

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
Prepared by the Oregon Legislative Fiscal Office

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**MEASURE NUMBER:** SB 51

**STATUS:** B-Engrossed

**SUBJECT:** Makes permanent the existing rates for fees charged to public agencies undertaking public works projects subject to prevailing wage law.

**GOVERNMENT UNIT AFFECTED:** Bureau of Labor and Industries, state and local government agencies that construct facilities.

**PREPARED BY:** Steve Bender

**REVIEWED BY:** Robin LaMonte, Paul Siebert

**DATE:** June 11, 2009

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	<u><b>2009-2011</b></u>	<u><b>2011-2013</b></u>
<b>EXPENDITURES:</b>		
See Analysis		
<b>REVENUES:</b>		
<u>Bureau of Labor and Industries</u>		
Other Funds (Prevailing Wage Rate Fees)	\$138,000	\$552,000

**EFFECTIVE DATE:** The bill contains an emergency clause and is effective on passage.

**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.

**ANALYSIS:** SB 51 extends the current fee structure that the Bureau of Labor and Industries (BOLI) levies to enforce the Prevailing Wage Rate (PWR) program on a permanent basis. The fee is currently charged to public agencies undertaking public works projects covered by the prevailing wage rate laws at a rate equal to 0.1 percent of the public works contract amount. There is a minimum fee of \$250, and the maximum fee of \$7,500, for each public works contract. Under current law, the minimum and maximum fees decline to \$100 and \$5,000, respectively, on January 1, 2011. SB 51 retains the current \$250 minimum and \$7,500 maximum fee levels on a permanent basis. The impact of retaining these higher minimum and maximum fee levels is to increase BOLI's fee revenue by about \$552,000 per biennium. The bill only has an impact for the last six months of the 2009-11 biennium, but has a full biennium impact thereafter. Fee revenues, under the bill, are projected to be approximately \$100,000 per biennium less than administrative costs of the PWR program, but the agency has sufficient fund balances to finance program costs.

Most state agencies and local governments estimate a minimal fiscal impact from the provisions of this bill. The impact on most agencies is estimated at \$20,000 to \$68,000 (for the Department of Transportation). The Legislative Fiscal Office estimates that the impact to the Department of Higher Education would be approximately \$109,000 in 2009-11 and \$197,000 in 2011-13, based on an estimate that the Department will have capital projects in 2009-11 totaling \$980 million and capital projects in 2011-13 totaling \$1.77 billion.