

STAFF MEASURE SUMMARY

House Committee On Business and Labor

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 06/01/15

**Action:** Do Pass.

**Meeting Dates:** 05/18, 06/01

**Vote:**

Yeas: 9 - Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse

Nays: 2 - Barreto, Weidner

**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Modifies definition of “public works” for the purpose of applying prevailing wage to include projects that use at least \$750,000 of public funds for construction, reconstruction, painting or major renovation on a publicly- or privately-owned road, highway, building, structure or improvement. Becomes operative on January 1, 2016. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Establishment of \$750,000 threshold in 2007 (House Bill 2140)
- Measure clarifies threshold for application of prevailing wage rate

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

Under Oregon law, the hourly wage for the workers of any contractor performing a public works contract must be equal to or greater than the prevailing wage rate. The Bureau of Labor and Industries sets the prevailing wage rate based upon the specific trade and region where the workers perform the labor.

Though there are exemptions, public works projects are generally covered by the state’s prevailing wage rate law under the following conditions: the total project cost exceeds \$50,000; the project is for construction, reconstruction, major renovation or painting; and the project directly or indirectly uses public agency funds. Projects on *privately* owned roads, highways, buildings, structures and improvements of any type are subject to prevailing wage law if the project is for construction, reconstruction, major renovation or painting and uses private funds and at least \$750,000 in public funds. Also subject to prevailing wage laws are construction projects in which one or more public agencies will occupy or use at least 25 percent of the project’s square footage.

Senate Bill 137-A changes the definition of “public works” to include projects on both publicly and privately owned roads, highways, buildings, structures or improvements of any type as long as \$750,000 or more of public funds are used. In addition, the measure deletes the requirement that the project also include private funds.