

A-Engrossed
Senate Bill 555

Ordered by the Senate April 10
Including Senate Amendments dated April 10

Sponsored by Senator GELSER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires qualified nonprofit agency for individuals with disabilities to pay at least minimum wage [or prevailing rate of wage] set forth in state or federal law to individuals with disabilities. [Requires Oregon Department of Administrative Services to verify that qualified nonprofit agency for individuals with disabilities pays at least minimum wage or prevailing rate of wage.]

Becomes operative on January 1, 2016.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to working conditions for individuals with disabilities in qualified nonprofit agencies; cre-
3 ating new provisions; amending ORS 279.835 and 279.840; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 279.835 is amended to read:

6 279.835. As used in ORS 279.835 to 279.855:

7 (1) "Department" means the Oregon Department of Administrative Services.

8 (2) "Direct labor" includes all work required for preparation, processing and packing, but not
9 supervision, administration, inspection and shipping.

10 (3) "Individual with a disability" means an individual who, because of the nature of disabilities,
11 is not able to participate fully in competitive employment, and for whom specialized employment
12 opportunities must be provided.

13 (4) "Public agency" or "public contracting agency" means any agency of the State of Oregon
14 or any political subdivision thereof authorized by law to enter into public contracts and any public
15 body created by intergovernmental agreement.

16 (5) "Qualified nonprofit agency for individuals with disabilities" means a nonprofit activity cen-
17 ter or rehabilitation facility:

18 (a) Organized under the laws of the United States or of this state and operated in the interest
19 of individuals with disabilities, and the net income of which does not inure in whole or in part to
20 the benefit of any shareholder or other individual;

21 (b) That complies with any applicable occupational health and safety standard required by the
22 laws of the United States or of this state; [and]

23 **(c) That pays individuals with disabilities who are employed to work on contracts for a**
24 **local or state public agency at least the minimum wage set forth in state or federal law; and**

25 [(c)] **(d) That in the manufacture of products and in the provision of services, whether or not the**
26 products or services are procured under ORS 279.835 to 279.855, during the fiscal year employs in-

NOTE: Matter in **boldfaced** type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in **boldfaced** type.

1 individuals with disabilities for not less than 75 percent of the work hours of direct labor required for
2 the manufacture or provision of the products or services.

3 **SECTION 2.** ORS 279.840 is amended to read:

4 279.840. The **policy of this state and the** purpose of ORS 279.835 to 279.855, 279A.025 (4) and
5 279C.335 [*is to further the policy of this state*] **are** to encourage and assist individuals with disabilities
6 to achieve maximum personal independence [*through useful and productive gainful employment*] by
7 [*assuring*] **ensuring** an expanded and constant market for [*sheltered workshop and activity center*]
8 products and services **that individuals with disabilities provide through useful and productive**
9 **gainful employment**, thereby enhancing [*their*] **the individuals'** dignity and capacity for self-
10 support and minimizing [*their*] **the individuals'** dependence on welfare and need for costly
11 institutionalization.

12 **SECTION 3.** (1) **Except as provided in subsection (2) of this section, the amendments to**
13 **ORS 279.835 and 279.840 by sections 1 and 2 of this 2015 Act apply to contracts that a public**
14 **agency advertises or otherwise solicits or, if the public agency does not advertise or solicit**
15 **the contract, to contracts with a qualified nonprofit agency for individuals with disabilities**
16 **into which the public agency enters or that the public agency renews on or after the opera-**
17 **tive date specified in section 4 of this 2015 Act.**

18 (2)(a) **Except as provided in paragraph (b) of this subsection, the amendments to ORS**
19 **279.835 by section 1 of this 2015 Act do not apply to contracts with a qualified nonprofit**
20 **agency for individuals with disabilities:**

21 (A) **Into which a public agency entered before January 1, 2016;**

22 (B) **The contract term of which expires after the operative date specified in section 4 of**
23 **this 2015 Act; and**

24 (C) **Under the provisions of which the public agency and the qualified nonprofit agency**
25 **for individuals with disabilities may negotiate or renegotiate the amount of compensation to**
26 **the qualified nonprofit agency for individuals with disabilities.**

27 (b) **The amendments to ORS 279.835 by section 1 of this 2015 Act apply to contracts de-**
28 **scribed in paragraph (a) of this subsection on the earlier of:**

29 (A) **The date on which the contract term expires; or**

30 (B) **July 1, 2018.**

31 **SECTION 4.** (1) **The amendments to ORS 279.835 and 279.840 by sections 1 and 2 of this**
32 **2015 Act become operative January 1, 2016.**

33 (2) **The Director of the Oregon Department of Administrative Services, the Director of**
34 **Transportation, the Attorney General or a public agency that is authorized by law or rule**
35 **to conduct a procurement may take any action before the operative date specified in sub-**
36 **section (1) of this section that is necessary to enable the director, the Attorney General or**
37 **the public agency to exercise, on and after the operative date specified in subsection (1) of**
38 **this section, all of the duties, functions and powers conferred on the director, the Attorney**
39 **General or the public agency by the amendments to ORS 279.835 and 279.840 by sections 1**
40 **and 2 of this 2015 Act.**

41 **SECTION 5.** **This 2015 Act being necessary for the immediate preservation of the public**
42 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
43 **on its passage.**

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