



May 7, 2025

Chair Grayber, Vice Chairs Elmer and Muñoz, and members of the committee,

My name is Ira Cuello-Martinez and I am the Policy Advocacy Director at PCUN, Oregon's Farmworker Union. I am providing testimony in strong support of SB 426 to prevent construction workers from experiencing wage theft.

The Latinx population in Oregon is growing and they are working in all types of industries, including the construction industry. We have heard stories of workers entering the construction industry hoping to make more money and provide economic stability for their families. But unfortunately, the construction industry is one of the most plagued by wage theft, affecting some of our most vulnerable workers, many of whom are immigrants and people of color, who often work long hours under difficult and hazardous conditions.

The U.S. Department of Labor recovered more than \$36 million in wages for over 21,000 construction workers in 2021.¹ The Oregon Center for Public Policy also did an analysis of wage claims filed with the Oregon Bureau of Labor and Industries (BOLI) since 2006 and they found that thousands of workers each year complain about an employer who has not paid them the wages they are owed. These workers collectively file wage claims worth between \$3 million to \$6 million each year. Unfortunately, many workers never come forward to seek justice due to fear of retaliation or they don't know their rights or they have lost faith in the current mechanisms to recoup their wages.

SB 426 seeks to address the prevalent wage theft in the construction industry by establishing joint employer liability. The construction industry relies heavily on subcontractors, and each tier thereafter is free of accountability. General contractors are better poised to stop wage theft in the first place by ensuring they are subcontracting with honest and responsible subcontractors, regardless of who they are. Weeding out the bad actors, who would otherwise hold contracts that could go to other responsible contractors, opens opportunities for new businesses, including minority-owned ones, to compete for those jobs.

This bill is about holding bad actors accountable and not impacting responsible, honest contractors. We urge you to vote yes on SB 426.

Ira Cuello-Martinez
Policy and Advocacy Director
PCUN

¹ Low Wage, High Violation Industries.

<https://www.dol.gov/agencies/whd/data/charts/low-wage-high-violation-industries>