



March 4, 2025

TO: Members of the House Committee on Revenue

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 2871

Chair Nathanson, Vice-Chair Walters, Vice-Chair Reschke, members of the House Committee on Revenue. For the record, I am Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 2871. By requiring businesses receiving 20 percent or more of their gross receipts from public contracts to report detailed financial information, HB 2871 would impose an unnecessary administrative burden for many businesses and reduce the number of businesses that bid for public contracts.

HB 2871 would require additional time, resources, and accounting that many businesses in Oregon would struggle to perform and simply cannot afford. OBI is especially worried the administrative burden imposed by HB 2871 would cause many businesses – especially small businesses – to avoid taking contracts to provide childcare, education, construction, housing, health care, and many additional services for which the public agencies currently contract with businesses.

Without solving for a demonstrated need, HB 2871 would almost certainly reduce the pool of potential businesses that bid for public contracts to the businesses that are sophisticated enough and have the resources to accurately track whether they have met the 20 percent threshold. Policy should allow robust competition in the public contracting process so that public agencies can choose the business or entity that provide the best benefit for Oregon taxpayers. By potentially discouraging otherwise qualified businesses from engaging in that process, HB 2871 is at odds with that goal.

For those reason, OBI respectfully requests that this committee oppose HB 2871. Thank you for your consideration.

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