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**Testimony of D. Michael Dale  
Before the House Committee on Business and Labor  
February 9, 2018**

**HB 4154 – Registration of Building Services Contractors**

Thank you for the opportunity to testify this afternoon. I am the Executive Director of the Northwest Workers' Justice Project. I have been a lawyer since 1975, and have spent most of that time representing migrant and seasonal workers. The Northwest Workers' Justice Project provides legal representation to low wage contingent workers throughout the economy in sectors such as construction, building maintenance, landscaping, hotel and restaurant industry, food processing, agriculture and reforestation. I am testifying on behalf of the Coalition to Stop Wage Theft, of which NWJJP is a member. (The Coalition includes about 40 civic, labor, religious and business organizations.)<sup>1</sup>

A significant problem that we often see in the construction industry is use of multiple tiers of subcontractors. Our clients are often formally employed by the subcontractor at the bottom of the tier, who is frequently undercapitalized and may fall behind on wage payments. These workers contribute to the economic value of the project and should be paid properly. This bill would help to assure that the ultimate beneficiary of a worker's labor assures payment if the agents it chooses do not pay their workers.

If contractors complain about this ultimate liability, they have a ready solution in legislation passed in 2015, requiring licensing and bonding at BOLI for certain construction contractors. See ORS 658.405 to 658.501. By simply using a licensed subcontractor, a contractor can be assured that it is dealing with a responsible party, and that there would be a bond provided by the subcontractor in place to guarantee payment of wages.

We would recommend two amendments to make this bill more effective:

1. On page one, line ten, the bill is made applicable to wage claims under Chapter 652. We would recommend also including wage claims brought under Chapter 653, the statute

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<sup>1</sup> Adelante Mujeres, AFL/CIO of Oregon, AFT Oregon, American Friends Service Committee, Beyond Toxics, CAUSA, Catholic Office of Life, Justice and Peace, Archdiocese of Portland, Centro Latino Americano of Eugene, Common Cause Oregon, Community Alliance of Lane County, Economic Fairness Oregon, Ecumenical Ministries of Oregon, Family Forward Oregon, Human Dignity Advocates of Crook County, Interfaith Movement for Immigrant Justice (IMiRj), Jewish Federation of Greater Portland, Mainstreet Alliance, Northwest Forest Worker Center, Northwest Workers' Justice Project, Oregon Action, Oregon AFSCME, Oregon School Employees Association, Oregon Center for Christian Voices, Oregon Center for Public Policy, Oregon Strong Voice - Southern OR Chapter, Oregon Thrives, Oregon Trial Lawyers Association (OTLA), Oregon Working Families, PCUN, Portland Jobs with Justice, Project REconomy, Rural Organizing Project, SEIU Local 49, SEIU Local 503, Tax Fairness Oregon, Teamsters Local 26, Unidos Bridging Community, United Food and Commercial Workers Local 555, and VOZ Workers Education Project.

mandating minimum wage and overtime be paid to Oregon workers. Nearly every claim for unpaid wages in construction also involves nonpayment of overtime. These claims should be covered by the provisions of this bill.

2. We often represent workers who are not subject to a labor contract, and so there would be no joint labor management committee. BOLI is grossly understaffed, and is not readily accessible in most parts of the state. Accordingly, if workers are to have access to the benefits of this legislation, paragraph (7) on lines 3 and 4, page two should be stricken.

We recommend that this bill should be approved with a “do pass” recommendation.