

May 4, 2021

To: Chair Chuck Riley and Members of the Senate Committee on Labor and Business
From: Brittany Quick-Warner, President and CEO
RE: Eugene Area Chamber of Commerce's Testimony on HB 3389

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Chair Chuck Riley and Members of the Senate Committee:

I am Brittany Quick-Warner, President and CEO of the Eugene Area Chamber of Commerce. Thank you for the opportunity to discuss the damaging effects of unemployment taxes on struggling Eugene businesses and the needed remedy as outlined in HB 3389. This is an important issue for our members and the broader Eugene business community. The Eugene Area Chamber of Commerce represents over 1400 members across for full spectrum of business and industry.

In March of 2020 Governor Brown issued Executive Order 20-12 shutting down large swaths of our state's economy. The Governor's stay at home order enacted in response to the Covid-19 epidemic forced many businesses to close and some to lay off the majority of their employees. This executive order caused massive disruptions in our local our economy. An economic disruption of this magnitude has not been witnessed in our region in generations and will take many years for our business sector to recover.

As many of our local businesses closed or altered their operations as a result of government-ordered shutdowns, and limited occupancy requirements, this created the unintended consequence of increasing unemployment tax rates due in 2021 based on prior-year staff reductions. These staff reductions were not done by choice but were caused by government mandates causing local businesses to lose millions of dollars through no fault of their own. As our businesses begin to recover and now face the burden of yet another shutdown, we should not further burden them with additional tax increase as they seek to restore operations and bring back staff.

The Eugene Chamber thanks Speaker Kotek, Representatives Holvey, Bonham and Lively and Senators Riley and Hansell for their leadership on HB 3389. This bill is a great opportunity to address costs imposed on our businesses as a result of the pandemic. Over the past year some of our businesses have seen their taxes increased by 2% or more and we encourage this committee to increase the amount of taxes that can be forgiven.

With HB 3389, Oregon has an opportunity to make changes to current law that will restore our state's unemployment trust fund while not burdening struggling businesses with additional taxes. Further, this bill will set employer experience ratings at the 2020 level, which was before the onset of the pandemic, and would be the basis for payroll tax rates in 2022, 2023 and 2024, saving our businesses costly added expenditures.

Thank you for your leadership and thoughtful approach on this crucial policy issue. Today, Oregon has an opportunity to ensure the Unemployment Trust Fund remains solvent and can withstand any future emergency while simultaneously providing much needed relief to our state's businesses. We remain ready to work with you and other stakeholders to restore economic prosperity for all Oregonians.

Thank you for your consideration.