

## **HB 2425 STAFF MEASURE SUMMARY**

### **House Committee On Labor and Workplace Standards**

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**Meeting Dates:** 2/24

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#### **WHAT THE MEASURE DOES:**

Requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract. Takes effect on 91st day following adjournment sine die.

#### Detailed Summary:

Requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that the production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract.

Requires certification to include probative evidence that certification is legitimate, authoritative, truthful and accurate. Public body will specify appropriate criteria and standards for determining legitimacy, authority, truthfulness and accuracy of certification.

Person that provides certification that is false, materially misleading, illegitimate, untruthful, forged or substantially inaccurate is subject to contract termination, cancellation, or denial or civil penalty up to \$10,000 or half of price public body paid for EV or solar photovoltaic energy system.

Public body that knowingly or intentionally enters into contract for EV or solar photovoltaic energy system without receiving required certification or official of public body that accepts certification that official knows is false, materially misleading, illegitimate, untruthful, forged or substantially inaccurate is subject to damages of entire price that the public body paid for EV or solar photovoltaic electric system or \$10,000. Damages recovered by Attorney General are deposited in Common School Fund.

Defines terms including “forced labor” or “oppressive child labor.”

Fiscal impact: (info)

Revenue impact: (info)

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Public contracting is governed by the Public Contracting Code (Code) contained in ORS chapters 279A, 279B, and 279C. Chapter 279A contains general provisions applicable to the Code, chapter 279B contains laws overseeing public procurement contracts, and chapter 279C governs public improvement and related contracts. The judicial and legislative department are exempted from the Code. Generally, a contracting agency awards contracts to the lowest bidder or best proposer. However, the Code contains provisions allowing contracting agencies to give

preference in certain circumstances. Additionally, the Code allows for different procurement methods depending on the anticipated dollar value of the contract: small procurement (currently under \$10,000) allows for a noncompetitive bid contract to be issued to permit an agency to quickly secure goods and services they need; intermediate procurement (currently \$10,000–\$150,000) requires, at minimum, an agency post public notice for seven-days, take steps to include small and diverse firms, and permits agency to secure goods and services within 30 days; and sealed competitive procurement (over \$150,000) requires a rigorous process of formal solicitation documents including Department of Justice review, 30-day public posting, formal process steps and evaluations, and contract negotiation. A sealed competitive process can take four to six months.

House Bill 2425 requires public bodies that procure electric vehicles (EV) and solar photovoltaic energy systems to receive certification from the manufacturer, distributor, vendor or supplier of EV or solar photovoltaic energy system that the production, assembly, transportation or sale of EV or solar photovoltaic energy system did not use or involve forced labor or oppressive child labor, prior to executing procurement contract