

SB 426 A-Engrossed

PROTECTS WORKERS WHO BUILD OUR COMMUNITIES

SB 426 A-Engrossed seeks to strengthen protection for construction workers in Oregon by introducing joint and several liability for certain stakeholders in private and public construction contracts for unpaid wages, fringe benefits, and penalties owed to workers by their subcontractors at any tier.

The following amendments have been included to ensure fair and balanced outcomes for all parties subject to the proposed bill:

- Concerns regarding subcontractors' failure to pay workers unbeknownst to owners and/ or direct contractors were among the most prominent counterarguments of the bill, which has been addressed through the implementation of an opportunity to cure. It requires 21 days' written notice to the owner and/ or direct contractor. If the violation is corrected within this period, no lawsuit can be initiated, and this will allow workers to promptly recoup stolen wages.
- Projected financial strain on private homeowners was also a major opposing viewpoint when the bill was introduced. The amended bill now offers liability exemptions, which will exclude homeowners remodeling their primary dwellings, as well as financial institutions that acquire property through foreclosure and do not direct construction work beyond activities necessary to preserve or secure the property.
- Furthermore, the current statute of limitations for wage claims is six years, however, the amended bill significantly reduces the timeframe for unpaid and overtime wage claims from six to two years.
- Additionally, the revision offers withholding clarification, which can only happen if the direct contractor/owner has already paid wages owed on behalf of the subcontractor, regardless of whether payroll records have been provided or not.

Through these amendments, supporters of SB 426 A-Engrossed serve to offer concessions for all concerned parties while mitigating the root causes of both wage theft and human trafficking in the construction industry.



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