# House Bill 3216

Sponsored by Representative SMITH G (Presession 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: Tells people who must pay a certain wage to workers who do construction on public works to send to a state agency reports about what they pay the workers. Says that the reports must be done online at a particular website. Tells the state agency to create the website and make it ready for use by the beginning of 2027. (Flesch Readability Score: 63.8).

Requires contractors and subcontractors that must report compliance with the prevailing wage

Requires contractors and subcontractors that must report compliance with the prevailing wage laws to submit certified statements and reports showing compliance to the Bureau of Labor and Industries by means of a centralized system and electronic portal. Directs the bureau to develop and implement an appropriate electronic portal. Lists specifications for and required elements of the electronic portal.

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

#### A BILL FOR AN ACT

Relating to a system for submitting certified statements required for reporting compliance with the prevailing wage laws; creating new provisions; amending ORS 279C.533 and 279C.845; and prescribing an effective date.

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

- **SECTION 1.** ORS 279C.533 is amended to read:
- 7 279C.533. (1) As used in this section:

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- (a) "Apprentice" has the meaning given that term in ORS 660.010.
- 9 (b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.
- 10 (c) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.
  - (d) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting, selecting, employing and training apprentices in an apprenticeable occupation.
  - (e) "Minority individual" has the meaning given that term in ORS 200.005.
  - (f) "Qualifying agency" means:
    - (A) A state contracting agency; and
    - (B) The Higher Education Coordinating Commission, a public university listed in ORS 352.002 and a community college district, as defined in ORS 341.005, to the extent that the commission, the university or the district uses funds paid directly or indirectly from the State Treasury for all or a portion of the construction costs of a public improvement.
      - (g) "Veteran" has the meaning given that term in ORS 408.225.
      - (h) "Woman" has the meaning given that term in ORS 200.005.
    - (2) A qualifying agency shall provide in each public improvement contract for which the contract price exceeds \$3 million that the contractor shall:
      - (a) Employ apprentices to perform 12 percent or more of the work hours that workers in

**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.

apprenticeable occupations perform for each contract on the public improvement; and

- (b) Require in each subcontract with a contract price of \$750,000 or more that the subcontractor employ apprentices to perform 12 percent or more of the work hours that workers in apprenticeable occupations perform on the subcontract.
- (3) A contractor or subcontractor shall pay an apprentice for work on the public improvement at the hourly rate to which the apprentice is entitled under an apprenticeship agreement or that the apprenticeship training program specifies.
- (4)(a) A qualifying agency shall require as a material provision of a public improvement contract that the contractor establish and implement a plan for outreach to and recruitment and retention of women, minority individuals and veterans to perform work under the public improvement contract, with an aspirational target of having individuals in one or more of these groups to compose at least 15 percent of the total number of workers who perform work under the public improvement contract. A contractor's plan for outreach, recruitment and retention must require the contractor to, at a minimum:
- (A) Advertise employment opportunities available under the public improvement contract in general circulation publications, trade association publications and publications that serve an audience or readership that consists primarily of minority individuals, women or veterans;
- (B) Follow up on the contractor's initial solicitations of interest by contacting minority individuals, women or veterans who expressed interest in or responded to the initial solicitation to determine with certainty whether the minority individual, woman or veteran is interested in the opportunities described in subparagraph (A) of this paragraph;
- (C) Provide all persons who express continued interest with adequate information about hiring qualifications, pay rates, benefits, the expected duration of employment, work hours and other conditions of employment under the public improvement contract;
- (D) Make efforts to encourage minority individuals, women and veterans to seek employment under the public improvement contract that the contractor may reasonably expect will produce a level of participation that meets the aspirational target described in this paragraph; and
- (E) Use the services of minority community organizations, local, state, federal and tribal governments or other organizations that have recruiting, training and otherwise assisting minority individuals, women and veterans as the organization's primary purpose or mission to assist the contractor with outreach, recruitment and retention.
- (b) A contractor shall demonstrate adequate good faith efforts to comply with the requirements of paragraph (a) of this subsection.
- (c) A contractor shall require any subcontractor with which the contractor has a subcontract with a contract price of \$750,000 or more to comply with the requirements set forth for the contractor in paragraph (a) of this subsection.
- (5)(a) A contractor shall report the extent of the contractor's compliance with this section and the compliance of a subcontractor described in subsection (4)(c) of this section to the [qualifying agency] Bureau of Labor and Industries on forms, in a format and with contents the Commissioner of the Bureau of Labor and Industries specifies by rule, and at regular intervals that the qualifying agency specifies in the public improvement contract.
- (b) [A qualifying agency] **The bureau** shall require the contractor to submit for each contract and subcontract the report described in paragraph (a) of this subsection as part of, or as a supplement to, certified statements required under ORS 279C.845, shall require contractors to preserve the reports as provided for certified statements in ORS 279C.845 (5), may disclose the reports as pro-

