



A STRONG VOICE FOR OREGON'S WORKERS

TO: Chair Prozanski
Vice-chair Thatcher
Members of the Senate Judiciary Committee
FR: Catie Theisen, Oregon AFL-CIO
RE: SB 426 Support

February 27, 2025

The Oregon AFL-CIO represents 300,000 workers across Oregon and is a voice for all workers in the legislative process. Thank you for the opportunity to testify in support of SB 426 to strengthen protections for construction workers in Oregon by introducing liability for certain stakeholders in private and public construction contracts for unpaid wages, fringe benefits and penalties owed to workers by their subcontracts at any tier.

SB 426 focuses on the construction industry because wage theft is especially prevalent in the construction industry. Related, the construction industry has extraordinary labor market fissuring where workers are hired by subcontractors several layers down. This makes it extremely hard to know who is responsible for paying the workers.

Right now, current protections are not enough to protect construction workers from wage theft. Too often this subcontracting leads to denying workers their legally earned wages and creates an environment where workers do not have a clear understanding of their legal rights and a fear of retaliation.

SB 426 combines strong legal protections against wage theft with the right access to capital to ensure workers can recover stolen wages. It also brings an additional self-regulating mechanism to reduce wage theft and worker exploitation and encourages better betting of subcontractors, careful analysis of wage payment and worker classification practices and proactive prevention of wage theft.

Wage theft doesn't just hurt workers—it weakens Oregon's economy. When workers don't get paid, they lose financial stability and future benefits like Social Security, unemployment insurance, and Paid Leave Oregon. By establishing liability, SB 426 tackles the root causes of both wage theft and labor trafficking. It ensures accountability throughout the contractual chain, encourages compliance with labor laws and strengthens protections for workers.

We look forward to the upcoming amendment clarifying pieces of the bill and encourage you to support SB 426 as amended.