

A-Engrossed

House Bill 4012

Ordered by the House February 6
Including House Amendments dated February 6

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Labor and Workforce Development for Representative Dacia Grayber)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells the CCB to work with BOLI to carry out a targeted assessment initiative. The Act becomes law 91 days after sine die. (Flesch Readability Score: 68.9).

[Digest: This Act tells BOLI to study the laws that govern labor contractors. (Flesch Readability Score: 67.7).]

[Requires the Bureau of Labor and Industries to study the adequacy of the statutory provisions governing labor contractors. Directs the bureau to submit findings to the interim committees of the Legislative Assembly related to labor and business no later than September 15, 2027.]

Directs the Construction Contractors Board to consult and collaborate with the Bureau of Labor and Industries to carry out a targeted assessment initiative to observe and collect information regarding the use of services of unlicensed labor contractors and unlicensed construction labor contractors at construction job sites.

Requires the board and the bureau to report on the operation and outcomes of the targeted assessment initiative to the interim committees of the Legislative Assembly related to business and labor no later than October 1, 2027.

Sunsets on January 2, 2028.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to labor contractors; and prescribing an effective date.

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

4 **SECTION 1.** **(1) As used in this section:**

5 (a) **“Construction labor contractor” and “labor contractor” have the meanings given**
6 **those terms in ORS 658.405.**

7 (b) **“Unlicensed construction labor contractor” means a person who performs the activi-**
8 **ties of a construction labor contractor without a valid license or license indorsement issued**
9 **under ORS 658.405 to 658.511.**

10 (c) **“Unlicensed labor contractor” means a person acting as labor contractor without a**
11 **valid license or indorsement issued under ORS 658.405 to 658.511.**

12 (2)(a) **For the period beginning on January 1, 2027, and ending on July 1, 2027, the Con-**
13 **struction Contractors Board shall consult and collaborate with the Bureau of Labor and In-**
14 **industries to carry out a targeted assessment initiative as described in this section.**

15 (b) **The purpose of the targeted assessment initiative is to observe and collect informa-**
16 **tion that may be used to determine the:**

17 (A) **Frequency with which the services of unlicensed labor contractors, including but not**
18 **limited to unlicensed construction labor contractors, are used on construction job sites; and**

19 (B) **Prevalence of unlicensed construction labor contractors at construction job sites.**

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 **(3)(a) To carry out the targeted assessment initiative, the board may, during a job site**
2 **inspection conducted pursuant to the board's existing authority under ORS 701.225, engage**
3 **in the following activities:**

4 (A) Screening for the presence of unlicensed construction labor contractors at the site;
5 (B) Observing and documenting activities and practices suspected to violate ORS 658.405
6 **to 658.511 or ORS chapter 701;**
7 (C) Identifying educational opportunities for improving compliance with ORS 658.405 to
8 **658.511; and**
9 (D) Sharing recorded observations and information with the bureau.

10 **(b) Nothing in this subsection:**

11 (A) Creates new violations or penalties beyond those prescribed under ORS 658.405 to
12 **658.511 and ORS chapter 701.**

13 (B) May be construed to limit the authority of the board or the bureau to exercise their
14 **respective enforcement authority under ORS 658.405 to 658.511 and ORS chapter 701.**

15 **(4) No later than December 31, 2026, the board and the bureau shall consult and coordi-**
16 **nate to complete planning necessary for the board to begin conducting the targeted assess-**
17 **ment initiative at the beginning of the period specified in subsection (2) of this section.**

18 **Planning activities must include:**

19 (a) **Development of strategies and methods for:**

20 (A) **Engaging in the activities authorized for purposes of conducting the targeted as-**
21 **sessment initiative;**

22 (B) **Screening to identify and verify unlicensed labor contractors and unlicensed con-**
23 **struction labor contractors at construction job sites;**

24 (C) **Identifying common indicators of suspected noncompliance with the provisions of**
25 **ORS 658.405 to 658.511 and ORS chapter 701; and**

26 (D) **Recording, documenting and sharing observations and information obtained through**
27 **engaging in the activities authorized for purposes of conducting the targeted assessment in-**
28 **itiative; and**

29 (b) **Consultation with persons possessing relevant subject matter knowledge and expertise**
30 **regarding the requirements under ORS 658.405 to 658.511.**

31 **(5)(a) The board and the bureau may compare and exchange documents, data and other**
32 **information, including documents, data or information that are otherwise confidential under**
33 **ORS 192.311 to 192.478, as necessary for the board and the bureau to carry out their respec-**
34 **tive powers in connection with:**

35 (A) **Conducting a targeted assessment initiative; or**

36 (B) **Enforcement under ORS 658.405 to 658.511 or ORS chapter 701.**

37 (b) **The exchange of documents, data and other information under this subsection does**
38 **not waive or diminish the confidentiality or exempt status of the information in possession**
39 **of the board or the bureau and the information shall remain confidential or exempt from**
40 **disclosure under ORS 192.311 to 192.478.**

41 **(6) Before the board begins carrying out the targeted assessment initiative described in**
42 **subsection (2) of this section, the board shall provide written notice to licensees and appli-**
43 **cants under ORS chapter 701 informing them of the upcoming initiative. The notice must:**

44 (a) **Specify the period during which the board will carry out the targeted assessment in-**
45 **itiative; and**

1 **(b) Include information regarding the requirements applicable to construction labor con-**
2 **tractors under ORS 658.405 to 658.511.**

3 **(7) No later than October 1, 2027, the board and the bureau shall report to the interim**
4 **committees of the Legislative Assembly related to business and labor on the operation and**
5 **outcomes of the targeted assessment initiative, including any recommendations regarding:**

6 **(a) Improving coordination and effectiveness of enforcement under ORS 658.405 to**
7 **658.511;**

8 **(b) Improving education and outreach regarding the requirements of ORS 658.405 to**
9 **658.511, including consideration of incorporating information about such requirements into**
10 **application materials, examinations or continuing education requirements for persons li-**
11 **censed under ORS chapter 701;**

12 **(c) Clarification of the licensure requirements under ORS chapter 701 and the licensure**
13 **and registration requirements applicable to construction labor contractors under ORS 658.405**
14 **to 658.511;**

15 **(d) Gaps in current laws and regulations relating to construction labor contractors; and**

16 **(e) Potential statutory changes to address the topics described in paragraphs (a) to (d)**
17 **of this subsection.**

18 **SECTION 2. Section 1 of this 2026 Act is repealed on January 2, 2028.**

19 **SECTION 3. This 2026 Act takes effect on the 91st day after the date on which the 2026**

20 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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