

# House Bill 3672

Sponsored by Representative EDWARDS

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Lets a state agency prefer a bid for a contract to build a public building from a person that makes the material for the building in this state. (Flesch Readability Score: 60.5).

Permits contracting agencies to grant a preference in awarding a public improvement contract to a benefit company organized in this state and with a majority of the benefit company's employees located in this state, or to prospective contractors that fabricate or process construction materials in this state, if the increase in the cost of the construction materials does not exceed a specified percentage.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to public improvement contract preferences for construction materials sourced in this state;  
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[,]:

7 (a) **“Construction materials” means manufactured products, consumable supplies, raw**  
8 **materials and other goods that:**

9 (A) **Are used in constructing, reconstructing, or performing a major renovation upon, a**  
10 **public improvement; or**

11 (B) **Become part of a public improvement upon completion of construction, recon-**  
12 **struction or a major renovation.**

13 (b) **“Services” means services as defined in ORS 279A.010 (1)(kk) and personal services desig-**  
14 **nated under ORS 279A.055.**

15 (2)(a) Notwithstanding provisions of law requiring a contracting agency to award a contract to  
16 the lowest responsible bidder or best proposer or provider of a quotation, a contracting agency that  
17 uses public funds to procure goods or services for a public use under ORS chapter 279B, **or procure**  
18 **construction materials for a public improvement under ORS chapter 279C**, may give preference  
19 to:

20 (A) Procuring goods, [*or*] services **or construction materials** provided by a benefit company  
21 that is incorporated, organized, formed or created under ORS 60.754, that submits with a bid or  
22 proposal a certificate of existence issued under ORS 60.027 and has the majority of the benefit  
23 company's regular, full-time workforce located in this state at the time the benefit company submits  
24 the bid or proposal, if the goods, [*or*] services **or construction materials** cost not more than five  
25 percent more than goods, [*or*] services **or construction materials** available from a contractor that  
26 is not a benefit company; or

27 (B) Procuring goods **or construction materials** that are fabricated or processed, or services

**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 that are performed, entirely within this state if the goods, [or] services **or construction materials**  
 2 cost not more than 10 percent more than goods **or construction materials** that are not fabricated  
 3 or processed, or services that are not performed, entirely within this state.

4 (b) If more than one bidder or proposer qualifies for a preference described in paragraph (a) of  
 5 this subsection, the contracting agency may give a further preference to a qualifying bidder or  
 6 proposer that resides in or is headquartered in this state.

7 (c) The contracting agency by order may set a higher percentage than the percentages set forth  
 8 in paragraph (a) of this subsection if the contracting agency, in a written determination to support  
 9 the order, finds good cause to set the higher percentage and explains the contracting agency's rea-  
 10 sons and evidence for the finding.

11 (3) Notwithstanding ORS 279C.320 (1), subsection (2) of this section does not apply to emergency  
 12 work, minor alterations, ordinary repairs or maintenance work for public improvements or to  
 13 [other] construction contracts [described in ORS 279C.320 (1)] **other than public improvement**  
 14 **contracts.**

15 **SECTION 2. The amendments to ORS 279A.128 by section 1 of this 2025 Act apply to**  
 16 **procurements that a contracting agency first advertises or otherwise solicits or, if a con-**  
 17 **tracting agency does not advertise or solicit the procurement, to public improvement con-**  
 18 **tracts into which a contracting agency enters on or after the operative date specified in**  
 19 **section 3 of this section.**

20 **SECTION 3. (1) The amendments to ORS 279A.128 by section 1 of this 2025 Act become**  
 21 **operative on January 1, 2026.**

22 (2) The Attorney General, the Director of the Oregon Department of Administrative  
 23 Services, the Director of Transportation and a contracting agency that adopts rules under  
 24 ORS 279A.065 or 279A.070 may adopt rules and take any other action before the operative  
 25 date specified in subsection (1) of this section that is necessary to enable the Attorney  
 26 General, the directors or the contracting agency, on and after the operative date specified  
 27 in subsection (1) of this section, to undertake and exercise all of the duties, functions and  
 28 powers conferred on the Attorney General, the directors or the contracting agency by the  
 29 amendments to ORS 279A.128 by section 1 of this 2025 Act.

30 **SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
 31 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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