

Senate Bill 594

Sponsored by Senator TAYLOR (Presession 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**.

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.

Takes effect on 91st day after adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to paying a prevailing rate of wage in connection with public improvement contracts; cre-
3 ating new provisions; amending ORS 279C.800; and prescribing an effective date.

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

5 **SECTION 1.** ORS 279C.800 is amended to read:

6 279C.800. As used in ORS 279C.800 to 279C.870:

7 (1) "Fringe benefits" means:

8 (a) Contributions that a contractor or subcontractor makes irrevocably to a trustee or to a third
9 person under a plan, fund or program; and

10 (b) Costs that a contractor or subcontractor may reasonably be anticipated to incur in providing
11 the following items, except for items that federal, state or local law requires the contractor or sub-
12 contractor to provide:

13 (A) Benefits to workers pursuant to an enforceable written commitment to the workers to carry
14 out a financially responsible plan or program for:

15 (i) Medical or hospital care;

16 (ii) Pensions on retirement or death; or

17 (iii) Compensation for injuries or illness that result from occupational activity;

18 (B) Insurance to provide the benefits described in subparagraph (A) of this paragraph;

19 (C) Unemployment benefits;

20 (D) Life insurance;

21 (E) Disability and sickness insurance or accident insurance;

22 (F) Vacation and holiday pay;

23 (G) Costs of apprenticeship or other similar programs; or

24 (H) Other bona fide fringe benefits.

25 (2) "Housing" has the meaning given that term in ORS 456.055.

26 (3) "Locality" means the following district in which the public works, or the major portion of
27 the public works, is to be performed:

28 (a) District 1, composed of Clatsop, Columbia and Tillamook Counties;

29 (b) District 2, composed of Clackamas, Multnomah and Washington Counties;

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 (c) District 3, composed of Marion, Polk and Yamhill Counties;
- 2 (d) District 4, composed of Benton, Lincoln and Linn Counties;
- 3 (e) District 5, composed of Lane County;
- 4 (f) District 6, composed of Douglas County;
- 5 (g) District 7, composed of Coos and Curry Counties;
- 6 (h) District 8, composed of Jackson and Josephine Counties;
- 7 (i) District 9, composed of Hood River, Sherman and Wasco Counties;
- 8 (j) District 10, composed of Crook, Deschutes and Jefferson Counties;
- 9 (k) District 11, composed of Klamath and Lake Counties;
- 10 (L) District 12, composed of Gilliam, Grant, Morrow, Umatilla and Wheeler Counties;
- 11 (m) District 13, composed of Baker, Union and Wallowa Counties; and
- 12 (n) District 14, composed of Harney and Malheur Counties.

13 (4) "Prevailing rate of wage" means the rate of wage, including all fringe benefits, that the
 14 Commissioner of the Bureau of Labor and Industries determines in accordance with ORS 279C.815.

15 (5) "Public agency" means the State of Oregon or a political subdivision of the State of Oregon,
 16 or a county, city, district, authority, public corporation or public entity organized and existing under
 17 law or charter or an instrumentality of the county, city, district, authority, public corporation or
 18 public entity.

19 (6)(a) "Public works" includes, but is not limited to:

20 (A) Roads, highways, buildings, structures and improvements of all types[*the*] **for which a**
 21 **public agency contracts or carries on** construction, reconstruction, major renovation, **demolition,**
 22 **removal of hazardous waste** or painting [*of which is carried on or contracted for by any public*
 23 *agency*] to serve the public interest;

24 (B) A project that uses \$750,000 or more of funds of a public agency for constructing, recon-
 25 structing, painting, **demolishing, removing hazardous waste from,** or performing a major reno-
 26 vation on, a road, highway, building, structure or improvement of any type;

27 (C) A project that uses funds of a private entity for constructing a privately owned road, high-
 28 way, building, structure or improvement of any type in which a public agency will use or occupy
 29 25 percent or more of the square footage of the completed project;

30 (D) Notwithstanding the provisions of ORS 279C.810 (2)(a), (b) and (c), a device, structure or
 31 mechanism, or a combination of devices, structures or mechanisms, that:

- 32 (i) Uses solar radiation as a source for generating heat, cooling or electrical energy; and
- 33 (ii) Is constructed or installed, with or without using funds of a public agency, on land, premises,
 34 structures or buildings that a public body, as defined in ORS 174.109, owns; [*or*]

35 (E) Notwithstanding paragraph (b)(A) of this subsection and ORS 279C.810 (2)(b) and (c), con-
 36 struction, reconstruction, painting, **demolition, removal of hazardous waste from,** or major reno-
 37 vation of, a road, highway, building, structure or improvement of any type that occurs, with or
 38 without using funds of a public agency, on real property that a public university listed in ORS
 39 352.002 owns[.]; **or**

40 (F) **Demolition of, or removal of hazardous waste from, a road, highway, building, struc-**
 41 **ture or improvement of any type that uses \$750,000 or more in funds of a public agency, or**
 42 **that occurs on real property that a state agency owns, but that does not involve construct-**
 43 **ing, reconstructing, renovating or painting a road, highway, building, structure or improve-**
 44 **ment.**

45 (b) "Public works" does not include:

1 (A) Reconstructing or renovating privately owned property that a public agency leases; or

2 (B) A private nonprofit entity's renovation of publicly owned real property that is more than 75
3 years old if:

4 (i) The real property is leased to the private nonprofit entity for more than 25 years;

5 (ii) Funds of a public agency used in the renovation do not exceed 15 percent of the total cost
6 of the renovation; and

7 (iii) Contracts for the renovation were advertised or, if not advertised, were entered into before
8 July 1, 2003, but the renovation has not been completed on or before July 13, 2007.

9 **SECTION 2. The amendments to ORS 279C.800 by section 1 of this 2023 Act apply to**
10 **procurements that a contracting agency advertises or solicits or, if the contracting agency**
11 **does not advertise or solicit the procurement, to public improvement contracts or contracts**
12 **for public works into which the contracting agency enters on or after the operative date**
13 **specified in section 3 of this 2023 Act.**

14 **SECTION 3. (1) The amendments to ORS 279C.800 by section 1 of this 2023 Act become**
15 **operative on January 1, 2024.**

16 **(2) The Attorney General, the Commissioner of the Bureau of Labor and Industries, the**
17 **Director of the Oregon Department of Administrative Services, the Director of Transporta-**
18 **tion and a contracting agency that adopts rules under ORS 279A.065 or 279A.070 may adopt**
19 **rules and take any other action before the operative date specified in subsection (1) of this**
20 **section that is necessary to enable the Attorney General, the commissioner, the directors**
21 **or the contracting agency to undertake and exercise all of the duties, functions and powers**
22 **conferred on the Attorney General, the commissioner, the directors or the contracting**
23 **agency by the amendments to ORS 279C.800 by section 1 of this 2023 Act.**

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

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