



May 6, 2025

The Hon. Dacia Grayber
House Committee on Labor & Workplace Standards
Oregon State Capitol
Salem, OR 97310

RE: SB 426-A

Dear Chair Grayber, Vice Chairs Elmer and Munoz, and Committee members:

The Commercial Association of Brokers (CAB) is comprised of more than 600 commercial real estate professionals in the Portland metro area who diligently provide their clients with the information needed to make the best choices about their purchases, investments, management opportunities, and long-term business environments. Our members devote their time to helping building owners and tenants negotiate the very challenging process for negotiating long-term leases for spaces to house jobs and employees.

We are writing to express our strong opposition to SB 426-A, and believe the bill would unfairly penalize owners and tenants (i.e., “lessee” as per page 2, line 2 of the bill) of commercial real estate who regularly use contractors to construct, repair, renovate, or maintain their properties. Attracting new businesses and jobs to Oregon, and especially the Portland metropolitan area, is already challenging enough with one of the highest income tax rates in the nation. Adding one more layer of financial risk/liability will only make the state less attractive to investors and businesses.

While the bill is aimed at addressing the very real problem of wage theft by unscrupulous contractors and labor brokers, SB 426 casts its net far too wide and will unfairly ensnare unrelated businesses and individuals who had absolutely no connection to the actions of these bad actors. To be clear, owners and tenants do not select subcontractors. In fact, tenants rarely have any contact with any construction contractors. Owners contract only with a general contractor which then selects subcontractors. Also, the bill will unfairly penalize owners and tenants who have already paid their contractor by making them doubly liable for wages that should have been paid by the contractor.

We agree with testimony presented by Associated General Contractors that the far more effective way to clamp down on wage theft is to ensure that the Bureau of Labor & Industry has adequate funding and to require that construction labor brokers be regulated at the CCB to the same

standards as other contractors in the construction industry. This would include a bonding requirement that would be sufficient to cover the wages of their employees, should the company go out of business or not pay their employees.

We strongly urge you to either cast a “no” vote against this bill or at the very least amend it to delete lessees from the definition of “owner”.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly Ross".

Kelly Ross
CAB Government Affairs Consultant