



**Testimony on HB 2058
Submitted by the Oregon Winegrowers Association
House Business & Labor Committee
February 1, 2023**

Chair Holvey and members of the House Business and Labor Committee, I'm Jana McKamey, Executive Director for the Oregon Winegrowers Association (OWA).

OWA represents hundreds of winery and grape growing members from every winegrowing region in Oregon, and our members represent two-thirds of Oregon's overall wine production. For more than 40 years, OWA has been the leading advocate for Oregon wineries and growers, many of them small and mid-sized businesses that can benefit most by this legislation.

The agricultural worker overtime law passed last year establishes a refundable tax credit for increased overtime costs, but farmers won't see this financial mitigation until they file this year's taxes in April of 2024. This creates a cash flow challenge particularly for small and mid-sized grape growers and wineries who will begin seeing overtime costs as early as this spring.

OWA supports HB 2058 which sets up a no-interest loan program so our grape growers and wineries have a financial tool to mitigate increased labor costs associated with the ag worker overtime law. We hope these loans available through Business Oregon will allow them to access cash to pay expected overtime costs, with a two-year time period in which to pay back these no interest loans.

We appreciate Chair Holvey's efforts to get this loan program in a workable place, including increasing the gross revenue cap to \$3 million for farmers who are eligible to access this program. We believe this program will be most helpful to our smaller grape growing and winery members who will have the hardest time managing cash flow associated with increased labor costs.

We hope Business Oregon will stand up this program quickly, with an application process that is easy and timely so loans can help mitigate overtime costs that will soon begin for the wine industry. We encourage the Legislature to consider additional funding for this program beyond 2025 when ag overtime costs will increase further.

We also look forward to working with Chair Holvey and this committee on the implementation of the refundable tax credit program at the Oregon Department of Revenue.

It will be important for that program to be workable as well, including for our many grape growers and wineries that use vineyard management companies – also known as farm labor contractors - for labor on their farms. Our farmers need to have a DOR application process that easily allows them to secure these tax credits, even though they don't directly employ these vineyard workers on their farms.

We know that Chair Holvey and other legislators are having conversations with DOR about a workable refundable tax credit program, which we applaud. In the meantime, we support HB 2058 to set up a no-interest loan program so some of our growers can meet cash flow challenges associated with increased labor costs with the new ag worker overtime law. Thank you.