Joint Committee on Special Session Co-Chairs Kotek and Courtney and Members of the Committee,

I would like to comment on HB 3601, section 11 sub-section 6(c), on behalf of my clients, the Oregon Seed Council, Oregon Dairy Farmers Association and the Oregon Blueberry Commission.

The provision in this sub-section which requires employees to work a minimum of 30 hours per week before their wages can be counted in the 1200 hour requirement will place an unnecessary burden on many agricultural employers.

Many farmers use temporary employees throughout the year to fill their work force. During the harvest season, blueberry farmers will have dozens of people harvesting their crop, but many times it is different individuals each day. As I read this provision of HB 3601, an employer can only count the hours of workers who work 30 hours or more in a week toward the 1200 total hour minimum requirement of this provision. A farmer could have 30 berry pickers in his field every day for a week working a total of 1200 hours, but if they are not the same people each day, none of the hours would count toward the minimum.

Farmers who need to get their crop harvested may not have the luxury of choosing their work force. They must rely on the harvesters who show up on any given day. As long as an employer meets the minimum requirement for hours worked to be eligible for a lower tax rate, why would it matter how many hours each employee works? Farmers prefer the same workers return each day to harvest their crop; this greatly simplifies their book keeping system. But when the crop is ready to harvest they cannot wait for the certain workers and depend on those who show up. This issue worsens as the economy improves and the labor supply tightens. Workers will go from farmer to farmer daily looking for the best berries to harvest, leaving those with a lesser crop wanting for any worker who will come to the field.

As you entertain amendments to HB 3601, I request you adopt an amendment removing the 30 hour per week requirement currently in Section 11 sub-section 6(c) and use only the 1200 hour aggregate total as the requirement to qualify as a pass through entity with at least one non-owner employee. This would keep faith with the framework of the “grand bargain” agreed to by Legislative Leaders and the Governor without creating winners and losers due to technicalities in tax law.

Thank you,

Roger Beyer