

Pacific Northwest Regional Council of Carpenters



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May 8, 2019

To: Senator Kathleen Taylor, Chair
Senator Tim Knopp, Vice Chair
Senator Laurie Monnes Anderson
Senator Bill Hansell
Senator Jeff Golden

Fr: Matt Swanson, Political Director

Re: Support fair retainage policies for construction subcontractors

Chair Taylor, Vice Chair Knopp and Members of the Committee:

On behalf of the more than 24,000 members of the Northwest Carpenters Union we are happy to support a **YES on House Bill 2415 with the A5 Amendments**. We feel that the work that has gone into perfecting this legislation will help ensure that construction industry contractors are accommodated throughout projects. We are happy to support this priority of one of our employer groups, the Association Wall and Ceiling Contractors of Oregon and Southwest Washington.

Retainage is important to meeting the needs of needs of general contractors, owners and the subcontractors that they employ. We know that the ability to withhold a reasonable level of retainage can be an important protection to ensure that workers are paid and jobs are completed. In Oregon, current law allows for the withholding of retainage up to 5%. We generally support such laws if they are applied in a reasonable and consistent manner.

Carpenters, more often than not, are paid wages and benefits on a weekly basis. What concerns us is that in an industry where sub-contracting by specialty is the norm, when funds are withheld for too long of a period after a project is completed it can put financial pressure on firms. Some larger firms may be able to weather this, but it can put pressure on emerging firms that owe wage and benefit payments.

We believe that the provisions of HB 2415 in the A5 amendments ensure that retainage can be accessed when due and those funds are held in an account that can be accessed after successful completion of the project.

Questions? Contact Matt Swanson at 503-504-4894 or mswanson@nwcarpenters.org