

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2295**

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:

Broadens public contracting preference for businesses that service-disabled veterans own to include all veteran-owned businesses.

Government Unit(s) Affected:

Department of Administrative Services, Department of Transportation, Oregon Health Sciences University, Statewide, Department of Justice, Oregon Business Development Department, State Treasurer, Bureau of Labor and Industries

Summary of Fiscal Impact:

Costs related to the measure are indeterminate - See explanatory analysis.

Analysis:

HB 2295 replaces “service-disabled veteran” with “veteran-owned” across several areas of statute in regard to businesses that have public contracting preference. The measure takes effect on the 91st day after the Legislature adjourns sine die. The measure applies to procurements that a contracting agency advertises or solicits or to public contracts into which the contracting agency enters on and after January 1, 2024.

While this measure is anticipated to have no or minimal impact statewide, two agencies- the Oregon Business Development Department (OBDD) and the Bureau of Labor and Industries (BOLI)- report an indeterminate impact related to this measure.

BOLI notes that this measure would allow veteran-owned businesses to decline to file a public works bond for a four-year period, which could lead to an increase in collection costs for BOLI. This increase is indeterminate but anticipated to be minimal.

OBDD certifies disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, service-disabled veteran-owned, and emerging small businesses through their Certification Office for Business Inclusion and Diversity. This measure would expand the number of veteran-owned businesses that are eligible for certification, which could lead to an increase in applications for funding and technical assistance, which could require additional staff. The fiscal impact of this expansion is indeterminate at this time, and OBDD 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.