

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

House Committee on Consumer Protection and Government Effectiveness

REVENUE: Minimal Revenue Impact**FISCAL: Minimal Fiscal Impact****SUBSEQUENT REFERRAL TO: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Bryan Theis, Committee Services Staff**Meeting Dates:** 5/12, 5/26

WHAT THE MEASURE DOES: Eliminates requirement that bidder and proposer for public contract to a local contracting agency demonstrate responsibility by submitting signed affidavit that attests that bidder or proposer complied with tax laws of this state. Requires bidder and proposer for public contract with a local contracting agency to attest being current on state taxes. Becomes operative 91 days after effective date of Act. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Adverse impact of notarization requirement for affidavits on small businesses
- Similar legislation related to construction contracting

EFFECT OF COMMITTEE AMENDMENT:

[-A4 amendment] Amends ORS 278C.375 and ORS 279C.440. Specifies that public agencies must require contractors to subcontract only with subcontractors that meet responsible subcontractor requirements. Outlines responsible subcontractor requirements, including compliance with tax laws. Specifies that when soliciting bids for public construction contracts, public agencies may not accept bids from contractors with outstanding construction debt or those out of compliance with state or local tax laws. Allows Construction Contractors Board to disqualify bidders who knowingly or intentionally make false assertion regarding construction debt or tax compliance. Applies to contracts entered into on or after effective date of measure. Authorizes agencies to adopt administrative rules necessary to implement measure prior to measure's operative date.

[-A5 amendment] Resolves conflicts with Senate Bill 491. Extends provisions of measure eliminating requirement for bidders and proposers of public contracts to submit signed affidavit and provisions requiring bidders and proposers to attest to being current on state taxes to public contracts with state agencies.

BACKGROUND: The requirement for a signed affidavit demonstrating tax responsibility was created by the Legislative Assembly with passage of House Bill 4122 (2014), which required independent quality assurance review of information technology initiatives and the distribution of preliminary and final reports to the State Chief Information Officer, the Director of the Department of Administrative Services, and the appropriate agency director, board, commission or governing body. Provisions applied to executive branch state agencies and public corporations even if an entity is exempt from the Public Contracting Code under ORS 279A.050 (2) or (7). The measure also required any bidder or proposer on a procurement under ORS 279B to submit an affidavit attesting the bidder or proposer has complied with the state and local tax laws.

Senate floor vote: 30-0

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This summary has not been adopted or officially endorsed by action of the committee.

