

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2716 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Requires contracting agencies to provide as material condition of public contract that contractor remain certified as disadvantaged, minority, women or emerging small business enterprise during entire term of public contract if contracting agency awarded public contract, in whole or in part, on basis of contractor's certification.

Government Unit(s) Affected:

Business Development Department (Business Oregon), Statewide

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 fiscal impact of the measure is indeterminate; however, compliance costs to contracting agencies should be minimal. Under current law and under the provisions of this bill, the Office of Minority, Women, and Emerging Small Business (OMWESB), sited within the Oregon Business Development Department, operates the state's program for certifying disadvantaged, minority, women and emerging small businesses. The bill requires contracting agencies to require contractors to maintain OMWESB certification for the entire term of a public contract, whenever a contract was awarded on the basis of a contractor's current certification status. The bill also requires contracting agencies to verify contractor compliance with this requirement.

The bill does not change the OMWESB certification process and should not materially affect the Office's operating costs. It is not known, however, whether the bill will result in additional certification renewals and thereby increase workload and fee revenues. The bill additionally authorizes OMWESB to impose a civil penalty of up to \$5,000 in cases of fraudulent certification applications. Penalties so paid are retained by the Office. This may increase OMWESB revenues, but penalty revenues are expected to be minimal.