

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**Senate Committee On Workforce**

**MEASURE: SB 584 A**  
**CARRIER: Sen. Dembrow**

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 03/18/15

**Action:** Do Pass With Amendments. (Printed A-Eng.)

**Meeting Dates:** 03/02, 03/18

**Vote:**

Yeas: 5 - Dembrow, Gelser, Knopp, Rosenbaum, Thatcher

**Prepared By:** Matthew Germer, Committee Administrator

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**WHAT THE MEASURE DOES:**

Requires Oregon Business Development Department (Department) to revoke public contracting certifications of disadvantaged, minority, women, or emerging small business (DMWESB) enterprises that exhibit a pattern of failing to perform a commercially useful function. Requires contracting agency provide notice of investigation. Becomes operative January 1, 2016. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Overview and history of Business Oregon and DMWESBs
- DMWESB complaints in Portland and purpose of bill
- Nature of DMWESB fraud

**EFFECT OF COMMITTEE AMENDMENT:**

Grants Department authority to “revoke” rather than “suspend.” Requires business to “exhibit a pattern of failing” before Department action. Requires contracting agency provide notice of investigation.

**BACKGROUND:**

The Oregon Business Development Department works to ensure a coherent, integrated approach to economic development in order to create a globally competitive economy. Currently, the Department certifies disadvantaged, minority, women, or emerging small business enterprises (DMWESBs) in order to grant them access to certain benefits. Currently, the Department suspends certifications of DMWESBs in public contracts that enter into improper agreements, allow non-DMWESBs to make decisions on behalf of DMWESB, or use DMWESBs that do not perform a commercially useful function.

Senate Bill 584-A requires the Department to suspend certifications of DMWESBs that fail to perform a commercially useful function in a public contract.