<u>2007-2009</u>	<u>2009-2011</u>
<b>EXPENDITURES:</b> See Comments		

**EFFECTIVE DATE:** July 1, 2007

**GOVERNOR'S BUDGET:** This bill is not anticipated by the Governor's recommended budget.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**COMMENTS:** This measure's purpose is to maintain the neutrality of the state in labor organizing by prohibiting the use of state funds to assist, promote, or deter union organizing activities, and provides that state contractors may not use any state funds to assist, promote, or deter union organizing. The measure does provide for some exceptions. The measure allows for civil actions and penalties. Any damages and civil penalties collected pursuant to this measure would be paid to the State Treasury (i.e., General Fund).

The Bureau of Labor and Industries (BOLI) would be responsible for enforcement and administrative rule development to implement this measure and would administer compliance.

BOLI has stated that it would have a minimal fiscal impact based on its assumption that there would be a minimal number of complaints and violations and its need to draft administrative rules.

The Department of Administrative Services, Human Resource Management Division, after consultation with the Department of Justice legal counsel, is concerned about this measure's requirement that contractors with the state would be required to track separately state funded contracts. This could result in an increase in the cost of doing business with the state. DAS believes that this may either discourage contractors from bidding on state contracts or potentially increase the cost of state contracts. Therefore, the fiscal impact of this measure is indeterminate.