



## **PEARMINE FARMS, INC.**

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To: Senate Workforce Committee  
From: Molly McCargar, Corporate Secretary, Pearmine Farms, Inc.  
Date: March 8, 2017  
RE: In support of SB 779

Chair Taylor, members of the committee,

My name is Molly McCargar. I am here today to ask for your support of SB 779.

I am a 4th generation farmer of Pearmine Farms in Gervais, Oregon. Like most farming operations in Oregon, our operation is a family business. We are set up as an S-Corporation and I as an owner take a salary and receive a W2 each year, as well as my father and brother.

We currently farm approximately 1000 acres. Five of these crops are extremely labor intensive but for short periods of time which include roughly 115 acres of broccoli, 95 of cauliflower, 20 of strawberries, 60 of hops and 30 acres of sweet cherries and the remainder are beans, sweet corn, grass seed and squash. Year to year these acres vary causing variations in our labor needs. During the peak summer season, we have anywhere from 10 to 60 plus or minus temporary seasonal employees, some of which include additional family members, like my husband, who is a teacher, as well as my kids.

In 2015 when the sick leave law was originally passed, the law exempted the parents, spouses and children of business owners from the employee count threshold for paid sick leave. I believe it was intended to help reduce any additional financial burden on family run businesses, particularly farmers and ranchers, like us. We appreciate the law acknowledging that the agricultural industry is unique, to say the least.

Unfortunately, it appears the recent interpretations of the law have reversed this exemption, creating confusion as well as possibly un-intentional non-compliance. Many of us in small business and especially farmers, wear many hats. We are our own HR, tractor driver, mechanic, bookkeeper, etc. and keeping up with these interpretations can be extremely challenging.

Our farm's biggest challenge with the sick leave law is identifying whether we are exempt from paying sick leave. After looking at several years of payroll history for our farm, we are either way under or just right on the edge. In 2014, based on the current interpretation of the law, we didn't qualify to pay sick leave in 2015, but barely. Looking at our 2015 payroll history, we are

just over the threshold by 2 weeks and qualify to pay sick leave. But looking at 2016's history we are back to being under the threshold exemption to pay, by 4 weeks. This poses not only the frustrating and time consuming task of tracking for our farm but also whether we're in compliance with the law. And an unintentional side effect of this is also frustration and confusion for our employees. Year to year they will be left wondering if they're able to receive paid sick leave or not.

SB 779 provides a much-needed fix, clarifying that business owners and family members are not counted as employees under Oregon Sick Time. By removing an individual and the parent, spouse or child of the individual as well as directors of a corporation with ownership interest by clarifying the law with SB 779, our farm will be well far enough under the 10 employees in a 20-week threshold to eliminate frustration and confusion for us and our employees.

As a family farmer, I can tell you that SB 779 is necessary to help small businesses effectively implement the sick time law.

I ask for your support to reduce confusion and burden for family farmers like myself and help facilitate compliance with the law.

Please accept this written testimony in support of SB 779.