

Enrolled
House Bill 4016

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue for Representative Nancy Nathanson)

CHAPTER

AN ACT

Relating to tax compliance; creating new provisions; amending ORS 279B.110, 305.380 and 305.385; and prescribing an effective date.

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

SECTION 1. ORS 305.380 is amended to read:

305.380. As used in **this section and** ORS 305.385:

(1) "Agency" means any department, board, commission, division or authority of the State of Oregon, or any political subdivision of this state [which] **that** imposes a local tax administered by the Department of Revenue under ORS 305.620.

(2) "License" means any written authority required by law or ordinance as a prerequisite to the conduct of a business, trade or profession.

(3) "Owner" means an owner, as defined in ORS 60.470, that has at least a 20 percent ownership interest of a provider.

[3] (4) "Provider" means any person who contracts to supply goods, services or real estate space to an agency.

[4(a)] **(5)(a) "Tax" means state taxes administered by the department under the tax laws of this state and local taxes administered by the department under ORS 305.620, and any associated penalties and interest imposed in addition to the tax.**

(b) "Tax" does not include ad valorem property taxes collected by counties.

SECTION 2. ORS 305.385 is amended to read:

305.385. (1) Upon request of the Department of Revenue, an agency issuing or renewing a license to conduct a business, trade or profession shall annually, on or before March 1, supply the department with a list of specified licenses issued or renewed by the agency during the preceding calendar year.

(2) Upon request of the department, an agency shall annually, on or before March 1, supply the department with a list of specified persons contracting with the agency to provide goods, services or real estate space to the agency during the preceding calendar year.

(3) The lists required by subsections (1) and (2) of this section shall contain the name, address, Social Security or federal employer identification number of each licensee or provider or such other information as the department may by rule require.

(4)(a) If the department determines that any licensee or provider has neglected or refused to file any return or to pay any tax and that such person has not filed in good faith a petition before the department contesting the tax, and the department has been unable to obtain payment of the tax through other methods of collection, the Director of the Department of Revenue may,

notwithstanding ORS 118.525, 314.835 or 314.840 or any similar provision of law, notify the agency and the person in writing.

(b) Upon receipt of such notice, the agency shall refuse to reissue, renew or extend any license, contract or agreement until the agency receives a certificate issued by the department that the person is in good standing with respect to any returns due and taxes payable to the department as of the date of the certificate.

(c) Upon the written request of the director and after a hearing and notice to the licensee as required under any applicable provision of law, the agency shall suspend the person's license if the agency finds that the returns and taxes have not been filed or paid and that the licensee has not filed in good faith a petition before the department contesting the tax and the department has been unable to obtain payment of the tax through other methods of collection. For the purpose of the agency's findings, the written representation to that effect by the department to the agency shall constitute prima facie evidence of the person's failure to file returns or pay the tax. The department shall have the right to intervene in any license suspension proceeding.

(d) Any license suspended under this subsection [*shall*] **may** not be reissued or renewed until the agency receives a certificate issued by the department that the licensee is in good standing with respect to any returns due and taxes payable to the department as of the date of the certificate.

(5) The department may enter into an installment payment agreement with a licensee or provider with respect to any unpaid tax, penalty and interest. The agreement shall provide for interest on the outstanding amount at the rate prescribed by ORS 305.220. The department may issue a provisional certificate of good standing pursuant to subsection (4)(b) and (d) of this section which shall remain in effect so long as the licensee or provider fully complies with the terms of the installment agreement. Failure by the licensee or provider to fully comply with the terms of the installment agreement shall render the agreement and the provisional certificate of good standing null and void, unless the department determines that the failure was due to reasonable cause. If the department determines that the failure was not due to reasonable cause, the total amount of the tax, penalty and interest shall be immediately due and payable, and the department shall notify any affected agency that the licensee or provider is not in good standing. The agency shall then take appropriate action under subsection (4)(b) and (d) of this section.

