

House Bill 2831

Sponsored by Representative WITT; Representatives BARNHART, BUCKLEY, COWAN, DINGFELDER, C EDWARDS, D EDWARDS, GREENLICK, HOLVEY, HUNT, KOTEK, MERKLEY, RILEY, ROSENBAUM, SCHAUFLEER, SHIELDS, TOMEI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Makes legislative findings on effects of international outsourcing of jobs. Prohibits public body from awarding contract or development assistance to person that performs work outside of United States. Creates civil action. Provides remedies.

A BILL FOR AN ACT

1 Relating to international outsourcing of jobs.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1. Sections 2 and 3 of this 2007 Act are added to and made a part of ORS**
4 **chapter 279B.**

5 **SECTION 2. The Legislative Assembly finds that:**

6 **(1) State agencies procure services in part through contracts with private vendors;**

7 **(2) Private vendors increasingly carry out these services, or subcontract or otherwise**
8 **procure these services, from a location outside the United States;**

9 **(3) International outsourcing exacerbates unemployment and workforce dislocation and**
10 **deprives Oregon residents of job opportunities, including jobs this state has expended devel-**
11 **opment assistance resources to attract;**

12 **(4) International outsourcing erodes state and local revenues by drawing jobs and income**
13 **away from this state; and**

14 **(5) International outsourcing can result in fewer privacy protections for Oregon residents**
15 **whose personal information may, in the course of service delivery, be transmitted to lo-**
16 **cations outside the United States.**

17 **SECTION 3. (1) As used in this section, "development assistance" means any form of**
18 **public assistance, including tax expenditures, made for the purpose of stimulating economic**
19 **development of a corporation, industry, geographic area or any other sector of the state's**
20 **economy, including but not limited to industrial development bonds, training grants, loans,**
21 **loan guarantees, enterprise zones, empowerment zones, tax increment financing, fee waivers,**
22 **land price subsidies, infrastructure whose principal beneficiary is a single business or defined**
23 **group of businesses at the time the infrastructure is built or improved, matching funds, tax**
24 **abatements, and tax credits and tax discounts of every kind, including corporate franchise,**
25 **personal income, sales and compensating use, raw materials, real property, job creation, in-**
26 **dividual investment, excise, utility, inventory, accelerated depreciation and research and de-**
27 **velopment tax credits and tax discounts.**

28 **(2) The following provisions apply to all state contracts, all local contracts funded with**
29 **state moneys, except when inconsistent with state law, and all state-funded development**
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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **assistance:**

2 (a) A public body, as defined in ORS 174.109, may not award a contract or development
3 assistance to a vendor, bidder, contractor, subcontractor or applicant for development as-
4 sistance that performs the work at a site outside the United States.

5 (b) Each vendor, bidder, contractor or subcontractor submitting a bid to provide services
6 and each applicant for development assistance shall certify that the services covered by the
7 contract or development assistance will be performed in the United States.

8 (c) If, during the life of the contract or development assistance, the vendor, contractor,
9 subcontractor or development assistance recipient shifts overseas work that is funded under
10 the contract or development assistance, the public body shall terminate the contract or de-
11 velopment assistance for noncompliance. In addition, the vendor, contractor, subcontractor
12 or development assistance recipient shall forfeit penalties to the public body in an amount
13 equal to the amount paid by the public body for the percentage of work that was performed
14 with workers outside the United States.

15 (d) Any vendor, bidder, contractor, subcontractor or applicant for or recipient of devel-
16 opment assistance that violates this section may not receive any state or local contract or
17 development assistance for a period of five years from the date of determination of the vio-
18 lation.

19 (e) A public body may bring a civil action in state or federal court to compel enforcement
20 of the provisions of this section. The court shall award reasonable attorney fees and costs
21 to the public body.

22 **SECTION 4.** Section 3 of this 2007 Act applies only to public contracts and development
23 assistance awarded on or after the effective date of this 2007 Act.
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