

HB 4089 B STAFF MEASURE SUMMARY**Carrier:** Rep. Tran**House Committee On Rules****Action Date:** 02/24/26**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)**Vote:** 4-3-0-0**Yeas:** 4 - Bowman, Grayber, Kropf, Pham H**Nays:** 3 - Elmer, Skarlatos, Wallan**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Erin Seiler**Meeting Dates:** 2/24**WHAT THE MEASURE DOES:**

The measure modifies when a person commits the crime of theft of services and clarifies definitions. It requires Oregon's Interagency Compliance Network to develop methods for gathering and sharing information related to individuals and entities that commit theft-of-services offenses and do not comply with laws relating to taxation or employment. It establishes that a direct contractor or subcontractor who knowingly hires an unlicensed construction labor contractor commits a Class A misdemeanor for the first offense and a Class C felony for subsequent offenses. The measure also increases the criminal penalty from a Class A misdemeanor to a Class C felony for intentionally using a construction contractor's license number without authorization or using a construction contractor's license number regardless of authorization with the intent to deceive the public.

ISSUES DISCUSSED:

- Use of unlicensed construction labor contractors
- Current civil penalties for the use of unlicensed construction labor contractors
- Establishment of criminal liability
- Impact of wage theft on workers

EFFECT OF AMENDMENT:

The amendment clarifies the definitions of "construction labor contractor," "direct contractor," and "subcontractor" for the purpose of criminal liability for hiring an unlicensed construction labor contractor.

BACKGROUND:

Wage theft is a term used to describe a range of situations in which an employer fails to pay an employee, and it can take many forms, including employers paying employees less than the minimum wage, failing to pay overtime, withholding tips, not providing employees with their final paycheck, or requiring employees to work off the clock. Any worker who has experienced wage theft may take civil action or file a wage claim with the Bureau of Labor and Industries (BOLI).

A labor contractor is any person or entity that recruits, solicits, supplies, or employs workers for another entity and is required to hold a labor contractor license. BOLI is responsible for administering and enforcing licensure requirements for farm and forest labor contractors, construction labor contractors, and property services/janitorial labor contractors.

Before allowing work to begin under any contract or agreement with a labor contractor, the person receiving the workers must examine the contractor's license or temporary permit to verify that the individual providing the workers matches the photo on the license or permit. A copy of the license or temporary permit must be retained.

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Any person who knowingly uses the services of an unlicensed labor contractor is personally, jointly, and severally liable with the unlicensed contractor for unpaid wages and other damages as provided by law. In addition, individuals or entities that use the services of an unlicensed labor contractor may be subject to civil penalties of up to \$2,000 per violation.