



OREGON BUSINESS & INDUSTRY



ASPHALT PAVEMENT ASSOCIATION OF OREGON



From the Desk of Representative Lucetta Elmer

No on HB 2057: Protect Small Businesses And Affordable Housing Resources

HB 2057 will drastically shift the liability in the construction industry, by making general contractors liable for the unpaid wages of subcontractors' employees. As a coalition, we strongly oppose wage theft in the construction industry, and want to find ways to get bad actors out of the industry.

However, this bill won't do what it says it will:

- It does NOT get workers paid quickly (lawsuits are long processes), and
- It does NOT get bad actors out of the system.

Hurts Small Businesses: By shifting liability for unpaid wages, this bill harms businesses that didn't do anything wrong, while also disincentivizing hiring new companies because the general contractor won't want to risk being stuck with the liability of an unknown. Small businesses won't be able to withstand the cost of these lawsuits and will be forced to go out of business, when they haven't done anything wrong.

Affordable Housing: This bill will negatively impact affordable housing, because it will cause contractors to have to take precautionary measures to ensure that they are covered if they end up responsible for the unpaid wages of their subs.

No Oregon Data: There is no Oregon data to show that this is a widespread issue in Oregon – this was even admitted in committee. There have been significant policies passed in the past seven years, and no data to show what impact those have had on the problem and whether this even targets the right issue. The proponents talked about incidents on prevailing wage jobs and problems with labor brokers – neither of which is impacted by this bill (the bill only applies to private work and doesn't impact labor brokers at all).

Real Solutions Rejected: We have proposed solutions that will actually achieve both goals – through requiring wage bonds for contractors with adjudicated wage claims and require licensure and bonding for labor brokers (the main entities who were described as actually stealing wages). *BOTH solutions were rejected*, despite the fact that they actually get bad actors out of the industry and get unpaid workers paid faster.

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