

From the desk of
Rep. Greg Barreto



OPPOSE HB 4154B AND UNJUSTIFIED LIABILITY SHIFTS

HB 4154B imposes **liability on general contractors** for the unpaid wages of subcontractors and fundamentally changes the nature of the general contractor/subcontractor relationship. This bill does nothing to get at the real problem of wage theft – it simply **shifts the liability and financial responsibility** to the general contractor who has *no direct relationship* with the employees of the subcontractor.

Our industry **opposes wage theft** and has a history of working to find solutions to bad actors in the industry. Wage theft disadvantages the vast majority of contractors who are doing the right thing and playing by the rules. It is important to note that there is a fundamental difference between **wage theft and wage claims**. Wage theft is the **intentional** withholding of wages due. Wage claims are discrepancies between what the employee thinks he/she should be paid and what the employer thinks he/she owes the employee. Wage claims can result from the complicated nature of wage calculations and classifications in the construction industry.

This bill also comes with **unintended consequences**. The shift in liability could substantially limit smaller or newer contractors' ability to compete in the market. Because of the shift in liability, general contractors would likely be forced to require subcontractors to obtain bonds or other protections that can be difficult for newer or smaller contractors to afford and obtain. This **stifling effect** could produce negative results, especially for an industry with a workforce shortage trying to grow the next generation of construction professionals.

Instead of passing this sweeping legislation that impacts all private construction in Oregon, we are advocating for an **interim work group**, convened by BOLI, to work with the bill proponents and contractors to identify solutions to the specific issues associated with wage theft and/or wage claims.

We urge you to **VOTE NO on HB 4154B** and join us in advocating for an interim discussion on this complex issue to make sure we address the real problem.



**Independent Electrical
Contractors**



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