



Support Real Solutions, Not Liability Shifts

Oppose SB 426A

SB 426A claims to solve wage theft in construction, but instead shifts liability from bad actors to unknowing upper tier contractors and property owners without allowing contractors to mitigate their risk through contract. This bill is harmful for the construction industry and businesses in Oregon, and will not actually get bad actors out of the system; it will:

- **Hurt Homeowners** of secondary homes like rental properties, vacation homes, etc. by making them liable for unpaid wages of the subcontractors' employees, even when they've paid in full and had no knowledge of nonpayment.
- **Hurt Minority and Small Contractors** by discouraging contractors from hiring emerging and minority subcontractors due to increased financial risk.
- **Hurt Small Businesses** by making property owners liable for wages from construction projects on their property, regardless of their knowledge of the wage payment.
- **Hurt Independent Contractors** by discouraging contractors from hiring independent contractors, since contractors will be concerned about being liable for a misclassification issue.

Our Coalition Supports Real Solution Legislation this Session:

1. **HB 5015 – Fully Fund BOLI for wage claims:** BOLI is responsible for handling wage claims and enforcing labor laws. Proper funding will:

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- Improve response times and enforcement actions against wage theft.
 - Provide a streamlined process for workers, especially undocumented employees, to recover unpaid wages without going to court.
 - Ensure BOLI has adequate staffing to investigate claims and hold bad actors accountable.
2. **SB 1200/HB 3957 – Strengthen Construction Labor Broker Regulation:** Many wage theft cases stem from unscrupulous labor brokers who act as intermediaries between contractors and workers. To prevent this, we proposed two bills that would have addressed this issue by further regulation of construction labor brokers, but both were sent to committees where they could not move forward.

We strongly oppose wage theft and its harmful effects on workers and families. However, SB 426A punishes the wrong people. Strengthening BOLI and properly regulating construction labor brokers will target the true culprits and create lasting solutions, while not harming small businesses across the state.

For these reasons, we strongly oppose SB 426A and urge legislators to vote NO.