



Commissioner Brad Avakian

Bureau of Labor and Industries

Press Release

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Labor Commissioner Expresses Concern over HB 2430

Avakian: "I fear this legislation moves us in the wrong direction by rolling back prevailing wage law and hurting Oregon workers"

PORTLAND, OR- Today, State Labor Commissioner Brad Avakian expressed concern with House Bill 2430, which seeks to modify state Prevailing Wage Rate (PWR) law and expand the current exemption for affordable housing construction. The legislation, currently under consideration in the Oregon House, would allow the affordable housing exemption to also be applied to certain "mixed-use" developments with an affordable housing component. Current law does not allow for any portion of a "mixed-use" project, a project comprised of both commercial and residential components, to be exempt from PWR law.

Commissioner Avakian released this statement regarding the legislation:

"I am concerned with what HB 2430 would mean for state prevailing wage law and the effect it would have on Oregon workers. While I support the exemption from PWR law for strictly affordable housing projects, I fear this legislation moves us in the wrong direction by exempting additional projects and rolling back laws that ensure living wages for Oregon workers.

"As a State Senator in 2007, I supported HB 2140, which created the exemption for purely residential affordable housing construction projects. I still think it strikes a very careful balance between maintaining the integrity of PWR law and facilitating affordable housing construction.

"Part of my concern with this recent legislation relates to the difficulty of applying prevailing wage law to part, but not all, of a single construction project. Not only is splitting up PWR coverage throughout a single building difficult to track, it has the potential to treat and pay workers differently, for the same work, on the same project. I am concerned about situations in which a worker on a job site earns one pay scale for work on the first floor and an entirely different pay scale, for the same work, on the second floor. Or situations in which two workers on a job earn different amounts simply because they are working on different floors of the same building. I see this is an issue of fundamental fairness.

"Current law is both fair to workers in its application and clear to contractors and project owners in its enforcement. This legislation not only weakens existing law, it could cause workers of certain crafts to be more adversely affected than others when it comes to wages and benefits. Moreover, it could result in additional employer and worker confusion over having to pay different wages for work done on the same construction project. I am urging extreme caution as this bill is considered."

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