

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Be Adopted
Vote:	4 - 1 - 0
Yeas:	Baertschiger, George, Monnes Anderson, Shields
Nays:	Prozanski
Exc.:	0
Prepared By:	Channa Newell, Administrator
Meeting Dates:	3/13, 3/27

WHAT THE MEASURE DOES: Requests Congress require U.S. Department of Labor adopt standard rules and procedures for application of “hot goods” provision of Fair Labor Standards Act (29 USC 215(a)(1)), including appropriate applications of provision and full disclosure of employers’ and workers’ rights.

ISSUES DISCUSSED:

- Effects of “hot goods” provisions on Oregon blueberry farms
- Typical procedures for enforcement of federal labor laws

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The U.S. Department of Labor (Department) Wage and Hour Division oversees the Wages and Fair Labor Standards Act (FLSA). The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in federal, state, and local governments.

“Hot goods” are pieces that may have been made in violation of the federal minimum wage or overtime laws. The FLSA has two provisions that prohibit the shipment of hot goods into commerce and may require the manufacturer to take corrective action before the Department lifts its objection and allows the goods to be shipped. These corrective actions normally include correction of wage issues and having the manufacturer agree to obey the FLSA in the future.

In July and August of 2012, Department staff applied a hot goods provision of FLSA (29 USC 215(a)(1)) to blueberry crops at three Oregon farms. In this case, the Department claimed the hot goods provision was in response to widespread record-keeping and minimum wage violations at the farms. The farms each agreed to pay a specific amount in back wages and a civil penalty in order to release the berries from the hold.

Senate Joint Memorial 7 details the importance of agriculture in Oregon’s economy and the effect of invocation or threat of invocation of the “hot goods” provision on Oregon farms. The measure asks Congress to require the Department to adopt standard rules and procedures for the application of the “hot goods” provision, including full disclosure of employers’ and workers’ rights and when the application of the provision is appropriate.