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Testimony in Opposition of HB 4002
Oregon Farm Bureau Federation
Joint Committee on Farm Worker Overtime
February 24, 2022

Co-Chairs Taylor and Holvey and Members of the Committee,

The Oregon Farm Bureau Federation appreciates the opportunity to submit testimony on behalf of our nearly 7,000 family farm and ranch members across the state of Oregon, many of whom would be put out of business if the proposal moves forward as drafted or, alternatively, if the Bureau of Labor & Industries is allowed to capitalize on a 2017 drafting error and move forward with rulemaking mandating overtime at an unworkable threshold.

The Oregon Farm Bureau has been working for months to find a middle ground that would enable Oregon farms and ranches to remain viable and keep workers employed while recognizing the value of our agricultural workforce. However, proponents remain unwilling to move off of their calls for a 40-hour overtime threshold that will put family farms and ranches out of business, reduce agricultural worker income, and eliminate agricultural jobs. Our prior testimony addresses how our members cannot afford a 40-hour ag overtime threshold, and how it will result in both a loss of family farms and a loss of farmworker jobs.

We provide additional testimony today specifically to address how a tax credit is not a workable solution for the increased costs associated with an agriculture overtime proposal. Tax credits are not a durable or long-term solution, and a tax credit with a cap will function as a lottery, with many farms losing and left unable to pay their wages. By their nature, tax credits are not a durable solution nor a promise this legislature can have any hope of keeping to farmers, with the next recession spelling the certain demise of this tax credit. Something we suspect the legislature knows given the unwillingness to tie the tax credit to the 40-hour threshold.

The tax credit also does not cover the full costs of ag overtime, and phases down precisely as farmers' costs increase as we move toward a 40-hour threshold.

Further, a tax credit will not help pay for ag overtime costs in any given year. While we understand that the forgivable loan is intended to help bridge the gap, what happens when a farmer takes out a loan for the costs, but loses the lottery and is not able to pay

for overtime costs?

This tax credit provides the talking point that legislators at least tried to save family farms from an unworkable overtime threshold that legislators have the power to not impose in the first place. That talking point does not save the family farm and does not fool farmers. We need a workable solution, not tax credits.

Please Oppose HB 4002A. It is not a compromise and does not work for Oregon agriculture.