

SB 471 A STAFF MEASURE SUMMARY

Carrier: Rep. McLain

House Committee On Rules

Action Date: 05/20/19

Action: Do Pass the A-Eng bill.

Vote: 7-0-0-0

Yeas: 7 - Boles, Holvey, Nosse, Smith Warner, Sprenger, Williamson, Wilson

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Josh Nasbe, Counsel

Meeting Dates: 5/16, 5/20

WHAT THE MEASURE DOES:

Requires state contracting agency to require prospective contractor to state in bid or proposal whether and to what extent identified conflict minerals will be used and that procurement of those conflict minerals complies with specified due diligence standards. Becomes operative January 1, 2021. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Armed conflicts across the world
- Use of rare earth minerals in technology

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Armed groups have continued to perpetuate violence throughout Central and Southern Africa since the end of the Second Congo War in 2002. The region contains abundant natural resources, including copper and diamonds, and is the world's largest producer of cobalt ore. Armed groups in the region have profited by illegally extracting and selling tin, tantalum, tungsten, and gold, all of which are used in the production of consumer products.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires all publicly traded companies to report and disclose if conflict minerals from the Democratic Republic of the Congo can be found anywhere in their supply chain, and the City of Portland adopted standards in August of 2018 that give preference to bidders that source conflict-free minerals. Senate Bill 471-A requires state contracting agencies to obtain bids that detail what conflict minerals might be used in a project and the contractor's due diligence standards used to ensure the use of conflict-free minerals.