

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
STAFF MEASURE SUMMARY
Senate Committee on General Government, Consumer and Small Business Protection

MINORITY REPORT
MEASURE: SB 612 A
CARRIER: Sen. Boquist

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action: Do Pass with Different Amendments and Be Printed Engrossed
Signers onto the Minority Report: Sen. Boquist and Sen. George
Prepared By: Patrick Brennan, Administrator
Meeting Dates: 3/7, 4/11, 4/13

WHAT THE MEASURE DOES: Prohibits businesses from hiring construction labor contractors or executing construction labor contracts unless registered with Secretary of State Corporations Division. Authorizes Secretary of State to impose civil penalty for violations after providing written notice to business specifying the violation. Authorizes Secretary of State to delegate authority to conduct required hearings to a hearings officer. Specifies that civil penalties and costs recovered under the measure are to be deposited into the General Fund.

ISSUES DISCUSSED:

- Instances of wage fraud
- Lack of accountability for construction labor contractors and recruiters

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Unregulated individuals operating as construction labor contractors have been responsible for numerous instances of workers performing work without being paid for the work performed. In some cases, the construction labor contractor is paid and fails to pay the worker the agreed-upon price, while in other cases the worker is not paid at all.

Senate Bill 612-AMR authorizes the Corporations Division of the Secretary of State (SOS) to enforce a prohibition against businesses not registered with the Division operating as construction labor contractors. The measure establishes a civil penalty of up to \$5,000 for each violation, provided that the business in violation is provided written notice prior to assessment of the penalty. If hearings required under ORS 183.745 are necessary, the Secretary of State may delegate the responsibility to conduct the hearing to a hearings officer, with expenses to be paid from the Operating Account under ORS 56.041. Any civil penalties paid, or costs recovered, are to be deposited into the General Fund for general governmental expenses.

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This summary has not been adopted or officially endorsed by action of the committee.

Committee Services Form – 2011 Regular Session