



May 7, 2025

To: House Committee on Labor and Workplace Standards

From: Deanna Palm, President and CEO, Washington County Chamber of Commerce

Re: Opposition to SB 426 A

Chair Grayber and Members of the Committee:

On behalf of the Washington County Chamber of Commerce, I am writing to respectfully express our strong opposition to SB 426 A.

While we unequivocally support efforts to eliminate wage theft and hold bad actors accountable, this bill shifts liability away from those responsible and instead places it on property owners and upper-tier contractors—many of whom lack any knowledge of wage violations occurring further down the chain of subcontractors. SB 426 A will not eliminate bad actors, but it will create significant new risks for good-faith businesses across Oregon.

If enacted, SB 426 A will:

- **Hurt homeowners** of secondary properties (such as rentals and vacation homes) by making them financially liable for unpaid wages—even when they have paid contractors in full and had no knowledge of wrongdoing.
- **Hurt minority and emerging small contractors**, as general contractors may avoid working with subcontractors they perceive as financially risky, disproportionately affecting those working to gain a foothold in the industry.
- **Hurt small businesses and property owners** by holding them liable for subcontractors' wage violations simply because work occurred on their property.
- **Discourage the use of legitimate independent contractors**, as general contractors may fear misclassification risks under the bill's rebuttable presumption of employment.

We support targeted, meaningful reforms that go after actual perpetrators of wage theft. This includes:

- **Fully funding BOLI** through HB 5015 so the agency can quickly investigate and resolve wage claims;
- **Strengthening regulation of construction labor brokers** through SB 1200 or HB 3957, addressing the root of many wage theft cases.

SB 426 A punishes the wrong people. Oregon must pursue solutions that actually hold violators accountable without placing undue legal and financial burdens on law-abiding businesses and property owners.

Thank you for considering our concerns. We urge the Committee to vote no on SB 426 A and instead support legislative efforts that truly protect workers and preserve a fair, functional construction industry in Oregon.

Respectfully yours,

Deanna Palm

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