

STAFF MEASURE SUMMARY

House Committee On Business and Labor

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 05/18/15

**Action:** Do Pass.

**Meeting Dates:** 05/18

**Vote:**

Yeas: 9 - Barton, Doherty, Evans, Fagan, Heard, Holvey, Kennemer, Nosse, Weidner

Nays: 2 - Barreto, Esquivel

**Prepared By:** Jan Nordlund, Committee Administrator

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**WHAT THE MEASURE DOES:**

Requires construction flagging contractor to hold construction flagging license issued by Construction Contractors Board. Requires contractor to be bonded and carry insurance. Specifies that flagging contractor license does not authorize licensee to engage in activities requiring license other than construction flagging. Establishes effective date of July 1, 2017.

**ISSUES DISCUSSED:**

- General contractor's responsibility and liability for subcontractors
- Fatalities in work zones
- Whether general contractor can require subcontractor to obtain bond
- Ability of general contractor to hire flaggers directly instead of subcontracting for service

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In many cases, traffic control flaggers have one of the most dangerous jobs on a construction site. Currently, Oregon statute does not categorize their work as construction and therefore does not hold traffic control flaggers to the same standards as all other workers on the jobsite. Although flagging contractors are the only contractors on most jobsites not required to obtain a Construction Contractors Board (CCB) license, they have the highest rate of fatalities. For other purposes, particularly for the purpose of meeting the Women Business Enterprises/Minority Business Enterprise requirements, flagging contractors are considered a construction contractor, but the law does not consider them construction contractors for the purposes of providing consumer and workplace protections through a CCB license.

Because flagging contractors are not considered construction contractors under statute and not required to obtain a CCB license, they are therefore, not required to obtain a bond. When wage claims or complaints are made against traffic control flaggers, the Bureau of Labor and Industries (BOLI) must go through a process of recouping the money from the bonded general contractor, a process that takes months or years and often leaves workers unable to meet household budgets.

Senate Bill 596-A requires a construction flagging contractor to be licensed, obtain a \$20,000 bond, and carry at least \$500,000 of general liability insurance.