



TESTIMONY

House Committee on Early Childhood & Family Supports

March 23, 2017

Oregon Farm Bureau Opposes HB 3087

The Oregon Farm Bureau Federation (OFB) respectfully asks the Committee to oppose HB 3087. This bill would impose a new payroll tax on businesses and workers to pay for a proposed family leave mandate.

By way of background, OFB is Oregon's largest grassroots agriculture association, representing 7,000 farming and ranching families across the state. Our mission is to promote educational improvement, economic opportunity, and social advancement for our members and the farming, ranching, and natural resources industry as a whole. OFB appreciates the opportunity to testify today in opposition to HB 3087.

HB 3087 imposes a new tax on family farms and ranches

In contrast to most other states that mandate paid family leave, HB 3087 requires employers—large and small—to pay for 50% of the program. Oregon businesses have been subjected to several new employment mandates over the last two years, including Oregon Sick Time and the minimum wage increase. Taxing employers to provide paid family and medical leave adds to the cumulative impact of these policies and would harm family run businesses in Oregon.

HB 3087 creates a confusing regulatory landscape

HB 3087 applies to all businesses with one or more employees. This is a departure from the Federal Family & Medical Leave Act and the Oregon Family & Medical Leave Act that apply to businesses with a minimum of 50 and 25 employees, respectively. HB 3087 would increase the compliance burden for family businesses by creating confusing and conflicting employee thresholds.

HB 3087 adds to the paperwork burden

HB 3087 would require businesses to file annual reports to the Department of Revenue, including employee hours worked and amounts due to the family leave fund. The time required to do this is overly burdensome, especially for family farmers and ranchers. In agriculture, many families manage their own Human Resources departments. With the falling price of commodities, these operations may lack the ability to hire professional staff needed to efficiently implement this and other workforce requirements.

HB 3087 imposes mandatory leave with no discretion given to the employer

Farmers need the flexibility to offer the type of work arrangements that best suit the needs of their unique workforce. However, as “protected leave” with a threat of litigation, HB 3087 would require family businesses to provide three months of leave. 12 weeks of paid leave, with an additional six weeks for parental leave, is not workable for many operations, particularly during the critical time of harvest. Many farmers already struggle with workforce availability, and HB 3087 would challenge the ability of some family businesses to maintain their operations.

HB 3087 exposes family businesses to costly litigation

Section 20 exposes farmers to expensive litigation. An employee who believes the employer interfered or retaliated against the 12-weeks of protected leave or failed to return the employee to the same or comparable position could pursue a claim against the employer seeking: compensatory damages, injunctive relief, declaratory relief, punitive damages, and attorney’s fees. This provision is punitive against small businesses.

OFB respectfully requests that the Committee oppose HB 3087. Family run businesses cannot afford this new mandate.