

Associated Oregon Loggers, Inc.

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February 12, 2025

The Honorable Kathleen Taylor, Chair Senate Committee On Labor and Business Oregon State Capitol Salem, OR 97301

Subject: SB 622 - SUPPORT

Chair Taylor, Vice Chair Bonham, and Members of the Committee:

For the record, my name is Amanda Sullivan-Astor, Forest Policy Manager at Associated Oregon Loggers and a certified forester. On behalf of Associated Oregon Loggers (AOL), I am writing to express strong support for SB 622 and its companion bill HB 3142. These bills benefit forestry companies that utilize H-2B visa workers by permanently exempting them from paying Oregon state unemployment insurance (SUTA) taxes on the wages of these workers.

While our name suggests a focus solely on logging, AOL is proud to be the trade association representing all forestry contractors in Oregon including those who utilize H-2B visa workers. Our members who use foreign guest workers perform critical services including:

- Reforestation
- Wildland Firefighting and Fuels Mitigation
- Noxious Weed Abatement

- Forest Restoration and Watershed Enhancement
- Other Labor-Intensive Operations

The Issue:

Since 1993, Oregon's H-2B employers have been required to pay unemployment insurance (UI) taxes for foreign guest workers, even though these workers are ineligible to receive UI benefits under both federal and state law. This creates an unnecessary financial burden on forestry businesses that are already facing increased operational costs due to labor shortages, wildfire recovery demands, and fluctuating markets.

How HB 3142/SB 622 Help:

The proposed legislation aligns Oregon's treatment of H-2B workers with federal law, which exempts these workers from Federal Unemployment Tax Act (FUTA) obligations. By removing the outdated requirement for state UI tax payments, the bills provide **fair tax relief** to employers without compromising benefits for workers who were never eligible in the first place.

AOL's Commitment to Hispanic-Owned Small Businesses:

We deeply value our diverse membership and the Hispanic-owned small businesses we represent, play an essential role in Oregon's forestry sector. Recognizing the unique challenges these businesses face, AOL added a full-time bilingual staff position three years ago to provide targeted support. This individual, a former reforestation contractor, offers critical safety services including hands on CPR/First Aid classes in Spanish. He also ensures that businesses are properly classified for workers' compensation insurance—preventing exploitation and promoting fair practices.

HB 3142 and SB 622 represent thoughtful, practical legislation that corrects an outdated tax policy. We urge the committee to support these bills and help strengthen Oregon's forestry sector.

Sincerely,

Amanda Sullivan-Astor, CF Forest Policy Manager; Associated Oregon Loggers Office: 503-364-1330 <u>aastor@oregonloggers.org</u>

A Trusted Partner for Oregon's Forest Operators