

HB 4058 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/5, 2/9

WHAT THE MEASURE DOES:

Changes criteria for private nonprofit corporation to be licensed as labor contractor by removing requirement that for five years before application it be registered with the Secretary of State, primarily engaged in the business of recruiting, soliciting, supplying or employing workers; and that it have 501(c)(3) status. Exempts property services contractors from requirement to submit to Bureau of Labor of Industries copies of all payroll records when labor contractor pays employees directly. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Original intent of HB 3279 (2017) to address workplace sexual assault and harassment of janitorial workers
- Unintended requirements placed on janitorial businesses from legislation and during rulemaking
- Significant differences between construction and forestry industries and janitorial industry

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under Oregon law, labor contractors may not provide services without a license issued by the Bureau of Labor and Industries (BOLI). Labor contractors include farm labor contractors, construction labor contractors (as of July 1, 2015) and property services contractors (as of January 1, 2018). Property services contractors typically provide janitorial services. BOLI was tasked with adopting rules to establish the procedures for licensing property services contractors. The rules were to require that these contractors provide professional training to all of their managers, supervisors and employees regarding prevention of workplace sexual assault and harassment; prevention of workplace discrimination and promotion of cultural competency; and whistleblower protections. Generally, property services managers must meet the same licensing requirements as farm and construction labor contractors, with the exception of filing proof of financial ability to promptly pay wages if specified criteria are met.

There are two pathways for a private nonprofit corporation to obtain a license as a labor contractor; however, the first pathway does not apply to property services labor contractors:

1. Have as the purpose of the corporation the delivery of education and training; and recruit, solicit, supply or employ workers only for the purpose of educating and training workers in construction, in the forestation or reforestation of lands, or in the production or harvesting of farm products; or
2. For at least five years prior to applying for labor contractor license, be authorized to do business in Oregon; be primarily engaged in recruiting, soliciting, supplying or employing workers; and be designated as tax exempt under section 501(c)(3) of the Internal Revenue Code.

House Bill 4058 allows a private nonprofit corporation to apply for a labor contractor license as long as the corporation is authorized to do business in Oregon; is primarily engaged in recruiting, soliciting, supplying or employing workers; and be designated as exempt under 501(c)(3). The measure eliminates the requirement to have a five-year history of satisfying these criteria. The measure also exempts property services contractors from the requirement to provide BOLI with payroll records when the contractor pays the employees directly.