- vided in ORS 279C.845 (6) and may enforce a failure to submit a report as provided in ORS 279C.845
- 2 (7). The reports described in this subsection must include, at a minimum, for each contract or sub-3 contract related to the public improvement contract:
- 4 (A) The name of or other identification for the public improvement project;
  - (B) The city or county in which the public improvement project is located;
    - (C) A detailed accounting of:

- 7 (i) The total number of hours of work that workers performed under each contract and subcon-8 tract;
  - (ii) The total number of hours of work that workers performed in each apprenticeable trade or craft for each contract and subcontract on the public improvement;
  - (iii) The total number of hours of work that apprentices performed for each contract and subcontract on the public improvement; and
  - (iv) The total number of hours of work that apprentices in each trade or craft performed for each contract and subcontract on the public improvement; and
  - (D) The total number of workers who performed construction work and the total numbers of minority individuals, women and veterans who performed construction work under the public improvement contract. A report under this subparagraph must separately list for each worker the worker's race, ethnicity, gender, veteran status and, as applicable, trade, craft or job category. The Commissioner of the Bureau of Labor and Industries by rule may specify a method for identifying, collecting and reporting the information required under this subparagraph, which may consist of methods the United States Equal Employment Opportunity Commission prescribes in regulations the United States Equal Employment Opportunity Commission adopts under Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e et seq.
  - (6) At least 30 days before making any final payment to a contractor under a public improvement contract, a qualifying agency shall determine the extent of the contractor's compliance with the requirements in subsections (2) and (3) of this section. The qualifying agency shall base the determination on the ratio between the actual number of work hours that workers in apprenticeable occupations performed for each contract and subcontract on the public improvement and the actual number of work hours that apprentices performed for each contract and subcontract on the public improvement, as shown in reports the [qualifying agency receives] contractor submits under subsection (5) of this section.
  - (7)(a) Not later than 30 days after making a final payment to a contractor under a public improvement contract, a qualifying agency shall report to the Bureau of Labor and Industries [the information the qualifying agency collected from the contractor under subsection (5) of this section, together with] the qualifying agency's determination under subsection (6) of this section as to whether the contractor and any subcontractor met the requirements for employing and paying apprentices set forth in subsections (2) and (3) of this section. The bureau may specify the form and contents of a report under this paragraph and may require the qualifying agency to also report aggregated data.
  - (b) Not later than January 2 of each odd-numbered year, the bureau shall report to a committee of the Legislative Assembly that considers matters related to apprenticeship and apprenticeship utilization on public improvement contracts the following data concerning each public improvement contract and subcontract that each qualifying agency completed within the previous two years:
  - (A) The total number of hours of work that workers performed for each contract or subcontract on all public improvement projects;

