



2015 Mid-Session Legislative Report

QUICK LOOK SUMMARY

Last week, the 2015 Legislative Session reached its first crucial deadline. Most bills not voted on as of last Tuesday's self-imposed deadline are likely not moving forward in this session. To date, AGC has closely tracked over 250 of the 3,500 bills introduced. The bills most critical to our industry and members include: proposed laws to expand prevailing wage to private work, multiple proposals to change Oregon's responsible bidding requirements, and attempts to impose California off-road clean diesel requirements on our industry.

At this mid-point, AGC has been able to defeat or modify many but not all of the bills directly aimed at our industry. In addition, there remain many general business proposals that AGC and its partners are working to defeat that would impact the broader business climate. These bills include: expanded Bureau of Labor and Industries (BOLI) authority, mandated paid sick leave, workers' compensation, and flexible schedules.

With its coalition partners, AGC continues to advocate aggressively for substantial new investments in career technical education programs and the need to fund Oregon's transportation infrastructure. The Oregon Legislature's ability to make these investments will likely remain a question until much closer to the end of the session, expected at the end of June or early July.

This report is intended to provide the highlights on the bills and issues most crucial to our industry and members. If you have questions on these bills or AGC's positions, please contact [John Rakowitz](mailto:John.Rakowitz@agc.org), 503-317-1781. AGC's Public Affairs Team operates using the chapter's Core Policy Issues which can be found [here](#).

\$\$\$ MONEY MATTERS \$\$\$

CTE—STEM INVESTMENTS:

AGC—as a leader of the [CTE-STEM Employer Coalition](#)—is working tirelessly to secure substantial and permanent investments in career technical education (CTE). Contractors of all types and sizes have a compelling interest in an expanded CTE system. The Oregon Employment Department predicts up to 25,000 new construction workers will be needed by 2020. Ensuring increased CTE opportunities in Oregon's high schools will play a critical role in building a pool of potential new apprentices.

Bipartisan support exists for the concept of expanding and funding CTE. To date, the best source of revenue for this expansion remains in flux. Currently, the state's 2015–2017 budget contains roughly \$9 million—the same amount of money for grants as the last biennium.

TRANSPORTATION \$\$\$ REMAINS BIG QUESTION MARK:

Oregon's need to fund its transportation infrastructure is not in question. Oregon's new governor, Kate Brown, recently urged legislators to seek a bipartisan solution before the end of this legislative session. Under the best of circumstances,

raising gas taxes and associated fees is always a tough vote. The majority party's passage and extension of the low carbon fuel standard (LCFS) in February complicates an agreement on transportation funding. Industries directly impacted by the cost associated with the LCFS are demanding a modification of that legislation as a condition of supporting a transportation funding package. AGC continues to work with our business partners, legislators, and the governor's office in hopes of finding a way to approve a transportation funding package before the end of the 2015 session.

PROPOSED NEW LAWS

APPRENTICESHIP:

[SB 809](#): Requires a bidder for public works to meet a new responsible bidder requirement in one of two ways: (1) by employing apprentices for 10 percent or more of hours in previous calendar year; or (2) by belonging to a local Joint Apprenticeship and Training Committee (JATC) that can demonstrate the same 10 percent apprenticeship utilization in the previous year.

AGC strongly supports apprenticeship. It is critical to our industry's ability to build the future workforce necessary in an improving economy. AGC supports a phased-in public works utilization requirement on large, state agency projects only. AGC opposes an apprenticeship utilization requirement that would insert a prequalification requirement into the responsible bidder law. SB 809 passed out of the Senate Workforce Committee on a party line 3–2 vote and will now be heard by a Ways and Means Subcommittee prior to going to the Senate floor for a vote.

CLEAN DIESEL EQUIPMENT REGULATIONS:

[SB 824](#): Requires certain public improvement contracts to reserve one percent of total contract price for performing repowers or retrofits of certain diesel engines, Department of Environmental Quality (DEQ) registration of off-road vehicles, DEQ's authority to adopt California emissions standards, and allow local government to impose truck idling restrictions.

AGC supports an incentive-oriented approach to pay for emissions reduction equipment and opposes California type emissions regulations. For those reasons, AGC, along with a broad coalition of stakeholders, including Oregon Concrete and Aggregate Producers Association (OCAPA), Oregon Trucking Association (OTA), the Oregon Building Trades Council, and public owners, opposed SB 824. As a result of the coalition's opposition, SB 824 has been changed and now proposes creating a task force to evaluate the impacts of diesel equipment. In addition, potential solutions to reducing on- and off-road fleets' impact on those emissions will be reviewed. [SB 824-2](#) passed the Senate Committee on Environment and Natural Resources and now moves to Ways and Means.

PUBLIC CONTRACTING MANDATES:

[HB 2540](#): Modifies definition of "public works." Classifies exemption from ad valorem property taxation as funds of public agency for purpose of requiring payment of prevailing rate of wage.

AGC and public owners opposed a bill that would have applied prevailing wage to private projects on privately-owned land located within enterprise zones. The effect would have been to both intrude into strictly private contractual relationships and diminish private investment. Due to a strong opposition coalition, the bill never received a public hearing and died in committee.

[HB 2616](#): Establishes State Apprenticeship Education and Training Fund at BOLI and redefines public works for the purposes of supporting this training fund.

AGC opposed House Bill 2616 which would have required state and local contracting agencies to pay \$500 dollars per \$1 million dollar increment of all public improvement contracts into the State Apprenticeship Education and Training Fund. This type of requirement would have reduced critical investments towards Oregon's infrastructure needs. This bill died in committee.

[HB 2617](#): *Adds new responsible bidder elements and applies those new qualifications to subcontractors.*

AGC also strongly opposed HB 2617, which would have significantly increased the amount of government intervention into the contractual relationship between general and subcontractors. A likely result from the bill would have been bid protests and project delays. Both AGC and public owners were opposed and it died in committee.

GENERAL BUSINESS ENVIRONMENT:

An endless supply of proposed legislation intervening in the private employer-employee relationship has been a central feature of the 2015 session. AGC, as part of a broad-based business coalition, has opposed most of these bills, and in some cases worked to exempt the construction industry specifically. Below are a few of the most relevant bills and their current status following last week's deadline. Together, these bills pose a serious threat to Oregon's economy and job growth by imposing costly new mandates on employers, both large and small, across the state.

[HB 2386](#): *Authorizes Commissioner of Bureau of Labor and Industries to issue temporary cease and desist orders under certain circumstances.*

Status: Amended and passed the House Committee on Business and Labor by a vote of 6–5.

[HB 2764](#): *Modifies circumstances under which attorney fees may be awarded and amount of attorney fees awarded in workers' compensation claims.*

Status: Amended and passed the House Committee on Business and Labor by a vote of 6–5.

[HB 3377](#)/[SB 888](#): *Authorizes employee of certain employers to request flexible or predictable work schedule.*

Status: Senate Bill 888 was sent to the Senate Rules Committee. HB 3377 is dead.

[SB 19](#): *Establishes joint and several liability for person that aids or abets employer, contractor or subcontractor in violating certain wage rate statutes.*

Status: Dead

[SB 454](#): *Requires all employers to implement paid sick time for employees.*

Status: SB 454 passed the Senate Committee on Workforce and was referred to Ways and Means. [House Bill 2005](#) is headed to the House Rules Committee.