



February 2, 2026

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 4016

Chair Nathanson, Vice-Chairs Reschke and Walters, members of the House Committee on Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,500 member companies, more than 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to submit testimony in opposition to HB 4016. While OBI appreciates the intentions behind it, and wholeheartedly agrees that companies throughout the state need to comply with Oregon's tax laws, we are concerned HB 4016 would have negative implications on the state's public contracting process and a strong potential to increase costs paid by state contracting agencies.

By adding a requirement that a contractor must prove it follows its state tax obligation, HB 4016 would further complicate a complex process that already requires substantial investment in resources for businesses of all sizes. Not only would the potential delays in proving compliance and additional costs associated with completing additional compliance paperwork increase costs for businesses of all sizes, but it would also have the likely outcome of preventing smaller contractors – with less sophisticated administrative operations – from bidding on this work at all. By limiting competition in this way, HB 4016 would have additional outcome of increasing costs for contracting agencies in Oregon.

While OBI supports intent behind HB 4016, as no business wants to compete against bad actors, we worry the proposed changes the bill would make would have the unintended consequences described above. For those reasons, OBI urges the committee to oppose HB 4016. Thank you for your consideration.

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