

Senate Bill 460

Sponsored by Senator WEBER, Representative JAVADI; Senator THATCHER, Representatives LEVY B, OSBORNE, WRIGHT (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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Says that laws that require paying a certain wage rate for workers on public works do not apply to a worker who is not yet a fully skilled worker. (Flesch Readability Score: 66.5).

Exempts workers on public works who are participants in a pre-apprenticeship program from the application of laws that determine and require payment of a prevailing rate of wage.

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

A BILL FOR AN ACT

1
2 Relating to an exemption of pre-apprenticeship participants from the application of the prevailing
3 rate of wage; creating new provisions; amending ORS 279C.810; and prescribing an effective
4 date.

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

6 **SECTION 1.** ORS 279C.810 is amended to read:

7 279C.810. (1) As used in this section:

8 (a) "Funds of a public agency" does not include:

9 (A) Funds provided in the form of a government grant to a nonprofit organization, unless the
10 government grant is issued for the purpose of construction, reconstruction, major renovation or
11 painting;

12 (B) Building and development permit fees paid or waived by the public agency;

13 (C) Tax credits or tax abatements;

14 (D) Land that a public agency sells to a private entity at fair market value;

15 (E) The difference between:

16 (i) The value of land that a public agency sells to a private entity as determined at the time of
17 the sale after taking into account any plan, requirement, covenant, condition, restriction or other
18 limitation, exclusive of zoning or land use regulations, that the public agency imposes on the de-
19 velopment or use of the land; and

20 (ii) The fair market value of the land if the land is not subject to the limitations described in
21 sub-subparagraph (i) of this subparagraph;

22 (F) Staff resources of the public agency used to manage a project or to provide a principal
23 source of supervision, coordination or oversight of a project;

24 (G) Staff resources of the public agency used to design or inspect one or more components of
25 a project;

26 (H) Moneys derived from the sale of bonds that are loaned by a state agency to a private entity,
27 unless the moneys will be used for a public improvement;

28 (I) Value added to land as a consequence of a public agency's site preparation, demolition of real

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 property or remediation or removal of environmental contamination, except for value added in ex-
2 cess of the expenses the public agency incurred in the site preparation, demolition or remediation
3 or removal when the land is sold for use in a project otherwise subject to ORS 279C.800 to 279C.870;
4 or

5 (J) Bonds, or loans from the proceeds of bonds, issued in accordance with ORS chapter 289 or
6 ORS 441.525 to 441.595, unless the bonds or loans will be used for a public improvement.

7 (b) "Nonprofit organization" means an organization or group of organizations described in sec-
8 tion 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a) of
9 the Internal Revenue Code.

10 (2) ORS 279C.800 to 279C.870 do not apply to:

11 (a) Projects for which the contract price does not exceed \$50,000. In determining the price of a
12 project, a public agency:

13 (A) May not include the value of donated materials or work performed on the project by indi-
14 viduals volunteering to the public agency without pay; and

15 (B) Shall include the value of work performed by every person paid by a contractor or subcon-
16 tractor in any manner for the person's work on the project.

17 (b) Projects for which no funds of a public agency are directly or indirectly used. In accordance
18 with ORS chapter 183, the Commissioner of the Bureau of Labor and Industries shall adopt rules to
19 carry out the provisions of this paragraph.

20 (c) Projects:

21 (A) That are privately owned;

22 (B) That use funds of a private entity;

23 (C) In which less than 25 percent of the square footage of a completed project will be occupied
24 or used by a public agency; and

25 (D) For which less than \$750,000 of funds of a public agency are used.

26 (d) Projects for residential construction that are privately owned and that predominantly provide
27 affordable housing. As used in this paragraph:

28 (A) "Affordable housing" means housing that serves occupants whose incomes are no greater
29 than 60 percent of the area median income or, if the occupants are owners, whose incomes are no
30 greater than 80 percent of the area median income.

31 (B) "Predominantly" means 60 percent or more.

32 (C) "Privately owned" includes:

33 (i) Affordable housing provided on real property owned by a public agency if the real property
34 and related structures are leased to a private entity for 50 or more years; and

35 (ii) Affordable housing owned by a partnership, nonprofit corporation or limited liability com-
36 pany in which a housing authority, as defined in ORS 456.005, is a general partner, director or
37 managing member and the housing authority is not a majority owner in the partnership, nonprofit
38 corporation or limited liability company.

39 (D) "Residential construction" includes the construction, reconstruction, major renovation or
40 painting of single-family houses or apartment buildings not more than four stories in height and all
41 incidental items, such as site work, parking areas, utilities, streets and sidewalks, pursuant to the
42 United States Department of Labor's "All Agency Memorandum No. 130: Application of the Standard
43 of Comparison "Projects of a Character Similar" Under Davis-Bacon and Related Acts," dated
44 March 17, 1978. However, the commissioner may consider different definitions of residential con-
45 struction in determining whether a project is a residential construction project for purposes of this

1 paragraph, including definitions that:

2 (i) Exist in local ordinances or codes; or

3 (ii) Differ, in the prevailing practice of a particular trade or occupation, from the United States
4 Department of Labor’s description of residential construction.

5 (e) **A determination or payment of the applicable rate of wage for a worker on public
6 works who is a participant in a pre-apprenticeship program, including a program authorized
7 or implemented under Title I, Subtitle C, of the federal Workforce Innovation and Opportu-
8 nity Act (P.L. 113-128) and regulations under 20 C.F.R. part 686, both as in effect on the ef-
9 fective date of this 2025 Act.**

10 **SECTION 2. The amendments to ORS 279C.810 by section 1 of this 2025 Act apply to
11 procurements for public works that a contracting agency advertises or otherwise solicits or,
12 if the contracting agency does not advertise or solicit the procurement for public works, to
13 a contract for public works that the contracting agency enters into on or after the effective
14 date of this 2025 Act.**

15 **SECTION 3. This 2025 Act takes effect on the 91st day after the date on which the 2025
16 regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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