



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

OREGON CHAPTER

May 6, 2025

The Hon. Dacia Grayber
House Committee on Labor & Workplace Standards
Oregon State Capitol
Salem, OR 97310

RE: SB 426-A

Dear Chair Grayber, Vice Chairs Elmer and Munoz, and Committee members:

NAIOP, the Commercial Real Estate Development Association, is one of the leading organizations for developers, investors, owners & operators, brokers, and related professionals in office, industrial and mixed-use real estate throughout the United States, Canada, and Mexico. The Oregon Chapter's members represent a broad and diverse range of companies involved with commercial real estate activities in the Portland metropolitan area, including developers, owners, brokers, and managers, along with other professionals providing legal, finance, title, engineering, architectural, construction, and other services.

We are writing to express our strong opposition to SB 426-A, and believe the bill would unfairly penalize owners and tenants of commercial real estate who regularly use contractors to construct, repair, renovate, or maintain their properties. Attracting new businesses and jobs to Oregon, and especially the Portland metropolitan area, is already challenging enough with one of the highest income tax rates in the nation. Adding one more layer of financial risk/liability will only make the state less attractive to investors and businesses.

While the bill is aimed at addressing the very real problem of wage theft by unscrupulous contractors and labor brokers, SB 426 casts its net far too wide and will unfairly ensnare unrelated businesses and individuals who had absolutely no connection to the actions of these bad actors. To be clear, owners and tenants do not select subcontractors. Owners contract only with a general contractor which then selects subcontractors. Also, the bill will unfairly penalize owners and tenants who have already paid their contractor by making them doubly liable for wages that should have been paid by the contractor.

Furthermore, the two-year window to file such a claim means a high likelihood that the original offending contractor will be out of business and/or out of the state by the time it is filed so any attempt to recoup these funds by the property owner or tenant will be impossible.

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We agree with testimony presented by Associated General Contractors that the far more effective way to clamp down on wage theft is to ensure that the Bureau of Labor & Industry has adequate funding and to require that construction labor brokers be regulated at the CCB to the same standards as other contractors in the construction industry. This would include a bonding requirement that would be sufficient to cover the wages of their employees, should the company go out of business or not pay their employees.

We urge you to vote “no” on SB 426-A as currently written.

Sincerely,



Travis Drilling
2025 NAIOP Oregon President