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Testimony of Arthur Towers
In Opposition to House Bill 2274
House Committee on Business and Labor
January 30, 2019

Thank you for the opportunity to testify in opposition to HB 2274. OTLA members are lawyers who fight for underdogs. In this instance, the underdogs are workers who have not been paid for work performed for an employer. The intentions of the proponents of HB 2274 are well-meaning but the wording of the bill will have unintended consequences for these workers.

Declaring unpaid wages abandoned after one year may impact all the other uses of the phrase “unpaid wages” throughout the employment statutes. In the context of Chapter 98, unpaid wages brings to mind uncashed paychecks, paychecks that were mailed to former employees and were returned as undeliverable, and paychecks in small amounts for a day of work or maybe even part of a day of work.

However, elsewhere in statute “unpaid wages” means (not surprisingly) wages not paid. Unpaid wages include pay for working through meal and rest breaks, improper deductions, final paychecks that workers sought but were never issued. The relatively small number of employers who engage in these unscrupulous practices would fight legitimate efforts to collect back pay by saying that wages in this category more than a year old are “abandoned” and the worker can no longer collect those from the employer. Many wage claims go back more than a year. For example, a group of workers learn that an improper deduction has been made in their paychecks for the last 30 months. Under current statute, the workers could make a claim for the full 30 months of back pay plus penalty wages. If HB 2274 caused the statutes to be interpreted that unpaid wages over a year old were abandoned, workers would lose the opportunity to collect the wages and penalty wages from the employer.

Could the worker simply get those improperly deducted wages from the State Unclaimed Property account? Perhaps, if the worker knew to go to that account, and if they could prove that they were owed the back wages, and that those wages were actually in the account. Some workers may be very concerned about going to a state agency because of their immigration status or for other reasons.

For this reason, we oppose HB 2274 as it is currently worded.