[(6) No contract or other agreement for the purpose of providing goods, services or real estate space to any agency shall be entered into, renewed or extended with any person, unless the person certifies in writing, under penalty of perjury, that the person is, to the best of the person's knowledge, not in violation of any tax laws described in ORS 305.380 (4).]

(6) A contract or other agreement for the purpose of providing goods, services or real estate space to any agency, other than a political subdivision of this state, may not be entered into, renewed or extended with any provider or owner, unless at the time of contracting with an agency:

(a) The provider and owner certify in writing, under penalty of perjury, that to the best of the person's knowledge the provider or owner is not in violation of any tax laws described in ORS 305.380; and

(b) The provider and each owner submit certificates issued by the department stating that, as of the date of the certificate, the provider or owner is not in violation of any tax laws described in ORS 305.380.

(7) The [*certification*] **certificate** under subsection (6) of this section shall be required for each contract, [*and*] renewal or extension of a contract [*or may be provided on an annual basis*] **and increase in contract value and must be dated no earlier than six months prior to the date that the provider contracts with the agency.** A [*certification shall not be*] **certificate is not** required for a contract if the consideration for the goods, services or real estate space provided under the contract is no more than [*\$1,000*] **\$250,000.**

(8) A contract may not be executed if a certificate as described in subsection (6) of this section is not provided to the agency.

(9) Upon request of a provider, if the provider and each owner are not in violation of any tax laws described in ORS 305.380, the department shall, within 14 days after the request, issue to the provider and each owner a certificate as described in subsection (6) of this section.

[(8)(a)] **(10)(a)** The requirements of the *[certification]* **certificate** under subsection (6) of this section shall be subject to the rules adopted by the department in accordance with this section.

(b) The department may by rule exempt certain contracts from the requirements of subsection (6) of this section.

SECTION 3. ORS 279B.110 is amended to read:

279B.110. (1) As part of a contracting agency's evaluation of a bid or proposal, the contracting agency shall determine whether the bidder or proposer is responsible in accordance with the standards of responsibility set forth in subsection (2) of this section. If the contracting agency determines that a bidder or proposer is not responsible, the contracting agency shall provide the bidder or proposer with written notice of the contracting agency's determination.

(2) In order for a contracting agency to determine that a bidder or proposer is responsible, the bidder or proposer must demonstrate to the contracting agency that the bidder or proposer:

(a) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.

(b) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this paragraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within the bidder's or proposer's control, the bidder or proposer stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. The contracting agency shall document the bidder's or proposer's record of performance if the contracting agency finds under this paragraph that the bidder or proposer is not responsible.

(c) Has a satisfactory record of integrity. The contracting agency in evaluating the bidder's or proposer's record of integrity may consider, among other things, whether the bidder or proposer has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the bidder's or proposer's performance of a contract or subcontract. The contracting agency shall document the bidder's or proposer's record of integrity if the contracting agency finds under this paragraph that the bidder or proposer is not responsible.

(d) Is legally qualified to contract with the contracting agency.

[(e) Complied with the tax laws of the state or a political subdivision of the state, including ORS 305.620 and ORS chapters 316, 317 and 318. The bidder or proposer shall demonstrate compliance by attesting to the bidder's or proposer's compliance in any way the contracting agency deems credible and convenient.]

(e) Is not in violation of any tax laws described in ORS 305.380. If the anticipated price of a public contract that a contracting agency awards or renews is \$250,000 or less, the bidder or proposer shall demonstrate compliance by attesting to the bidder's or proposer's compliance in any manner the contracting agency deems credible and convenient. If the anticipated price of a public contract that a state contracting agency awards or renews is more than \$250,000, the bidder or proposer shall submit to the state contracting agency a certificate from the Department of Revenue, as provided in ORS 305.385 (6).

(f) Possesses an unexpired certificate that the Oregon Department of Administrative Services issued under ORS 279A.167 if the bidder or proposer employs 50 or more full-time workers and submitted a bid or proposal for a procurement with an estimated contract price that exceeds \$500,000 in response to an advertisement or solicitation from a state contracting agency.