- (B) The total number of hours of work that workers performed in each apprenticeable trade and craft for each contract and subcontract on all public improvement projects;
- (C) The total number of hours of work that apprentices performed for each contract and subcontract on all public improvement projects;
- (D) The total number of hours of work that apprentices in each apprenticeable trade or craft performed for each contract and subcontract on all public improvement projects;
- (E) The total number of minority individuals, women and veterans who performed work on the public improvement projects; and
- (F) Any additional information the bureau determines is necessary to carry out the purposes of this section.
- (8)(a) A qualifying agency shall reduce the payment due under a public improvement contract to a contractor that does not meet the requirements set forth under subsections (2) and (3) of this section. The amount of the reduction must be equivalent to the difference between the total number of work hours that apprentices in apprenticeable occupations should have performed on the public improvement project to meet the requirement set forth in subsection (2) of this section less the total number of work hours that apprentices in apprenticeable occupations actually performed on the public improvement project, multiplied by \$15 per hour.
- (b) The qualifying agency shall pay the amount of the reduction under paragraph (a) of this subsection to the State Treasury to the credit of the Bureau of Labor and Industries Account established under ORS 651.160. The bureau shall use the amount deposited to fund expansions of apprenticeship training programs, with a focus on programs in areas of this state where contractors did not meet the targets specified in subsection (2) of this section.
- (c) A contractor, in a subcontract related to the contractor's public improvement contract, may provide to the same extent described in paragraph (a) of this subsection for a reduction in the amount due to the subcontractor if the subcontractor fails to perform the subcontract in accordance with the contractor's requirements under subsections (2) and (3) of this section. The contractor may also provide in the contract for a reduction in the amount due a subcontractor that fails to comply with subsection (4)(c) of this section.
- (9) This section does not apply to a public contract that a qualifying agency enters into under ORS 279B.080.
- **SECTION 2.** ORS 279C.533, as amended by section 2, chapter 504, Oregon Laws 2023, is amended to read:

279C.533. (1) As used in this section:

- (a) "Apprentice" has the meaning given that term in ORS 660.010.
- (b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.
- (c) "Apprenticeship agreement" has the meaning given that term in ORS 660.010.
- (d) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting, selecting, employing and training apprentices in an apprenticeable occupation.
  - (e) "Minority individual" has the meaning given that term in ORS 200.005.
  - (f) "Qualifying agency" means:
  - (A) A state contracting agency; and
- (B) The Higher Education Coordinating Commission, a public university listed in ORS 352.002 and a community college district, as defined in ORS 341.005, to the extent that the commission, the

university or the district uses funds paid directly or indirectly from the State Treasury for all or a portion of the construction costs of a public improvement.

- (g) "Veteran" has the meaning given that term in ORS 408.225.
- (h) "Woman" has the meaning given that term in ORS 200.005.

- (2) A qualifying agency shall provide in each public improvement contract for which the contract price exceeds \$3 million that the contractor shall:
- (a) Employ apprentices to perform 15 percent or more of the work hours that workers in apprenticeable occupations perform for each contract on the public improvement; and
- (b) Require in each subcontract with a contract price of \$750,000 or more that the subcontractor employ apprentices to perform 15 percent or more of the work hours that workers in apprenticeable occupations perform on the subcontract;
- (3) A contractor or subcontractor shall pay an apprentice for work on the public improvement at the hourly rate to which the apprentice is entitled under an apprenticeship agreement or that the apprenticeship training program specifies.
- (4)(a) A qualifying agency shall require as a material provision of a public improvement contract that the contractor establish and implement a plan for outreach to and recruitment and retention of women, minority individuals and veterans to perform work under the public improvement contract, with an aspirational target of having individuals in one or more of these groups to compose at least 15 percent of the total number of workers who perform work under the public improvement contract. A contractor's plan for outreach, recruitment and retention must require the contractor to, at a minimum:
- (A) Advertise employment opportunities available under the public improvement contract in general circulation publications, trade association publications and publications that serve an audience or readership that consists primarily of minority individuals, women or veterans;
- (B) Follow up on the contractor's initial solicitations of interest by contacting minority individuals, women or veterans who expressed interest in or responded to the initial solicitation to determine with certainty whether the minority individual, woman or veteran is interested in the opportunities described in subparagraph (A) of this paragraph;
- (C) Provide all persons who express continued interest with adequate information about hiring qualifications, pay rates, benefits, the expected duration of employment, work hours and other conditions of employment under the public improvement contract;
- (D) Make efforts to encourage minority individuals, women and veterans to seek employment under the public improvement contract that the contractor may reasonably expect will produce a level of participation that meets the aspirational target described in this paragraph; and
- (E) Use the services of minority community organizations, local, state, federal and tribal governments or other organizations that have recruiting, training and otherwise assisting minority individuals, women and veterans as the organization's primary purpose or mission to assist the contractor with outreach, recruitment and retention.
- (b) A contractor shall demonstrate adequate good faith efforts to comply with the requirements of paragraph (a) of this subsection.
- (c) A contractor shall require any subcontractor with which the contractor has a subcontract with a contract price of \$750,000 or more to comply with the requirements set forth for the contractor in paragraph (a) of this subsection.
- (5)(a) A contractor shall report the extent of the contractor's compliance with this section and the compliance of a subcontractor described in subsection (4)(c) of this section to the [qualifying

