

**SUSAN McLAIN**  
**STATE REPRESENTATIVE**  
DISTRICT 29



April 18th, 2019

TO: Chief Clerk Sekerak  
RE: Vote Explanation for HB 2408

Dear Chief Clerk Sekerak,

I wish to submit the following explanation for my vote for House Bill 2408.

This bill expands the current definition of public works to include projects located in enterprise zones where the business receives a property tax exemption and the total project cost is greater than \$20 million. Already, any project receiving \$750,000 or more in direct public contribution is required to pay all employees on the project a prevailing, family wage. This bill simply moves to treat tax credits as equivalent to direct contributions.

In Washington County, I have seen the benefits and the drawbacks of Oregon's recent rapid growth. In my district, we have had great growth in sectors like tech and medicine, but this growth has been accompanied by rapid increase in cost of living. This bill would help to address this problem. I believe that every person working should be paid a living, family wage. Public dollars and tax incentives should be going towards projects that advance that goal, helping create good jobs that pay a family wage, not undercutting the wages paid in the same area.

My colleague, Representative Fahey, made some important points on the floor yesterday. Paying a prevailing wage does not increase the overall cost of a project, and can actually lead to more local Oregonians getting jobs. "75% of peer-reviewed studies showed that while paying prevailing wage rates may increase wages, the higher wages mean that more experienced, skilled workers can be hired. This leads to fewer cost overruns and overall project savings from increased efficiency, productivity, quality, safety and timeliness." Furthermore, "academic research indicates that when a project pays prevailing wage, it's more likely that in-state contractors will be hired, keeping more of the economic benefit here at home."

I hope the Senate will look at the cap and see if there is room for movement. I think there is an opportunity to find more consensus on this issue.

Sincerely,

A handwritten signature in black ink that reads "Susan McLain".

Representative Susan McLain

