



March 8, 2023

TO: Members of the House Committee on Business and Labor

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 2057

Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, members of the House Committee on Business and Labor. For the record, I'm Derek Sangston, policy director and counsel for Oregon Business and Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 2057. OBI opposes HB 2057 because it would hold a contractor liable for any unpaid wages, and benefits, that a subcontractor owes to its own employees. HB 2057 would make contractors vulnerable to lawsuits not only from a subcontractor's employee, but also from a "third party" who is owed a payment by that employee. Without any misconduct on their part, those provisions of HB 2057 would increase lawsuits filed against contractors and increase the costs of insurance premiums paid by contractors.

Employers who cheat their employees of their wages are currently breaking the law. There are already ways under existing law for those employees to receive the wages they are owed by those employers. The employees may file a lawsuit against the subcontractor by whom they are employed or file a BOLI complaint to receive their compensation. Forcing liability upon a contractor who is blameless is not the solution. It will not deter a bad acting subcontractor from breaking the law.

OBI respectfully asks this committee to reject HB 2057. Thank you for your consideration.

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