

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 612 - AMR

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

Prepared by: Matt Stayner
Reviewed by: Steve Bender, John Borden
Date: 4/25/11

Measure Description:

Requires businesses that hire a construction labor contractor or execute a construction labor contract be registered with the Secretary of State. Provides imposition of civil penalties by the Secretary of State on non-compliant businesses

Government Unit(s) Affected:

Secretary of State, Justice Department

Summary of Fiscal Impact:

Please see analysis

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:

The amended measure requires the Secretary of State to adopt and implement an investigative and enforcement program that it does not currently operate. In the event that a complaint against a business is initiated, the SOS would be required to investigate the complaint, establish the facts and deliver a notice of proposed civil penalty if the SOS finds the business is in violation. A business subject to determination that imposes a civil penalty has right to appeal and apply for hearing.

The fiscal impact of the measure is indeterminate since the actual number of potential claims, violations, civil penalties and administrative hearings is unknown. At a minimum, to comply with the basic investigative requirements in the bill, the SOS would establish a compliance specialist position at an estimated cost of \$140,529 including services and supplies in the 2011-13 biennium. In addition, the SOS has estimated costs for Attorney General and Office of Administrative Hearings costs totaling \$30,000 in the 2011-13 biennium for a minimum total anticipated cost of \$170,529 in the 2011-13 biennium. These costs may be significantly higher depending on the number of complaints, hearings, and complexity of the cases. The Attorney General notes that although they believe there will be some unknown increase for representation of the Secretary of State, they believe that this would be accomplished using existing staff.

