



# Vote "Yes" on HB 2677

## Closes a Loophole in Prevailing Wage Law

**Incentivize the use of local construction contractors and workers**  
**Keep more of our tax dollars in Oregon**  
**Provide wage standards for construction workers**  
**Stimulate the local economy**

### Background

Under current law, when over \$750k of public subsidies help finance a construction project, prevailing wage is the legal standard. Businesses who are granted over \$750k of public money to help finance a development opportunity commit to paying prevailing wages to construction workers, which incentivizes the use of local contractors and workers. This helps ensure our tax payer dollars are invested in the local economy.

Oregon's current laws define "public subsidy" so narrowly that tax credits are not considered a "subsidy," even though tax credit dollars come straight out of the General Fund. Recently, tax credit programs like the Business Energy Tax Credit have granted up to \$11 million dollar tax credits for individual private projects--a public subsidy more than 14 times larger than the standard prevailing wage trigger.

Public private partnerships are becoming more prevalent and they can be used quite effectively, but we should always ensure accountability measures are in place when public dollars are spent and uphold the values we have as Oregonians. Prevailing wage is one of those values.

### Summary

HB 2675 would apply prevailing wage protections on projects funded by more than \$750,000 in public money and close this loophole.

**Closing the tax credit loophole on Prevailing Wage (2675)**  
**will clarify statute on public-private partnerships,**  
**keep more of our tax dollars in the region,**  
**and incentivize the use of contractors and workers.**