

HB 2113
Relating to Farm Labor Contractor Licenses

HB 2113 relates to increasing the maximum fee the Bureau of Labor and Industries can charge for a Farm Labor Contractor's License. The farm labor contractor law was enacted in 1959 and requires farm and forest labor contractors to be licensed.

The House Business and Labor Committee referred the measure to the Joint Committee on Ways and Means with a "do pass" recommendation. The Transportation and Economic Development Subcommittee reviewed the Fiscal Impact of \$37,750 in the 2013-15 biennium noting that the expenditure limitation is included within the Bureau of Labor and Industries budget bill. The fee increase will generate an estimated \$58,100 during the beinnium.

The Transportation and Economic Development Subcommittee recommends House Bill 2113 be reported out do pass.

Joint Committee on Ways and Means

Carrier – House: Rep. McKeown
Carrier – Senate: Sen. Shields

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action: Do Pass

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Susie Jordan, Legislative Fiscal Office

Meeting Date: May 24, 2013

WHAT THE MEASURE DOES: Increases maximum fee Bureau of Labor and Industries can establish for farm labor contractor licenses and endorsements.

ISSUES DISCUSSED:

- Fee schedule unchanged since 1999
- Impact on farm labor contractors
- Licensing program activities

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A farm labor contractor is a person who 1) is paid to recruit, solicit, supply or employ workers to perform reforestation labor for another; 2) is paid to recruit, solicit, supply or employ workers to gather specified plants from public lands for sale or market prior to processing or manufacture; 3) is paid to recruit, solicit, supply or employ workers on behalf of an employer engaged in these activities; 4) who furnishes food or lodging in connection with recruiting or employing workers in these activities; 5) bids on contract offers for those activities; or 6) enters into a subcontract for any of those activities.

A person may not act as a farm labor contractor without a valid license from the Bureau of Labor and Industries (BOLI). All licenses expire one year after issuance. BOLI has authority to set by rule a fee schedule for issuing and renewing licenses and indorsements; however, the Legislative Assembly has set a cap on the fee schedule. The current maximum fee ranges from \$100 to \$259, depending on the type of indorsement. House Bill 2113 increases the maximum by either \$50 or \$100, depending on the type of indorsement.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2113

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Matt Stayner
Reviewed by: Susie Jordan
Date: 3/13/13**Measure Description:**

Modifies fees for certain farm labor contractor licenses.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI)

Summary of Expenditure Impact

	2013-15 Biennium	2015-17 Biennium
Other Funds	37,750	46,713
Federal Funds		
Total Funds	\$37,750	\$46,713
Positions	0	0
FTE	0.00	0.00

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
Other Funds	58,100	58,100
Total Funds	\$58,100	\$58,100

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 increases the fees for certain farm labor contractor licenses. The fee increase is part of a policy option package in the Bureau of Labor and Industry's (BOLI) proposed budget. The agency issues over 250 Farm and Forest Labor Contractor licenses annually. License fees to fund the licensing program were first implemented in 1999 and have not increased to date. License fees provide funding for the licensing activities only, the compliance and enforcement functions are funded through the General Fund. The licensing process includes an examination to determine an applicant has the competence, character, and reliability to conduct the business as a farm or forest labor contractor as well as to demonstrate that the contractor is familiar with the requirements of wage and hour and farm labor contractor laws. The licensee must demonstrate that they are financially able to conduct the business and must post a bond with the agency.

The measure would allow for a 41% increase in the biennial revenue generated by the fees. The program is projected to operate at a structural deficit of 27% without the fee increase; the difference being used to maintain an adequate ending fund balance for the program's cash flow and to account for inflationary cost increases.