



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

Oregon House Committee on Labor and Workplace Standards
900 Court St. NE
Salem Oregon 97301

EXECUTIVE DIRECTOR
Gary Fisher
gary@multifamilynw.org

May 7, 2025

RE: Concerns with SB 426 A

Chair Grayber, Vice Chairs Elmer and Munoz, Members of the Committee,

On behalf of Multifamily NW, we are submitting the enclosed testimony to communicate our industry's continued concerns with SB 426.

Multifamily NW is the largest association of housing providers in the state, representing nearly 300,000 units and every profession related to the industry — from property managers and owners to landscapers, maintenance professionals and screening companies.

While we support fair labor practices, this bill would impose significant new liabilities on housing providers, increasing costs for both new development and ongoing maintenance — costs that will ultimately be passed on to renters.

The intentions behind SB 426 are to solve wage theft in construction. Unfortunately, this bill will merely shift liability from bad actors to unknowing upper tier contractors and property owners without allowing contractors to mitigate their risk through contract.

This bill will not prevent bad actors from abusing the system. What it will do is hurt owners of rental properties by making them liable for unpaid wages of the subcontractors' employees – even when they've paid in full and had no knowledge of nonpayment.

We also feel it's important for members of the committee to recognize the impacts this legislation will have specifically on discouraging contractors from hiring emerging and minority subcontractors due to increased financial risk. It will also hurt Oregon's small businesses by making property owners liable for wages from construction projects on their property, regardless of their knowledge of the wage payment.

Our top priority is to collaborate with public sector leaders to identify and implement proven solutions to Oregon's ongoing housing crisis. As such, we feel there are viable solutions already under consideration in Salem that merit your attention and support:

HB 5015 would fully fund BOLI for wage claims. BOLI should remain responsible for handling wage claims and enforcing labor laws. Proper funding will improve response times and enforcement, streamline the process for workers to recover unpaid wages, and ensure adequate staffing to investigate claims.

SB 1200/HB 3957 would have helped strengthen construction labor broker regulation. Most wage theft cases stem from brokers who act as intermediaries between contractors and workers. To prevent this, these bills would address this issue by further regulating construction labor brokers. Regrettably, both bills were sent to committees where they could not move forward.

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Our industry strongly opposes wage theft and its harmful effects on workers and families. However, SB 426 punishes the wrong people. It will make housing owners and direct contractors jointly and severally liable for any unpaid wages. It will only add administrative complexity and compliance burdens for owners and general contractors. It will only lead to disputes that delay housing projects – driving up costs and exacerbating Oregon’s affordability crisis.

Instead of adding financial and legal risks that make it harder to build and maintain housing, we urge the Legislature to focus on policies that encourage responsible contracting while also supporting housing production.

Sincerely,

Zach Lindahl
Director of Government Affairs