

From the Desk of  
Representative Virgle Osborne



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Khanh Tran  
National Association of Minority Contractors – Oregon  
2205 NE Columbia Blvd  
Portland, OR 97211  
5/21/2025

Oregon House of Representatives  
900 Court St. NE  
Salem, OR 97301

Re: Opposition to SB 426 (2025) – Liability in Civil Action for Unpaid Wages

Dear Representative:

I am writing to express NAMC – Oregon’s opposition to Senate Bill 426 of the 2025 Oregon Legislative Session. The Oregon Chapter of the National Association of Minority Contractors (NAMC) is Oregon’s largest nonprofit trade association specifically dedicated to the success of BIPOC owned construction firms. We have over 400 member companies and partners across Oregon and Southwest Washington.

While we understand the bill's intent to ensure workers are paid fairly and timely, a sentiment NAMC supports wholeheartedly, SB 426 introduces new liability and administrative burdens that will disproportionately harm small and emerging contractors—especially minority and women-owned businesses that already face systemic barriers in Oregon’s public contracting system.

According to the 2023 Oregon State Disparity Study, minority-owned businesses received only 4.3% of total public contracting dollars, despite making up a much larger portion of the contractor landscape. This bill does nothing to address this disparity—in fact, it risks deepening it.

SB 426 creates joint liability between owners and direct contractors for unpaid wages owed by subcontractors at any tier. This provision will undoubtedly disincentivize prime contractors and project owners from hiring newer or smaller subcontractors—the very firms most likely to be owned by people of color and women. Larger firms with more



resources and legal protections will continue to dominate, while smaller, underrepresented firms may be excluded from opportunities due to the perceived risk. Additionally, the new documentation and record-sharing requirements—including certified payrolls, subcontractor histories, and compliance affidavits—are overly burdensome for smaller firms that often lack dedicated compliance staff. Many of these businesses are still building capacity and do not have the back-office infrastructure that larger prime contractors possess.

We should be working to create opportunities for equitable participation, not unintentionally closing doors. I urge the Legislature to pause and reassess this bill with an equity lens—specifically how its provisions may exacerbate existing disparities in Oregon’s construction industry.

If the Legislature is committed to improving conditions for workers, it should also be committed to supporting the growth and success of historically marginalized businesses that provide those jobs. That includes targeted technical assistance, funding for compliance training, and capacity-building—not punitive, one-size-fits-all mandates.

For these reasons, we respectfully urge you to oppose SB 426 in its current form and consider better more inclusive policies that protect workers without creating further obstacles for small and minority-owned businesses.

Thank you for your time and thoughtful consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Khanh Tran". The signature is fluid and cursive.

Khanh Tran  
Policy Director, National Association of Minority Contractors – Oregon