



OREGON
BUSINESS
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No Felonies in Construction without Intent - No on HB 4089

The construction industry stands strong against employers who do not pay their employees the wages they're owed. Such actions are morally reprehensible and put the employers who are following the law at a disadvantage. But the industry cannot support the sweeping changes put forth in HB 4089.

- HB 4089 makes employers felons, regardless of intent.** If employers are going to be charged with felonies for failing to pay their employees, such criminal charges should only be for those employers who *intentionally* do not pay their employees. Under the current language, there is no such requirement and something as small as an accidental misclassification could result in a felony charge for the employer.
- HB 4089 makes hiring an unlicensed labor broker a felony.** Again, the standard here does not match criminal statutes. The "known, or should have known" standard opens up to litigation based on the accusation that the person hiring should have known. They don't have to know before being charged with a felony, and being subject to large fines and jail time. The issue of unlicensed labor brokers is already being examined and there is substantial work underway to determine what the prevalence of unlicensed construction labor brokers is and how to address this. We need to let this work continue and use the data it produces to guide the next policy steps.
- HB 4089 makes any Oregonian who hires an unlicensed construction contractor subject to felony charges.** All construction contractors in Oregon are required to be licensed with the Construction Contractors Board. However, determining what type of license is required and when that license may expire can be difficult for unexperienced consumers to understand. The "should have known" standard here means that homeowners and business owners who are hiring contractors would be charged with felonies even if they didn't understand the nuances of construction contractor licensure. Licenses can change during the course of a job, meaning that consumers would have to be unreasonably vigilant to avoid felony charges.

Let's take the time to get this right. Finding the right solution for the issues around labor brokers and unpaid wages is important. But we are just now seeing the implementation of SB 426 from the 2025 Session, which made huge changes to construction liability law with the aim of dealing with these same issues. Meanwhile, there are important conversations and agency interconnectivity that are happening between BOLI and CCB while working on this issue. We need to allow the time for what is currently in process, before jumping to a new, and drastic, policy change. We urge you to oppose HB 4089 and allow the conversations and work on the issue already in progress to continue.