



## Testimony Before the House Labor and Workplace Standards Committee

### **In Opposition to SB 426A**

Chair Grayber, Vice Chair Elmer, Vice Chair Muñoz and members of the Labor and Workplace Standards Committee. SB 426A, passed by the Senate, is a misguided attempt to solve wage theft in construction, but instead shifts liability from bad actors to unknowing upper tier contractors and owners.

ABC strongly opposes wage theft and its harmful effects on workers and families. However, SB 426A punishes the wrong people and is harmful for the construction industry in Oregon by making contractors liable for unpaid wages of the subcontractors' employees, even when they've paid in full and had no knowledge of nonpayment.

Instead of penalizing owners and businesses who are doing the right thing—the legislature should be focusing on addressing the real problem by:

- Funding the Bureau of Labor and Industries (BOLI) so they can enforce wage claims.
- Transfer oversight of construction labor brokers from BOLI to the Construction Contractors Board and strengthening labor broker regulation and enforcement.
- Increase bond requirements to ensure funds are available to compensate workers when labor brokers fail to pay wages.

Since this bill doesn't solve the actual problem and only unfairly penalizes owners and contractors, ABC respectfully asks the committee to oppose SB 426A.

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