

April 30, 2019

To: Chair Taylor and Members of the Senate Committee on Workforce  
From: Paloma Sparks, OBI  
RE: OBI Testimony in Opposition to HB 2408

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**Chair Taylor and Members of the Committee:**

Thank you for the opportunity to submit written testimony on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing approximately 1,600 businesses that employ nearly 330,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

HB 2408 changes the definition of a public works project to include exclusively private projects if they are constructed in enterprise zones. Traditionally, prevailing wage laws were intended to apply where a public agency is directing and funding a construction project. Most current laws involve the direct involvement of public agencies. HB 2408 is a dramatic departure from that tradition.

The requirements of the prevailing wage laws are not simply increased wages. Reporting and paperwork requirements are challenging and time consuming. The compliance requirements are so complex that the BOLI prevailing wage handbook is 100 pages long.

As you will hear today, local governments use enterprise zones as a tool to encourage businesses to locate and invest in their communities. Most projects of this size will already more than meet the wage requirements of prevailing wage. The reporting and recordkeeping complexity of prevailing wage, will require businesses to dedicate time, energy and resources to complying with these laws. As a result, the benefits of enterprise zones will be significantly diminished for businesses. Businesses will be much more likely to look to opportunities outside of enterprise zones when expanding their businesses.

OBI did not engage on HB 2408 in the House. Since then, we have heard from several members that they are concerned about the impact this bill will have not just on their businesses. We are also concerned what this means for economic development tools in communities across the state.

OBI urges you to oppose HB 2408.

Thank you for your time and consideration.

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