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Medford City Council  
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Senate Committee on Judiciary  
Attn: Chair Senator Prozanski  
Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

**Re: Medford City Council Member's Opposition to SB 426  
We Must Protect Homeowners and Housing Affordability**

Dear Chair Prozanski, Vice-Chair Thatcher, and Members of the Committee,

As a member of the Medford City Council, I share your commitment to protecting workers and ensuring fair wages. However, **I am deeply concerned that SB 426, while well-intended, will hurt homeowners, increase the cost of housing, and slow much-needed residential construction**—without effectively addressing wage theft in the construction industry.

Oregon is in a housing crisis, and every policy decision we make must consider its impact on housing affordability and supply. **SB 426 will have serious unintended consequences by shifting liability for unpaid wages from bad actors to homeowners** and responsible contractors who have already paid in full. Under this bill, a homeowner who hires a general contractor for a home renovation or new construction could be held financially liable if a subcontractor fails to pay their workers—even if the homeowner has no knowledge of the nonpayment. This places an unfair burden on families, potentially saddling them with thousands of dollars in unexpected costs.

Additionally, **this bill will discourage small and emerging contractors—particularly minority-owned businesses—from being hired**. General contractors will be forced to take on additional financial risk when working with subcontractors, making them less likely to hire small or newer firms. Instead of creating a fairer industry, SB 426 will consolidate work among large firms that can afford the increased liability, making it harder for small businesses and diverse contractors to compete.

Most concerningly, **SB 426 will drive up the cost of housing**. At a time when

Oregon is struggling to build enough homes to meet demand, adding new financial risks and liabilities for contractors and property owners will slow development and make housing even more expensive. Construction costs are already at record highs due to inflation, material costs, and labor shortages. This bill will only add to those costs, **making it harder for communities like Medford to meet their housing needs.**

There are more effective ways to address wage theft without harming homeowners and raising housing costs. Fully funding the Bureau of Labor and Industries (BOLI) would improve enforcement and provide a streamlined process for workers—especially undocumented workers—to recover unpaid wages. Strengthening oversight of construction labor brokers, who often facilitate wage theft, would target the real bad actors without penalizing responsible contractors and homeowners.

We must ensure that all workers are paid fairly and that bad actors are removed from the system, but SB 426 does not accomplish that. Instead, it creates unnecessary **burdens on homeowners, discourages small contractors, and worsens our housing crisis.** I urge you to oppose this bill or amend it to focus on real solutions that protect workers while ensuring we can continue building the housing Oregon desperately needs.

Sincerely,

Garrett West  
Medford City Council