(g) Supplied all necessary information in connection with the inquiry concerning responsibility. If a bidder or proposer fails to promptly supply information concerning responsibility that the contracting agency requests, the contracting agency shall determine the bidder's or proposer's responsibility based on available information or may find that the bidder or proposer is not responsible.

(h) Was not debarred by the contracting agency under ORS 279B.130.

(3) A contracting agency may refuse to disclose outside of the contracting agency confidential information furnished by a bidder or proposer under this section when the bidder or proposer has clearly identified in writing the information the bidder or proposer seeks to have treated as confidential and the contracting agency has authority under ORS 192.311 to 192.478 to withhold the identified information from disclosure.

SECTION 4. The amendments to ORS 279B.110, 305.380 and 305.385 by sections 1 to 3 of this 2026 Act become operative on January 1, 2027.

SECTION 5. (1) The Secretary of State shall study methods for ensuring that information collected by the Corporation Division of the Office of the Secretary of State in its business registry function from persons doing business in this state is collected and retained in a manner most effective to ensure compliance with the tax laws of this state by those that are doing business in this state. This information includes names and addresses of persons doing business in this state.

(2) In the study required under this section, the secretary shall review methods to:

(a) Ensure that all business owners are properly registered.

(b) Verify that provided physical addresses of business owners are accurate.

(c) Use technology to detect variations in provided names and addresses and other data and multiple uses of addresses.

(d) Expand the authority of the secretary to review and investigate applications for registration.

(e) Ensure appropriate enforcement and penalties for failure to provide current, accurate or valid information.

(3) In the study required under this section, the secretary shall assess whether the current statutes and rules applicable to the secretary's business registry functions and current division capacity are sufficient to ensure a business registry that is reliable and current and has sufficient information to be useful for purposes of state agencies or consumers seeking to verify information about businesses operating in this state.

(4) The secretary shall consult with the Department of Revenue, the Department of Justice and the Legislative Revenue Officer in the preparation of the study and reports required under this section.

(5) The secretary shall submit reports on the findings of the study required under this section, in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim or regular committees of the Legislative Assembly related to revenue. The secretary shall submit a preliminary report no later than December 31, 2026, and a final report no later than the conclusion of the 2027 regular session of the Legislative Assembly.

SECTION 6. Section 5 of this 2026 Act is repealed on January 2, 2028.

SECTION 7. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Revenue by section 1 (3), chapter 553, Oregon Laws 2025, for the biennium ending June 30, 2027, for the Personal Tax and Compliance Division, is increased by \$262,503, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 8. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (3), chapter 553, Oregon Laws 2025, for the biennium ending June 30, 2027, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter 553, Oregon Laws 2025, collected or received by the Department of Revenue, for the Personal Tax and Compliance Division, is increased by \$6,358, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 9. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Revenue by section 1 (4), chapter 553, Oregon Laws 2025, for the

biennium ending June 30, 2027, for the Business Division, is increased by \$41,928, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 10. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (4), chapter 553, Oregon Laws 2025, for the biennium ending June 30, 2027, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter 553, Oregon Laws 2025, collected or received by the Department of Revenue, for the Business Division, is increased by \$42,626, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 11. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Revenue by section 1 (5), chapter 553, Oregon Laws 2025, for the biennium ending June 30, 2027, for the Collections Division, is increased by \$44,417, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 12. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (5), chapter 553, Oregon Laws 2025, for the biennium ending June 30, 2027, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in section 2, chapter 553, Oregon Laws 2025, collected or received by the Department of Revenue, for the Collections Division, is increased by \$25,721, for the purpose of carrying out section 2 of this 2026 Act.

SECTION 13. This 2026 Act takes effect on the 91st day after the date on which the 2026 regular session of the Eighty-third Legislative Assembly adjourns sine die.

Passed by House March 4, 2026

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate March 6, 2026

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2026

Approved:

.....M.,....., 2026

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2026

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Tobias Read, Secretary of State