agency] Bureau of Labor and Industries on forms, in a format and with contents the Commissioner of the Bureau of Labor and Industries specifies by rule, and at regular intervals that the qualifying agency specifies in the public improvement contract.

- (b) [A qualifying agency] **The bureau** shall require the contractor to submit for each contract and subcontract the report described in paragraph (a) of this subsection as part of, or as a supplement to, certified statements required under ORS 279C.845, shall require contractors to preserve the reports as provided for certified statements in ORS 279C.845 (5), may disclose the reports as provided in ORS 279C.845 (6) and may enforce a failure to submit a report as provided in ORS 279C.845 (7). The reports described in this subsection must include, at a minimum, for each contract or subcontract related to the public improvement contract:
  - (A) The name of or other identification for the public improvement project;
  - (B) The city or county in which the public improvement project is located;
  - (C) A detailed accounting of:

- (i) The total number of hours of work that workers performed under each contract and subcontract;
- (ii) The total number of hours of work that workers performed in each apprenticeable trade or craft for each contract and subcontract on the public improvement;
- (iii) The total number of hours of work that apprentices performed for each contract and subcontract on the public improvement; and
- (iv) The total number of hours of work that apprentices in each trade or craft performed for each contract and subcontract on the public improvement; and
- (D) The total number of workers who performed construction work and the total numbers of minority individuals, women and veterans who performed construction work under the public improvement contract. A report under this subparagraph must separately list for each worker the worker's race, ethnicity, gender, veteran status and, as applicable, trade, craft or job category. The Commissioner of the Bureau of Labor and Industries by rule may specify a method for identifying, collecting and reporting the information required under this subparagraph, which may consist of methods the United States Equal Employment Opportunity Commission prescribes in regulations the United States Equal Employment Opportunity Commission adopts under Title VII of the Civil Rights Act of 1964, 42 U.S.C. 2000e et seq.
- (6) At least 30 days before making any final payment to a contractor under a public improvement contract, a qualifying agency shall determine the extent of the contractor's compliance with the requirements in subsections (2) and (3) of this section. The qualifying agency shall base the determination on the ratio between the actual number of work hours that workers in apprenticeable occupations performed for each contract and subcontract on the public improvement and the actual number of work hours that apprentices performed for each contract and subcontract on the public improvement, as shown in reports the [qualifying agency receives] contractor submits under subsection (5) of this section.
- (7)(a) Not later than 30 days after making a final payment to a contractor under a public improvement contract, a qualifying agency shall report to the Bureau of Labor and Industries [the information the qualifying agency collected from the contractor under subsection (5) of this section, together with] the qualifying agency's determination under subsection (6) of this section as to whether the contractor and any subcontractor met the requirements for employing and paying apprentices set forth in subsections (2) and (3) of this section. The bureau may specify the form and contents of a report under this paragraph and may require the qualifying agency to also report ag-

gregated data.

