

PRELIMINARY STAFF MEASURE SUMMARY**Joint Committee On Ways and Means****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:****Action:****Meeting Dates:****Prepared By:** Michelle Deister, Budget Analyst**WHAT THE MEASURE DOES:**

Specifies information that must be included on itemized paystub. Requires employer to maintain time and pay records of employee for not less than period required by Fair Labor Standards Act. Allows employee to inspect and receive certified copy of time and pay records within 45 days of request. Authorizes Wage Security Fund to be used to fund three full-time positions in Wage and Hour Division to investigate and enforce claims of underpaid and unpaid wages under ORS chapters 652 and 653. Prohibits contractor or subcontractor or their agent from failing to pay prevailing wage rate and other specified actions taken to avoid cost of prevailing wage rate. Punishes violation by maximum of five years' imprisonment, \$125,000 fine, or both.

ISSUES DISCUSSED:

- Staff levels at Bureau of Labor and Industries
- Geographic areas and industry sectors with high level of complaints
- Remedies for victims of wage theft
- Need to level playing field for businesses that comply with laws and regulations

EFFECT OF COMMITTEE AMENDMENT:

The A-6 amendment removes reference to positions in section three of the A-engrossed bill, and increases Other Funds expenditure limitation associated with the Wages Security Fund sufficient to enable BOLI to fund three full time enforcement and investigative positions (1.89 FTE) within the Wage and Hour division, pursuant to provisions of this bill. The amendment further specifies what information must be made available on pay stubs, clarifies record retention requirements, and specifies effective dates of various provisions. FISCAL: Fiscal impact issued REVENUE: No revenue impact

BACKGROUND:

Victims of wage theft can file a wage complaint with the Bureau of Labor and Industries and, for certain violations, pursue a civil right of action. The Bureau has seven staff who investigate wage claims, a reduction from years previous. Under existing statutes, the Wage Security Fund may only be used to pay wage claims against a business that has closed its doors or does not have sufficient assets to pay their workers. Employers pay into the Wage Security Fund through a payroll tax. Senate Bill 1587-A expands the use of the Fund to support investigation and enforcement of wage claims.

Senate Bill 1587-A requires employers to maintain time and pay records for not less than the period required by the Fair Labor Standards Act and accompanying regulations. Employees, upon request, shall be allowed to inspect and receive a certified copy of the records. The measure also expands what must be included on the itemized paystub including: hours worked, if applicable; rate of pay; and information to better identify the employer.

Senate Bill 1587-A establishes that a violation of specified prevailing wage statutes by a contractor or subcontractor is a Class C felony punishable by a maximum five-year prison term, a maximum fine of \$125,000, or both.