

# House Bill 4128

Sponsored by Representatives BYNUM, KENNEMER; Representatives ALONSO LEON, GREENLICK, POWER, REARDON, SANCHEZ (Pre-session filed.)

## 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 **as introduced**.

Permits disadvantaged business enterprise, minority-owned business, woman-owned business, business that service-disabled veteran owns or emerging small business to retain certification despite exceeding applicable cap on gross receipts if enterprise or business subcontracts to another certified enterprise or business not less than 20 percent of subcontract in which enterprise or business participates as required participant, enters into mentor relationship with other enterprise or business and otherwise remains eligible for certification.

Requires contracting agency to establish technical assistance fund and reimburse expenses that enterprise or business incurs in connection with mentor relationship.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to certification requirements for certain classes of businesses; and prescribing an effective  
3 date.

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

5 **SECTION 1. Section 2 of this 2018 Act is added to and made a part of ORS 200.005 to**  
6 **200.075.**

7 **SECTION 2. (1) As used in this section, "required participant" has the meaning given**  
8 **that term in ORS 200.045.**

9 **(2) If the Certification Office for Business Inclusion and Diversity certifies an enterprise**  
10 **or business under ORS 200.055 and imposes a cap on average annual gross receipts for the**  
11 **enterprise or business as a condition of retaining the certification, the enterprise or business**  
12 **may retain the certification and remain eligible as a required participant in public contracts**  
13 **despite exceeding the cap on average annual gross receipts if the enterprise or business:**

14 **(a) Subcontracts to another enterprise or business that is certified under ORS 200.055**  
15 **not less than 20 percent of the value of any subcontract in which the enterprise or business**  
16 **participates because the enterprise or business is a required participant, provided that the**  
17 **other enterprise or business has not exceeded any applicable cap on average annual gross**  
18 **receipts;**

19 **(b) Enters into a mentor relationship that meets the requirements set forth in ORS**  
20 **200.110 with the other enterprise or business; and**

21 **(c) Otherwise remains qualified for certification under ORS 200.055.**

22 **(3)(a) A contracting agency that enters into a public contract for which a required par-**  
23 **ticipant is a necessary party or in which a required participant is a subcontractor shall set**  
24 **aside and pay into a technical assistance fund an amount that is equivalent to one-half of**  
25 **one percent of the contract price of the public contract. If the contracting agency is a state**  
26 **contracting agency, the contracting agency shall create an appropriate subaccount in the**  
27 **State Treasury and pay the funds into the subaccount.**

**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       **(b) A contracting agency shall reimburse from the technical assistance fund described in**  
2 **paragraph (a) of this subsection, in an amount that does not exceed the amount set aside for**  
3 **the public contract, the bona fide and verifiable expenses that an enterprise or business in-**  
4 **curs in connection with a mentor relationship into which the enterprise or business enters**  
5 **under subsection (2)(b) of this section.**

6       **(c) Any unexpended amount that remains in the technical assistance fund described in**  
7 **paragraph (a) of this subsection at the time the public contract terminates or expires reverts**  
8 **to the contracting agency.**

9       **(d) A contracting agency by rule shall specify categories of and limits on expenses that**  
10 **are eligible for reimbursement under this subsection.**

11       **SECTION 3. Section 2 of this 2018 Act applies to public contracts that a contracting**  
12 **agency advertises or otherwise solicits or, if the contracting agency does not advertise or**  
13 **otherwise solicit the public contract, to public contracts into which the contracting agency**  
14 **enters on or after the effective date of this 2018 Act.**

15       **SECTION 4. This 2018 Act takes effect on the 91st day after the date on which the 2018**  
16 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**