- (b) Not later than January 2 of each odd-numbered year, the bureau shall report to a committee of the Legislative Assembly that considers matters related to apprenticeship and apprenticeship utilization on public improvement contracts the following data concerning each public improvement contract and subcontract that each qualifying agency completed within the previous two years:
- (A) The total number of hours of work that workers performed for each contract or subcontract on all public improvement projects;
- (B) The total number of hours of work that workers performed in each apprenticeable trade or craft for each contract and subcontract on all public improvement projects;
- (C) The total number of hours of work that apprentices performed for each contract and subcontract on all public improvement projects;
- (D) The total number of hours of work that apprentices in each apprenticeable trade or craft performed for each contract and subcontract on all public improvement projects;
- (E) The total number of minority individuals, women and veterans who performed work on the public improvement projects; and
- (F) Any additional information the bureau determines is necessary to carry out the purposes of this section.
- (8)(a) A qualifying agency shall reduce the payment due under a public improvement contract to a contractor that does not meet the requirements set forth under subsections (2) and (3) of this section. The amount of the reduction must be equivalent to the difference between the total number of work hours that apprentices in apprenticeable occupations should have performed on the public improvement project to meet the requirement set forth in subsection (2) of this section less the total number of work hours that apprentices in apprenticeable occupations actually performed on the public improvement project, multiplied by \$15 per hour.
- (b) The qualifying agency shall pay the amount of the reduction under paragraph (a) of this subsection to the State Treasury to the credit of the Bureau of Labor and Industries Account established under ORS 651.160. The bureau shall use the amount deposited to fund expansions of apprenticeship training programs, with a focus on programs in areas of this state where contractors did not meet the targets specified in subsection (2) of this section.
- (c) A contractor, in a subcontract related to the contractor's public improvement contract, may provide to the same extent described in paragraph (a) of this subsection for a reduction in the amount due to the subcontractor if the subcontractor fails to perform the subcontract in accordance with the contractor's requirements under subsections (2) and (3) of this section. The contractor may also provide in the contract for a reduction in the amount due a subcontractor that fails to comply with subsection (4)(c) of this section.
- (9) This section does not apply to a public contract that a qualifying agency enters into under ORS 279B.080.

## **SECTION 3.** ORS 279C.845 is amended to read:

- 279C.845. (1) [*The*] **A** contractor or the contractor's surety and every subcontractor or the subcontractor's surety shall file certified statements with the [*public agency*] **Bureau of Labor and Industries** in writing, on a form prescribed by the Commissioner of the Bureau of Labor and Industries, certifying:
- (a) The hourly rate of wage paid each worker whom the contractor or the subcontractor has employed upon the public works; and
  - (b) That no worker employed upon the public works has been paid less than the prevailing rate

of wage or less than the minimum hourly rate of wage specified in the contract.

