



May 17, 2019

RE: Testimony in Support of HB 2408-A

Dear Chair Taylor, Vice Chair Knopp, and Members of the Committee,

The members of the Associated Wall & Ceiling Contractors (AWCC) of Oregon employ more than 3,000 construction professionals providing safe structures for Oregonians to live and work.

AWCC asks you to please vote YES on HB 2408-A.

The policy under consideration is NOT an attack on Enterprise Zones, nor will this legislation negate the financial incentives that make Enterprise Zones effective. HB 2408-A is about giving Oregon businesses and Oregon workers a fair chance to participate in Enterprise Zone construction projects, which receive substantial public investment in the form of tax abatements.

How does HB 2408-A level the playing field for local contractors and workers? HB 2408-A triggers prevailing wage law on projects over \$20 million in value. Currently, prevailing wage is required for any public investment over \$750,000; the only difference with Enterprise Zones is that tax revenues are never collected, so that means they are not technically considered public money. The nature of tax abatements makes them difficult to calculate, it is clear that projects at the \$20 million level receive at least \$750,000 in tax incentives. This policy is fair and will not dampen the economic drivers that Enterprise Zones offer.

Oregon has a strong tradition of regulating building codes and worker standards at the state level, including locally funded projects. In fact, the Enterprise Zone program was authorized by the State Legislature in the first place. With that in mind, it is clear that the arguments waged in this policy debate about the state interfering in local issues is simply not true.

AWCC's member contractors are valuable partners in Oregon's economic development. As signatory contractors, AWCC's members pay strong family wages and provide healthcare and retirement benefits. As a result of doing the right thing, the state benefits by not having to provide social services to our workers; our contractors and building owners benefit by having high-quality projects completed safely, on-time, and on-budget.

Our member contractors deserve a fair chance to compete for this publicly subsidized work, as do the workers who are key to our members' success. This is not about union versus non-union; it is about paying the local market rate for projects financed by taxpayer dollars. That was the intention of prevailing wage, HB 2408-A will allow that to happen.

Please support HB 2408-A. Thank you for your consideration.

Sincerely,

Associated Wall & Ceiling Contractors of Oregon