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Senate Democrats Pass Wage Theft Bill That Spares Bad Actors, Punishes the Innocent, and Favors Unions

SALEM, Ore. – Senate Democrats passed [Senate Bill 426](#) today, a wage theft measure that lets exploitive labor brokers off the hook while holding independent contractors, small businesses, and property owners financially liable for violations they didn't commit or even know about.

"We had a chance to come together and solve wage theft this session, but Senate Democrats rejected practical solutions at every turn," said **Senate Republican Leader Daniel Bonham (R-The Dalles)**. "This bill overlooks the real perpetrators who exploit workers and instead punishes innocent Oregonians trying to earn a living. It's not justice, it's a liability trap for those working hard to grow their business in Oregon."

SB 426 requires property owners and contractors to cover unpaid wages by subcontractors, even if they've paid in full and had no role in the dispute. Dishonest labor brokers, who are responsible for most wage theft cases, will face no consequences. The bill also exempts union contractors from this liability, giving them a clear edge over non-union businesses and continuing a pattern of benefits for Democrats' union allies.

"Imagine a small business owner or property owner hiring a licensed contractor, paying every bill on time, and then facing a lawsuit because a subcontractor two levels down didn't pay their workers. That doesn't make any sense," said **Senator Bruce Starr (R-Dundee)**. "And union contractors are exempt from this liability, which tilts the market in their favor regardless of cost or availability. This isn't about protecting workers, it's about stacking the deck for a select group."

"The heart of wage theft lies with labor contractors, often unlicensed and sometimes trafficking undocumented workers, who profit while workers suffer," said **Senator Kim Thatcher (R-Keizer)**. "I offered [SB 1200](#) to hold these bad actors accountable, but Democrats dismissed it outright. Oregonians deserve policies that target the real culprits, not ones that punish the innocent and favor specific groups."

SB 426 now moves to the House of Representatives for consideration.

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