- (2) The [certified statement shall be verified by the oath of the] contractor or the contractor's surety or the subcontractor or the subcontractor's surety shall verify by oath in the certified statement that the contractor or subcontractor has read the certified statement, that the contractor or subcontractor knows the contents of the certified statement and that to the contractor or subcontractor's knowledge the certified statement is true.
- (3) The certified statements [shall] **must** set out accurately and completely the contractor's or subcontractor's payroll records, including the name and address of each worker, the worker's correct classification, rate of pay, daily and weekly number of hours worked and the gross wages the worker earned upon the public works during each week identified in the certified statement.
- (4) The contractor or subcontractor shall [deliver or mail] complete each certified statement required by subsection (1) of this section [to the public agency] by means of an electronic portal that the bureau maintains for the purpose of receiving certified statements. Certified statements for each week during which the contractor or subcontractor employs a worker upon the public works [shall] must be submitted once a month, by the fifth business day of the following month. Information submitted on certified statements may be used only to ensure compliance with the provisions of ORS 279C.800 to 279C.870.
- (5) Each contractor or subcontractor shall preserve a **record of** the certified statements for a period of three years [from] after the date of completion of the contract.
- (6) Certified statements [received by a public agency] are public records subject to the provisions of ORS 192.311 to 192.478.
- (7) Notwithstanding ORS 279C.555 or 279C.570 (7), if a contractor [is required to] must file certified statements under this section, the public agency shall retain 25 percent of any amount [earned by] the contractor earns on the public works until the contractor has filed [with the public agency] certified statements as required by this section. The public agency shall pay the contractor the amount retained under this subsection within 14 days after the contractor files the certified statements as required by this section, regardless of whether a subcontractor has failed to file certified statements as required by this section. Neither the public agency nor the bureau is [not] required to verify the truth of the contents of certified statements [filed by] the contractor files under this section.
- (8) Notwithstanding ORS 279C.555, the contractor shall retain 25 percent of any amount [earned by] a first-tier subcontractor earns on a public works until the subcontractor has filed with the [public agency] certified statements as required by this section. The contractor shall verify that the first-tier subcontractor has filed the certified statements before the contractor may pay the subcontractor any amount retained under this subsection. The contractor shall pay the first-tier subcontractor the amount retained under this subsection within 14 days after the subcontractor files the certified statements as required by this section. Neither the public agency, the bureau nor the contractor is required to verify the truth of the contents of certified statements filed by a first-tier subcontractor under this section.
- (9)(a) The bureau shall devise and implement a secure electronic system for receiving, filing and storing, for later retrieval, certified statements required under this section and the reports required under ORS 279C.533 (5). The system must:
  - (A) Allow access via the Internet and by means of a mobile device;
- (B) Include security features that enable a person to verify the person's identity and that bar unauthorized access to the account the person uses to submit a certified statement or

report and unauthorized access to the contents of the certified statement or report the person submits;

- (C) Provide a standardized form for certified statements and reports that makes entry of required information as simple, quick and direct as possible while allowing for submission of unanticipated information, explanations or other data where necessary or useful;
- (D) Provide a means by which a person may print or retain an electronic copy of the completed form with all information that a contractor or subcontractor must retain as a record of the certified statement under subsection (5) of this section;
- (E) Provide a means by which a person can electronically sign, authenticate and verify by oath the truth of the information the person submits in the certified statement or report;
- (F) Provide a means by which a public agency charged with determining a contractor's or subcontractor's compliance with ORS 279C.800 to 279C.870 can easily retrieve information needed to make the determination; and
- (G) Allow keyword searches of completed certified statements and reports that enable interested persons to find any certified statement or report completed and submitted via the electronic portal by entering:
  - (i) A contractor's or subcontractor's name, address or other contact information;
- (ii) The name of a worker whose wages the contractor or subcontractor paid in connection with work on the public works;
- (iii) The date of the certified statement or report or the date on which a worker worked on the public works;
  - (iv) A worker's job classification or rate of pay; or
- (v) Other data that would enable interested persons to find a specific certified statement or report.
- (b) In addition to the electronic portal described in paragraph (a) of this subsection, the bureau shall provide adequate resources to receive, file and store printed certified statements or reports delivered or mailed by persons that are unable to gain access to the electronic portal or otherwise unable to submit certified statements or reports via the electronic portal.
- SECTION 4. (1)(a) To the extent practicable, the Bureau of Labor and Industries shall complete development of, or contract with another person to develop, the electronic portal described in ORS 279C.845 (9) and have the electronic portal, together with all necessary personnel and support to enable the electronic portal and the certified statement reporting system as a whole to function as intended, available for submitting and receiving certified statements and reports not later than December 31, 2026.
- (b) The bureau shall report progress on development of the portal to an interim committee of the Legislative Assembly related to public procurement at least once each quarter until development on the electronic portal is complete and the electronic portal is available for use.
- (2) The amendments to ORS 279C.533 and 279C.845 by sections 1 to 3 of this 2025 Act apply to certified statements and reports that a person submits on and after January 1, 2027.
- <u>SECTION 5.</u> This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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