



February 9, 2018

To: House Committee on Business and Labor
From: Anthony K. Smith, State Director, NFIB/Oregon
Re: Please vote NO on HB 4154

Chair Holvey, Vice-Chairs Bynum and Barreto, and Members of the Committee,

On behalf of Oregon's thousands of small-business members of the National Federation of Independent Business (NFIB), I would like to share with you some of our concerns with HB 4154 – and ask you to join Oregon's small businesses in opposing this potentially harmful bill.

Please keep in mind that NFIB represents small businesses in every industry of Oregon's private sector, including both general contractors and subcontractors, and although 90 percent of our members have fewer than 25 employees – and 70 percent have fewer than 10 employees, the small businesses we represent account for over 60,000 Oregon jobs.

As serious as the issue of unpaid wages is – and as much as we might want to go after the bad actors who take advantage of the system, the law must be even-handed. The state has an interest in both protecting workers, and those businesses that follow the law.

Making one independent business liable for the unpaid wages of another is a dangerous precedent to set. At a time when this committee is also considering a measure to ease barriers that workers face in becoming licensed subcontractors, and in an economic environment where general contractors are facing increased challenges to keep up with current demands for new housing construction due to a lack of subcontractors, it seems counterproductive to adopt a policy that would further discourage builders from meeting the housing needs of their communities – and unnecessary.

The legislature passed 1587 in 2016, which (among other provisions) allowed for dollars in the Wage Security Fund (fully funded by employers for the purpose of paying valid wage claims when the employer is unable to do so) to be used by the Bureau of Labor and Industries to investigate and enforce claims of underpaid and unpaid wages.

Furthermore, as the House Business and Labor Committee has heard from NFIB in prior sessions, current wage claim laws contain loopholes that are exploited by certain law firms to misinform businesses facing a wage claim – even if they have done nothing wrong. This is why NFIB supported SB 279 in the 2017 legislative session, which passed in the Senate unanimously.

We are very interested in continuing a dialogue with legislators and stakeholders to achieve better outcomes for workers and businesses by improving Oregon's wage claim laws, but HB 4154 is not an approach we can support.

Respectfully, NFIB asks you to vote NO on HB 4154. Thank you for your consideration.

National Federation of Independent Business

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