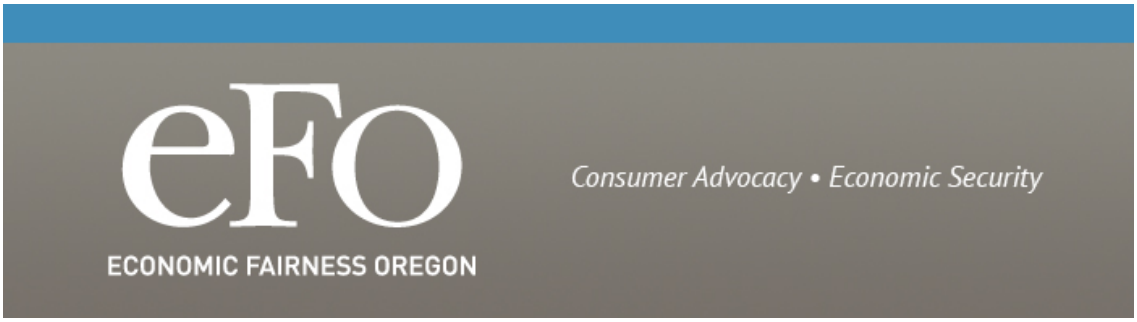

5/14/2013
To: Ways and Means Subcommittee on Transportation and Economic Development
Re: Support for HB 2977

Dear Co-Chairs Jenson and Johnson and members of the committee,

We are writing to ask that you support HB 2977, which will protect construction workers from exploitation and level the playing field for honest construction contractors. Economic Fairness Oregon is a consumer advocacy organization that works on a variety of issues concerning the economic security and wellbeing of all Oregonians. We have joined with over 30 other organizations in the Oregon Coalition to Stop Wage Theft, and hope to see this much-needed legislation pass.

The current laws here in Oregon do not protect working and law-abiding Oregonians from underpayment or nonpayment of wages earned. Both workers and employers suffer from this prevalent practice, not to mention the added burden on taxpayers and local communities. The construction industry in particular is the site where many workers are taken advantage of. Construction Labor Contractors are not required to be licensed with BOLI or the Construction Contractors Board. Thus, many licensed contractors use these unregulated middle-men to supply labor. The resulting problem is that some labor brokers misclassify workers as independent contractors, pay with cash under the table, disappear before rightful wages are provided, or otherwise cheat hardworking Oregonians out of their earnings. This practice deprives the state of revenue, and undermines the fair and just practices of many other contractors.

HB 2977 will solve this problem by requiring construction labor brokers to get a license and post a bond. This would allow responsible contractors to get labor from a reputable source, and allow the state to identify and pursue unlicensed brokers when they are liable. Workers who have wages stolen from them could recover their earnings through the bond. These labor brokers should be covered under the already existing structure for state oversight.

HB 2977 is a smart and much needed update to our laws that reflects the reality of the underground economy in the construction industry. Workers and employers deserve to know that they are participating in a fair system, and this bill goes a long way to ensuring that security. We urge you to vote yes on HB 2977.

Respectfully,
Angela Martin
Executive Director

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