

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3193 - A

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires that, for employers that are contractors licensed by Construction Contractors Board, order of determination must include statement that failure to pay amounts determined to be owed to wage claimant shall result in Commissioner of Bureau of Labor and Industries notifying board of such failure and possible suspension of contractor's license.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Oregon State Treasurer (OST), Construction Contractors Board (CCB), Employment Department (OED)

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

HB 3193 - A raises the cap on claims paid out of the Wage Security Fund, which is administered by the Bureau of Labor and Industries (BOLI). The Wage Security Fund is used to pay employees who are owed wages by a business when the business has shut down and has insufficient assets with which to pay former employees. A disproportionate number of these claims come from the construction industry.

Under this measure, amounts paid out of the Wage Security Fund are increased from \$4,000 to \$10,000 for unpaid wages and compensation. This measure also modifies requirements for BOLI to notify the Construction Contractors Board (CCB) if a contractor fails to pay a wage claim, and allows CCB to suspend the contractor's license, place them on probation, or require a higher amount to obtain a surety bond.

This measure could increase the number of wage claims filed with BOLI, but this impact is anticipated to minimal. While this measure will not noticeably increase BOLI's costs of administering the Wage Security Fund, it will increase payment amounts from the fund. Payments from the Wage Security Fund are Other Funds - Nonlimited, so there will be no impact to BOLI's 2019-21 budget due to this measure. The balance of the Wage Security Fund is sufficient to absorb the increase in the wage payout cap.

This is anticipated to have no fiscal impact on the Oregon State Treasurer, Construction Contractors Board, or the Oregon Employment Department.