

Senate Bill 159

Sponsored by Senator GORSEK; Senator JAMA (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits contracting agency to grant preference to procuring for public use goods or services that are provided by nonprofit organization incorporated, organized, formed or created for charitable purpose under laws of this state, if goods or services cost not more than 10 percent more than goods or services available from contractor that is not nonprofit organization.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to public contract preferences for nonprofit organizations dedicated to charitable purposes;
3 creating new provisions; amending ORS 279A.128; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 279A.128 is amended to read:

6 279A.128. (1) As used in this section, "services" means services as defined in ORS 279A.010
7 (1)(kk) and personal services designated under ORS 279A.055.

8 (2)(a) Notwithstanding provisions of law requiring a contracting agency to award a contract to
9 the lowest responsible bidder or best proposer or provider of a quotation, a contracting agency that
10 uses public funds to procure goods or services for a public use under ORS chapter 279B may give
11 preference to:

12 **(A) Procuring goods or services provided by an organization that is incorporated, organ-**
13 **ized, formed or created for a charitable purpose, as defined in ORS 128.316, that is described**
14 **in section 501(c)(3) of the Internal Revenue Code and that is exempt from income tax under**
15 **section 501(a) of the Internal Revenue Code, if the goods or services the nonprofit organiza-**
16 **tion provides cost not more than 10 percent more than goods or services available from a**
17 **contractor that is not a nonprofit organization; or**

18 **(B) Procuring goods that are fabricated or processed, or services that are performed, entirely**
19 **within this state if the goods or services cost not more than 10 percent more than goods that are**
20 **not fabricated or processed, or services that are not performed, entirely within this state.**

21 **(b) If more than one bidder or proposer qualifies for [the] a preference described in paragraph**
22 **(a) of this subsection, the contracting agency may give a further preference to a qualifying bidder**
23 **or proposer that resides in or is headquartered in this state.**

24 **[(b)] (c) The contracting agency by order may set a higher percentage than the [percentage]**
25 **percentages set forth in paragraph (a) of this subsection if the contracting agency, in a written**
26 **determination to support the order, finds good cause to set the higher percentage and explains the**
27 **contracting agency's reasons and evidence for the finding.**

28 (3) Notwithstanding ORS 279C.320 (1), subsection (2) of this section does not apply to emergency
29 work, minor alterations, ordinary repairs or maintenance work for public improvements or to other
30 construction contracts described in ORS 279C.320 (1).

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 2.** The amendments to ORS 279A.128 by section 1 of this 2023 Act apply to
2 procurements that a contracting agency first advertises or otherwise solicits or, if the con-
3 tracting agency does not advertise or solicit the procurement, to public contracts into which
4 the contracting agency enters on or after the operative date specified in section 3 of this 2023
5 Act.

6 **SECTION 3.** (1) The amendments to ORS 279A.128 by section 1 of this 2023 Act become
7 operative on January 1, 2024.

8 (2) The Attorney General, the Director of the Oregon Department of Administrative
9 Services, the Director of Transportation and a contracting agency that adopts rules under
10 ORS 279A.065 or 279A.070 may take any action before the operative date specified in sub-
11 section (1) of this section that is necessary to enable the Attorney General, the directors or
12 the contracting agency to undertake and exercise, on and after the operative date specified
13 in subsection (1) of this section, all of the duties, functions and powers conferred on the
14 Attorney General, the directors or the contracting agency by the amendments to ORS
15 279A.128 by section 1 of this 2023 Act.

16 **SECTION 4.** This 2023 Act takes effect on the 91st day after the date on which the 2023
17 regular session of the Eighty-second Legislative Assembly adjourns sine die.
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