

## FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

Measure: HB 3279 - 1

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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### Measure Description:

Modifies definition of "labor contractor" to include property services contractor.

### Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Department of Consumer and Business Services (DCBS)

### Summary of Impact:

See Analysis

### Analysis:

This bill expands the definition of labor contractor to include property services contractors. Property services contractors are defined as contractors who, for an agreed remuneration, recruit, solicit, employ or supply workers to perform janitorial or security services. Property services contractors must obtain a labor contractor license from the Bureau of Labor and Industries (BOLI), and must register with BOLI. Registration information must include the number of employees, the address of the work location or address of each employee, and demographic data voluntarily provided by the employees. Property services contractors must provide employees, managers and supervisors with training on sexual harassment, discrimination and legal protections for employees who report violations of state and federal law. BOLI must approve the training or provide it.

### Bureau of Labor and Industries

According to the Oregon Employment Department, there are 532 employers that provide janitorial services and 108 that provide security services in Oregon. BOLI estimates it would need an additional staff person (Administrative Services 1) to issue 600 licenses and prepare and submit reports and agreements and a Compliance Specialist 2 to ensure that property service contractors obtain licenses and comply with licensing and registration requirements. LFO estimates that compliance activities could be accomplished with a half-time Compliance Specialist. The estimated cost for 1.5 FTE, plus services and supplies, is \$156,267 in the 2017-2019 biennium and about \$206,340 in the 2019-2021, with \$6045 in services and supplies.

BOLI believes that its existing technology infrastructure is incapable of supporting a significant increase in licensees and estimates a cost of \$60,000 to upgrade its database. However, LFO notes that this is not a direct fiscal impact necessary for implementation of this legislation.

This bill also requires BOLI to approve or provide specific training to managers, supervisors and employees. If BOLI were to provide training for all contractors, the agency reports the need for an additional Training and Development Specialist 2 to develop the materials and provide the training, at a cost of \$170,245 for 2017-2019 and \$226,993 for 2019-2021 General Fund, including related services and supplies. The Legislative Fiscal Office notes that the bill does not require BOLI to provide the training, and that there are numerous relevant training curricula and providers currently available -- including from the federal Equal Employment Opportunity Commission -- that BOLI could certify for use. The bill is silent on whether fees could be charged to employers or employees to support licensing, training, certification and enforcement costs, but the Legislative Fiscal Office notes that BOLI currently has statutory fee authority. Conceivably, BOLI could build training, certification, or provision fees into licensing fees, thereby reducing or altogether eliminating the need for General Fund support.

Department of Consumer and Business Services

There is no fiscal impact to the Department of Consumer and Business Services.