74th OREGON LEGISLATIVE ASSEMBLY - 2007 Regular Session **MEASURE:** **HB 2557**
STAFF MEASURE SUMMARY **CARRIER:**
House Committee on Business and Labor

REVENUE: No revenue impact
FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Ethics, Elections, and Rules
Vote:	4 - 2 - 1
Yeas:	Edwards C., Esquivel, Rosenbaum, Schaufler
Nays:	Berger, Smith P.
Exc.:	Holvey
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/21, 3/16, 4/27

WHAT THE MEASURE DOES: Exempts certain public-private projects and certain affordable housing projects from requirements of prevailing wage laws.

ISSUES DISCUSSED:
- History of the Bureau of Labor and Industries' Taskforce On Public Private Partnerships
- What factors determine prevailing wage
- Examples of public-private partnership construction projects
- Prevailing wage versus market rate
- How affordable housing projects are affected by the measure
- Appropriate definition of a "public work"
- Referral to the Committee on Elections, Ethics, and Rules

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon's prevailing wage law was established in 1959 and is based on the federal Davis-Bacon Act of 1931. Prevailing wage laws apply to all contractors or subcontractors who work on a covered project, with the prevailing wage rate being the standard wage a construction worker is paid in a particular occupation in one of 14 different regions throughout the state. Prevailing wage is established through a survey of wages paid on commercial construction projects by both union and non-union contractors, and is the rate paid to the majority of workers in a particular trade and locality. If it happens that there is a not a majority of workers who are paid at the same rate, the workers are paid the average rate in that particular locality.

In 2005, the Commission of the Bureau of Labor and Industries (BOLI) established the Taskforce On Public Private Partnerships, which was charged with making policy recommendations about how the state prevailing wage rate law should be applied to increasingly complex developments financed through public-private partnerships.

HB 2557 directs BOLI to adopt rules to exclude projects that meet the measure's criteria from prevailing wage rate laws. The criteria include being privately owned, in which no more than 25 percent of the completed project's square footage will be occupied or used by a public agency, for which no more than $750,000 public agency funds are used. The measure also exempts a residential construction project that is privately owned and predominantly provides affordable housing as defined in the measure's provisions.