

House Bill 2552

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires contracting agency to verify that person that enters into public contract with contracting agency has paid all taxes due and otherwise complied with tax laws of this state. Prohibits contracting agency from entering into public contract with person that has not paid taxes due or complied with tax laws of this state.

Requires contracting agency to require person that enters into public contract with contracting agency to represent and warrant in public contract that person has paid taxes due and complied with tax laws of this state.

Requires Department of Revenue to provide means to respond to inquiries from contracting agencies and to respond within one business day.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to compliance with the tax laws of the State of Oregon; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 279A.**

5 **SECTION 2. (1) A contracting agency shall verify with the Department of Revenue that**
6 **a person with which the contracting agency will enter into a public contract has paid all**
7 **taxes due the State of Oregon and has otherwise complied with the tax laws of this state as**
8 **of the date on which the contracting agency intends to enter into the public contract. A**
9 **contracting agency may not enter into a contract with a person that has tax due and out-**
10 **standing or that has otherwise failed to comply with a provision of the tax laws of this state**
11 **unless and until the person has paid the tax due and outstanding and has otherwise complied**
12 **with the tax laws of this state.**

13 **(2) A contracting agency shall require a person that is a party to a public contract with**
14 **the contracting agency to represent and warrant in the public contract that the person has**
15 **paid all taxes due the State of Oregon and has otherwise complied with the tax laws of this**
16 **state. The contracting agency shall also state in the public contract that the representation**
17 **and warranty required under this section is a material term of the public contract and that**
18 **the contracting agency's performance of the contract is conditioned on the truth of the**
19 **representation.**

20 **(3) The Department of Revenue shall provide a toll-free telephone number, an electronic**
21 **mail address and other means the department deems necessary to respond to inquiries from**
22 **contracting agencies concerning the requirement set forth in subsection (1) of this section.**
23 **The department shall respond to an inquiry from a contracting agency within one business**
24 **day after receiving the inquiry.**

25 **SECTION 3. Section 2 of this 2011 Act applies to a public contract that a contracting**
26 **agency advertises or otherwise solicits on or after the operative date set forth in section 4**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 of this 2011 Act or, if the contracting agency does not advertise or solicit the public contract,
2 a public contract that the contracting agency enters into on or after the operative date set
3 forth in section 4 of this 2011 Act.

4 **SECTION 4.** (1) Section 2 of this 2011 Act becomes operative 91 days after the effective
5 date of this 2011 Act.

6 (2) The Director of the Oregon Department of Administrative Services, the Director of
7 the Department of Revenue, the Attorney General and a contracting agency that adopts
8 rules under ORS 279A.065 may take any action before the operative date specified in sub-
9 section (1) of this section that is necessary to enable the Director of the Oregon Department
10 of Administrative Services, the Director of the Department of Revenue, the Attorney Gen-
11 eral or the contracting agency to exercise, on and after the operative date specified in sub-
12 section (1) of this section, all the duties functions and powers conferred on the Director of
13 the Oregon Department of Administrative Services, the Director of the Department of Re-
14 venue, the Attorney General and the contracting agency by section 2 of this 2011 Act.

15 **SECTION 5.** This 2011 Act being necessary for the immediate preservation of the public
16 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
17 on its passage.