

STAFF MEASURE SUMMARY**Senate Committee On Workforce and General Government****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 02/11/16**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.
(Printed A-Engrossed.)**Meeting Dates:** 02/04, 02/11**Vote:**

Yeas: 5 - Dembrow, Gelser, Knopp, Rosenbaum, Thatcher

Prepared By: Jan Nordlund, Committee Administrator**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. Provisions related to prevailing wage rate become operative January 1, 2017. Declares emergency, effective on passage.

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:

Replaces original measure.

BACKGROUND:

Victims of wage theft are sometimes the most vulnerable workers in Oregon. Victims 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 three additional positions at the Bureau to investigate and enforce claims of unpaid and underpaid wages.

Employees, and those who represent them, claim they are not always given access to the payroll documents that record hours worked, piece-rate activity, wages paid and withholdings. 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.

One of the purposes of prevailing wage laws is to ensure that contractors on public works contracts maintain community-established compensation standards. 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.