

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 594

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires payment of prevailing rate of wage for demolition of or removal of hazardous waste from road, highway, building, structure or improvement in public improvement contract that uses \$750,000 or more of public funds or that occurs on real property that state agency owns, including demolition or removal of hazardous waste that occurs in connection with construction, reconstruction, renovation or painting of road, highway, building, structure or improvement.

Government Unit(s) Affected:

Department of Transportation, Cities, Statewide, Higher Education Coordinating Commission, Counties, Department of Justice, Bureau of Labor and Industries, Department of Administrative Services, School Districts, Special Districts Association of Oregon

Summary of Fiscal Impact:

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

Analysis:

SB 594 changes the definition of “public works” under ORS 279C.800, adding demolition and removal of hazardous waste related to road, highway, building, structure, or improvement work of any type that a public agency contracts for or performs, or that occurs on real property owned by a public university; or which uses \$750,000 or more of public agency funds; and adds as an alternate definition, demolition of, or removal of hazardous waste from, a road, highway, building, structure or improvement of any type that uses \$750,000 or more of public agency funds, or that occurs on real property that a state agency owns, but does not involve constructing, reconstructing, renovating or painting a road, highway, building, structure or improvement.

This measure takes effect on the 91st day after the Legislature adjourns sine die, and the redefinition of “public works” is operative on January 1, 2024. The Department of Justice, Bureau of Labor and Industries (BOLI), Department of Administrative Services, Oregon Department of Transportation and a contracting agency that adopts rules under ORS 279A.065 or 279A.070 may adopt rules and take any other action before the operative date in order to enact this measure.

While the impact of this measure is anticipated to be minimal, there could be a greater than minimal impact for certain agencies that will be required to pay the prevailing wage rate on projects that involve demolition or removal of hazardous waste. This could potentially increase costs for agencies undertaking this type of work, but these costs are indeterminate until such projects are planned.

BOLI notes that there may be some additional costs related to expansion of the applicability of prevailing wage rate laws to include demolition and hazardous waste removal, which could result in an increase in requests for coverage determinations issued by BOLI, and an increase in prevailing wage complaints. However, the amount of additional work created by this measure is indeterminate at this time. The agency may also incur costs for updates to rules and training materials. BOLI may need to return to the Legislative Emergency Board or a subsequent legislative session if budgeted resources prove insufficient to cover the actual costs of this measure.