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March 7, 2025

House Committee Labor & Workplace Standards Oregon State Legislature 900 Court St. NE Salem, OR 97301

Subject: Opposition to HB 2548 – Testimony from the Stayton Sublimity Chamber of Commerce

On behalf of the Stayton Sublimity Chamber of Commerce, I am writing to express our strong opposition to House Bill 2548. This legislation, which seeks to establish a Workforce Standards Board for Oregon's agricultural sector, poses significant risks to the economic viability of our farming community and sets a troubling precedent for government overreach into private business operations.

Negative Impacts of Workforce Standards Boards in Other States

The implementation of similar regulatory bodies in other states has led to unintended and harmful consequences. For example, California's AB 1066, which expanded overtime pay for agricultural workers, resulted in reduced working hours and earnings for farmworkers as employers adjusted to increased labor costs. Many workers faced financial hardship due to lost wages from reduced hours rather than experiencing the intended benefit of higher pay. Data on Oregon's own agriculture overtime ruling has already indicated an overall decrease in annual income for the farmworkers, that rule sought to protect. Similarly, in Australia, excessive regulations have driven many vegetable growers to consider leaving their farms, threatening food security and rural economies. Oregon must learn from these examples rather than repeat them.

Government Overreach and Erosion of Business Autonomy

HB 2548 creates an unelected governing body that will set regulatory mandates at least every two years, stripping farmers of their ability to make timely and necessary decisions for their operations. Farmers, like other business owners, understand their industry's unique challenges and workforce needs far better than a government-appointed board. Such regulatory overreach hinders adaptability, discourages entrepreneurship, and increases operational inefficiencies.

Agriculture as a Commodity and the Inability to Adjust Pricing

Unlike many industries, agriculture operates within a commodity-based market where pricing is dictated by supply and demand rather than the producer. Farmers cannot simply raise prices to offset

increased labor costs imposed by additional regulations. The financial strain created by HB 2548 would disproportionately burden small and family-owned farms, potentially forcing them out of business. This, in turn, will lead to job losses and greater consolidation of the agricultural industry into the hands of fewer, larger corporations.

Harm to Oregon's Competitiveness in National and Global Markets

Oregon's agricultural sector exports approximately 80% of its produce, competing against domestic and international producers. Additional regulatory costs will make our farmers less competitive, leading to loss of market share and economic decline in the industry. Oregon must prioritize policies that support, rather than hinder, our farmers' ability to compete on a national and global scale.

A Dangerous Precedent for Other Industries

Beyond agriculture, HB 2548 sets a precedent for the expansion of Workforce Standards Boards into other industries, such as hospitality, construction, and retail. The hospitality industry, already struggling with inflation, labor shortages, and post-pandemic recovery, would be especially vulnerable. Increased regulations will lead to business closures as restaurants, hotels, and small retailers are unable to remain profitable. Ironically, the very workers these policies aim to protect will suffer the most, as jobs are eliminated due to business closures.

While we recognize the importance of fair labor practices, HB 2548 is not the right approach. The creation of a Workforce Standards Board for agriculture—and the inevitable expansion into other industries—will lead to business closures, job losses, and a weakened state economy. Instead of enacting burdensome regulations, we urge policymakers to engage directly with industry stakeholders to develop solutions that protect both workers and businesses.

For these reasons, the Stayton Sublimity Chamber of Commerce strongly urges you to vote NO on HB 2548. Thank you for your time and consideration.

Sincerely,

Carmélle Bielenberg, President/CEO Stayton Sublimity Chamber of Commerce Spokesperson, Stayton Sublimity Chamber Government Affairs

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