

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 727 - A**

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

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**Measure Description:**

Requires Construction Contractors Board to investigate and process complaint for unpaid wages if certain conditions met.

**Government Unit(s) Affected:**

Construction Contractors Board (CCB)

**Summary of Fiscal Impact:**

	2011-13 Biennium	2013-15 Biennium
Other Funds	170,516	227,358
<b>Total Funds</b>	<b>\$170,516</b>	<b>\$227,358</b>
Positions	1	1
FTE	0.75	1

**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 measure details the criteria by which the Construction Contractors Board must accept for investigation and process complaints for unpaid wages along with specific processes by which the CCB can dismiss or suspend processing a complaint. In the event that a complaint results in a judgment against a licensed contractor, the CCB is required to issue a final order against the licensed contractor's surety and take possible action regarding the contractor's license. The measure also provides for civil penalties and license sanction if a contractor violates certain wage and hour statutes, and increases minimum surety amounts for residential contractors.

The CCB estimates that the number of complaints that are processed and investigated will increase by one case each month. The cost to process each case is estimated to be \$657 for a total of \$11,826 in the 2011-13 biennium and \$15,768 in the 2013-15 biennium. Based on the number of Bureau of Labor and Industry wage claims that are litigated and produce a final judgment, the CCB estimates that between three and four judgments will be processed by the agency, but the additional workload can be absorbed using existing agency resources. The additional investigation and enforcement of violations related to certain wage and hour statutes is estimated to cost the CCB \$214.02 (4.5 hours at \$47.56/hour for compliance officer) per violation. The CCB estimates that 26 additional violations will be investigated each month based on information provided by the Bureau of Labor and Industry. The additional workload generated will require an additional 1.0 FTE compliance officer position. There may be revenue generated by civil penalties resultant from these investigations, but that amount is unknown. Of the wage and hour violation investigations the CCB estimates that 3% may require a hearing based on the agency's current hearings to investigation ratio. CCB estimates the Office of Administrative Hearings cost for these proceedings to be \$9,026 in the 2011-13 biennium and \$12,037 in the 2013-15 biennium.