

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 1
Yeas:	Conger, Doherty, Hoyle, Johnson, Matthews, Kennemer, Schaufler
Nays:	0
Exc.:	Esquivel
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	5/25, 6/1

WHAT THE MEASURE DOES: Revises the billing cycle in construction contracts from the specific statutory reference of 30 days to “monthly.” Changes the statement requirement for alternative billing cycles. Allows the specification of alternative time limit for making final payment. Allows the prevailing party in disputes over interest to collect reasonable attorney fees. Establishes clarity amongst terms used in the Oregon Private Prompt Payment Act.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: Clarifies the definition of a “construction contract.” Establishes clarity amongst terms used in the Oregon Private Prompt Payment Act.

BACKGROUND: The Oregon Private Prompt Payment Act, enacted in 2003, establishes payment terms that are to be included in construction contracts for private projects.

Senate Bill 384-B is intended to provide uniformity and consistency throughout the Act’s statutes and to reflect current construction industry practices. The measure modifies the current 30-day billing requirement with a monthly billing cycle, reflecting the industry standard; corrects inconsistent language for terms such as “alternate” for “alternative” and “contract” for “construction contract;” clarifies the circumstances in which attorney fees for claims for “payment or interest” can be recovered; and corrects an omission in which the established time for final payment, the fourth of the four established prompt payment deadlines, currently does not have an opt-out provision. Senate Bill 384-B also replaces the term “plans” with “drawings,” which is a more precise term that is widely used in the construction industry.