

STAFF MEASURE SUMMARY**House Committee On Consumer Protection and Government Effectiveness****Fiscal:** Fiscal impact issued**Revenue:** Has minimal revenue impact**Action Date:** 02/11/16**Action:** Do Pass With Amendments And Be Referred To Ways And Means By Prior Reference. (Printed A-Eng.)**Meeting Dates:** 02/04, 02/11**Vote:**

Yeas: 8 - Buehler, Fagan, Holvey, Hoyle, McLain, Nearman, Rayfield, Stark

Prepared By: Victoria Cox, Committee Administrator**WHAT THE MEASURE DOES:**

Establishes procedures for state contracting agencies to determine if contractors are delinquent in payments to state agencies and require payment of account or development of payment plan prior to awarding public contract.

Requires state contracting agency to notify state agency of action. Requires state agency to direct Department of Revenue or private collection agency to cease efforts to collect amounts due upon receiving notice. Becomes operative January 1, 2017.

ISSUES DISCUSSED:

- Secretary of State audits relating to collection of funds owed to the state
- Collection activities of the Department of Revenue
- Instances of public contracts awarded to contractors delinquent in payments to the state
- Provisions of the measure to allow potential contractors to bring accounts current or have payments from future contract applied to outstanding debt
- Amendment to clarify that program applies only to state contracting agencies

EFFECT OF COMMITTEE AMENDMENT:

Adds "state" before "contracting agency" wherever it appears in measure.

BACKGROUND:

House Bill 4065-A creates new provisions in ORS chapter 279A, which governs public contracting in Oregon. The measure requires state agencies wishing to enter into a public contract to first consult with the Legislative Fiscal Office in order to determine whether potential contractors appear on a list of delinquent or liquidated accounts that a state agency has assigned for collection or are 90 days delinquent. Upon determining that a contractor appears on the list, the state contracting agency must provide notice of the listing and require the contractor to bring the account current or offer the option of having payments from the contract being negotiated used to bring the account current. The state contracting agency must notify the state agency holding the delinquent account of these actions. If the account has been assigned for collection, the state agency receiving such notice must contact the Department of Revenue or the private collection agency in order to stop collection efforts. The measure empowers the Attorney General, Director of Oregon Department of Administrative Services and state contracting agencies to promulgate rules necessary to implement this legislation.