

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass
<b>Vote:</b>	6 - 0 - 0
<b>Yeas:</b>	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	5/13

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**WHAT THE MEASURE DOES:** Permits Commissioner of Bureau of Labor and Industries to debar any contractor or subcontractor operating as a limited liability company from public works projects if member or manager of limited liability company fails to pay or post prevailing wage, fails to pay subcontractor's employees when contractor pays employees on subcontractor's behalf, or falsifies information on certified statements. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Brings consistency to statute
- History of limited liability companies in Oregon

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Under current law, contractors, subcontractors, firms, corporations, partnerships or associations can be debarred from receiving a contract or subcontract for public works for three years for various specified violations. House Bill 2545 adds limited liability companies to the list of entities that can be debarred in cases where any member or manager of the limited liability company fails to pay or post the prevailing rate of wage, fails to pay the subcontractor's employees amounts the contractor pays on behalf of the subcontractor, or intentionally falsifies information in the certified statements.

Though there are exemptions and exceptions, public works projects typically include: projects for construction, reconstruction, major renovation or painting by or under contract for any public agency to serve the public interest, projects using a combination of private funds and at least \$750,000 in public funds for construction, reconstruction, major renovation or painting on a privately-owned road, building, structure or improvement, projects using private funds to construct a private road, building, structure or improvement in which a public agency will lease at least 25 percent of the square footage, and solar projects constructed or installed on publicly-owned land, structure or building, regardless of the funding source.