



Oregon

Bureau of Labor and Industries

Brad Avakian
Commissioner

April 4, 2013

Representative Margaret Doherty, Chair
Member of the House Business & Labor Committee
900 Court St. NE
Salem, Oregon 97301

Chair Doherty and Representatives,

I write today in support of House Bill 2977, which requires construction labor contractors be licensed by the Bureau of Labor and Industries. This legislation seeks to duplicate the successful practice of licensing farm and forest labor contractors, also administered by BOLI, by adding it to the same statute. The bill requires BOLI to administer and enforce licensing and regulatory requirements, and adopt rules.

As a point of background, the farm labor contractor law was enacted in 1959 in response to serious abuses affecting the wellbeing of migratory farm workers, including the areas of wages, job safety, and housing. An "Inter-Agency Committee on Agricultural Labor," created in 1957, made a number of recommendations to "improve the lot of the migrant farm worker," one of which was to license farm labor contractors. On numerous occasions in the past, BOLI has obtained back wages for agricultural workers from the surety bond that a contractor must submit in order to obtain a license.

The Bureau has found that the licensing requirement has increased awareness of and compliance with our state's wage and hour laws and employee protections. This licensing requirement includes an application, proof of the contractor's business identity, information and licensure of any motor vehicles used in conjunction with contracting activities, and proof of financial ability to pay wages promptly, in the form of a corporate surety bond of a company licensed to do such business in Oregon, a cash deposit or a deposit the equivalent of cash. In addition, applicants must demonstrate that they are in compliance with federal and state tax laws. Upon successful completion of the application and payment of the fee, BOLI would issue a permit.

I urge your support to extend these protections for the health and safety of Oregon's construction labor workforce, and to protect legitimate construction businesses from being undercut by illegal practitioners.

Respectfully,

Brad Avakian, Commissioner
Bureau of Labor and Industries

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