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TO: Chair Beyer
Members of the Senate Committee on Business and Transportation

FR: The Oregon AFL-CIO

RE: Concerns Regarding SB 136

February 4, 2015

The Oregon AFL-CIO represents over 300,000 Oregonians, and is a voice for all workers in the legislative process. Senate Bill 136 has come to our attention and raises some concerns regarding critical worker protections within the franchise industry.

An employee-employer relationship in the franchise industry depends on how a franchisee is structured, which can take a variety of forms. SB 136, however, would undermine critical worker protections such as workers' compensation and unemployment insurance in all cases and for as long as a franchisee is registered.

We have seen a variety of examples of misclassification of workers in franchising within industries like building maintenance and construction. That misclassification will can lead to wage theft and a number of other impacts on low wage workers. The bill does address these protections in the sale of a new franchise, but it does nothing to provide protections to the workers once the franchise is actually set up.

Currently, low wage workers in Oregon have too few protections on the job. Please consider these concerns as you discuss SB 136 and its impact on Oregon's workers.