

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2977 - A6

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires construction labor contractors to be licensed by Commissioner of Bureau of Labor and Industries.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI)

Summary of Expenditure Impact:

See Analysis

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 bill, as amended, brings construction labor contractors under the same statutes as farm labor contractors; exemptions are provided for temporary service providers and staffing agencies. The Commissioner of the Bureau of Labor and Industries (BOLI) would be required to administer and enforce licensing and regulatory requirements as well as adopt rules related to licensing of construction labor contractors. The proposed broader scope of statute would apply to an unknown number of previously unlicensed and unregulated contractors operating in the state of Oregon.

The Legislative Fiscal Office (LFO) anticipates that enactment of the proposed legislation would have a fiscal impact to BOLI. However because the number of potential licensees is unknown, the possible increase in workload and expenses in addition to possible fee revenue, are not measurable at this time. Therefore LFO believes that the ramifications of this measure are not fully understood and the fiscal impact is indeterminate.

Recent data published on Oregon Employment Department website shows an average of 797 private sectors "Temporary Help Services", which are covered by unemployment insurance, in 2012. With the bill as amended, these labor contractors would be exempt from the proposed legislation and possible resulting license fees.

Additionally, the bill does not address specific fees which may be charged to labor contractors for licensing, endorsement or renewals. The current fee schedule in ORS 658.413 only specifies fees for farm labor contractors. Fees and fee amounts would need to be determined in order to project potential Other Funds revenue increases to BOLI. Assuming the fee is established at the same rate as farm labor contractor licenses of \$150, removing the 797 Temporary Help Service providers would reduce the potential revenue for the program by \$119,550.