



March 24, 2025

TO: Members of the House Committee on Labor and Workforce Standards
FR: Derek Sangston, Oregon Business & Industry
RE: Opposition to HB 3860

Chair Grayber, Vice-Chair Elmer, Vice-Chair Munoz, members of the House Committee on Labor and Workforce Standards. For the record, I am Derek Sangston, policy director and council for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 3860. By imposing a type of provision that is generally meant to protect consumers from fly-by-night contractors to an extremely narrow but well-known subset of businesses, those businesses that engage in construction services and are *publicly traded*, HB 3860 would unnecessarily target an important service offered by the businesses that you go to on the weekend for your home improvement projects. Not only are those businesses not hard to find when there are issues with the jobs they perform, they also directly employ thousands of Oregonians and annually contribute billions of dollars to the state's economy.

Through its requirements, HB 3860 would restrict if not altogether eliminate the ability for these businesses to enter into large-scale home improvement projects – making Oregon standalone from every other state. The bill would do this to address a problem that does not exist, and it would also significantly reduce services provided to Oregon consumers and increase the prices they pay.

Since 2023, which is the most recent year this bill was considered by the Oregon Legislature, one of the businesses to which this bill applies completed 47,970 jobs and received only three complaints. Meaning a complaint is filed with the Construction Contractors Board against that business in 0.00006% of the jobs it performs. Over the past ten years the few complaints against this business have generally been resolved within a couple months either through mediation or with the two parties resolving it on their own. HB 3860 is the quintessential bill proposing a solution in search of a problem.

However, if HB 3860 were enacted, it would create significant problems that would negatively impact both Oregon's construction industry and consumers. Fearing that some customers may

use this to game the system by only paying for half, or 10% as provided by the dash-1 amendment, of a home remodel and then feigning dissatisfaction to avoid full payment, businesses would be reluctant to even offer these large-scale projects. For each of the jobs to remodel a home or install a new appliance they enter into in Oregon, the businesses targeted by this bill hire small, diverse, and Oregon-based subcontractors. HB 3860, even as amended, would directly reduce that work and further add to the struggles faced by Oregon's construction industry, which is an industry that is contracting in Oregon despite growth in other states.

The businesses targeted by HB 3860 also invest heavily to provide customers the interest-free financing for in-home installations that this bill targets. Those would cease to exist if this bill passes and Oregon consumers would have fewer options to affordably improve their homes. Finally, the costs of having to collect the debt these businesses are owed would result in added costs being passed down to Oregonians when they purchase materials and supplies to complete home improvement projects on their own.

For those reasons, I request this committee reject HB 3860 as drafted and as it would be amended by the dash-1 amendment. Thank you for your consideration.

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