

Submitter: Liz Hartman
On Behalf Of: Chamber of Commerce
Committee: House Committee On Labor and Workplace Standards
Measure, Appointment or Topic: SB916

April 30, 2025

Dear Chair Grayber and members of the House Committee on Labor and Workforce Standards:

The Lake Oswego Chamber of Commerce opposes SB 918A. We are a Chamber of 450 members strong. Our business community is comprised of local, regional, and national businesses. We care for and support our entire community, which includes local and county government employers and public sector employers. The employers in our community have employees who live throughout the Portland metro area.

There are two reasons we oppose SB 918A

Oregon must return to a business-friendly environment.

This bill will increase unemployment insurance rates and does not address unknown certainties.

Oregon Is Not Business Friendly:

Oregon consistently ranks low as a business-friendly state. This low ranking is due, in part, to significant regulations, high taxes, and high cost of living. According to CNBC Oregon, in 2024 Oregon ranked as the 48th state for business friendliness. The two states that were more business unfriendly were New York and New Jersey.

According to a Cato Institute 2023 report "Oregon's deterioration has been long-term and sustained. It is the second most worsened state since 2000, after Hawaii. Tax and regulatory burdens have risen, and although the state remains relatively personally free, other states have increased more on that dimension and passed it in the ranking." A strong business climate is important because it creates jobs and generates revenue for local, county, and state government.

Increase UI Tax Rates and Unknown Certainties: There are too many variables that have no definitive answers.

Though the Oregon Employment Department has done a 10 and 3 year look back study, the Department cannot predict with certainty the impact of SB 916A to the unemployment insurance system and the unemployment insurance tax rate for

individual employers. If a tax paying employer has workers who strike and receive unemployment insurance benefits, that individual employer's experience rating likely will be impacted.

SB 916A cannot be completely socialized over the entire system. As the Department informed the House Committee on Labor and Workplace Standards, at best, it could be socialized, for the subset of employers with back pay provisions pre-negotiated in labor contracts.

Though, the US Department of Labor has written an informal opinion that does not see a conformity issue with SB 916A, a formal written opinion cannot be issued until after the legislation becomes law.

And as the Department stated, Oregon has more flexibility in defining the meaning of "actively seeking work" which is a requirement to receive unemployment benefits, but that definition with respect to striking workers won't be known until after SB 916A becomes law. Public input first needs to be gathered by the Department and then the Department needs to develop the definition presumably by administrative rule making. Finally, collection or claw back of all unemployment benefits in the case of employers providing striking workers with back pay is unlikely and the increased administrative burden has not been quantified.

The intent of SB 916A to balance the labor and employer bargaining scale is not without merit and arguably deserves discussion. Using the unemployment system as proposed by SB 916A continues to erode Oregon's support of businesses.

Sincerely on behalf of the members of the Lake Oswego Chamber of Commerce:

Alistair Firmin, Chair

Heather Graves-Ramsey, Immediate Past Chair

Anastasia Yu Meisner, Vice Chair

Jay Haladay, Vice Chair

Liz Hartman, Secretary

Lake Oswego Chamber of Commerce

148 B Avenue, Suite 100 - PO Box 368 - Lake Oswego, OR 97034

Tel: 503-636-3634

Info@lake-oswego.com