



SENATE MAJORITY OFFICE

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Senate approves bill to crack down on wage theft in construction industry

HB 2977B takes on the issue of wage theft by requiring licensure of construction labor contractors

SALEM—This morning the Oregon Senate approved a bill that takes on the issue of wage theft, which is the non-payment or underpayment of wages owed to employees. House Bill 2977B, which passed the Senate on a vote of 20-10, requires that construction labor contractors obtain a license with the Bureau of Labor and Industries (BOLI).

“Too many workers do not receive full payment for the hours they’ve worked, and often they don’t have access to even basic documentation for compensation and hours worked,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “We need more accountability to protect workers, stop wage theft in the construction industry, and to ensure that all employers follow wage and hour laws.”

According to a recent report, the construction industry accounts for only four percent of Oregon’s workforce, and yet eighteen percent of wage and hour complaints filed with BOLI come from the construction labor part of the workforce. House Bill 2977B would help address that problem by holding companies that connect workers with contractors in the construction industry to the same standards that apply to farm labor contractors.

The bill establishes licensing requirements for construction labor companies and requires these companies to apply for and obtain a license before recruiting and hiring workers for projects. Workers who are hired by a company that has not obtained a license under HB 2977B would have a cause of action to recover any unpaid wages that are due to the employee.

“Wage theft is harmful to the worker, it’s harmful to the economy, and it’s harmful to our state budget. We must address this problem, and the construction industry is a good place to start,” said Senator Chip Shields (D-Portland). “This bill levels the playing field for the good number of construction companies that pay living wages and comply with the law.”

HB 2977B now goes to Governor John A. Kitzhaber for his approval.

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