



UNIFIED BUSINESS OPPOSES HB 3031

Background: In the past few legislative cycles, the Oregon Legislature has passed multiple mandates and tax increases onto small businesses without weighing the impact of how those measures are actually working. The Legislature has passed and instated a minimum wage increase that climbs every year; a paid sick leave program; mandated an opt-out retirement program and this session, is considering adding a private right of action against employers to enforce the measure; passed and increased healthcare premium sales taxes; instituted a new payroll tax for transit even though many small businesses and their employees are not on a transit line; adopted a “pay equity” measure that has driven costs for businesses and government employers alike; and the legislature disconnected Oregon small businesses from a federal tax deduction designed for sole proprietors and pass-through businesses, at a cost of a billion dollars to roughly 400,000 tax filers.

What the Legislature hasn’t done is paused to evaluate the efficacy of all of these measures. Before moving forward with yet another employer mandate, it would be helpful to see how all of the other business mandates and tax increases are impacting the smallest firms in our state.

HB 3031 Opposition: While Unified Business Oregon would be willing to support a sensible concept around paid family leave, HB 3031 isn’t that measure. Oregon businesses don’t compete in a vacuum, and we’re deeply concerned this measure is the proverbial straw breaking the camel’s back.

HB 3031 is too broad in that it’s entirely unreasonable to expect that a small firm can hold a job, particularly for key employees, while someone is on a leave of up to 32 weeks. We believe the smallest Oregon businesses should be exempted. There are roughly 60,000 businesses in Oregon that employ only one to four employees. While the payroll cost is certainly an impact to small firms, it’s the loss of labor that makes this bill entirely unworkable. This is particularly the case if a small business is forced to pick up unemployment costs for the temporary worker who they’ll have to let go after the employee on leave for 32 weeks returns.

We also believe that a paid family leave bill should replace, not be in addition to, a mandatory sick leave policy already in statute. By rolling both programs into a single cost-shared plan, it will help stave potential layoffs or reductions in other employee benefits. We are concerned that the cost of a paid family leave program will eclipse the projected 1% of payroll, and that cost overruns will be shifted to the employer to cover program shortfalls. By removing the paid sick leave requirement and shifting to just a paid family leave plan, employers won’t bear the brunt of two costly leave-related programs.

Lastly, it goes without saying that the Legislature shouldn’t continue to act as the HR Manager for private firms. While all of the measures of the past four sessions brief well to voters, they come at a cost to the employer and to taxpayers in general who have seen the rising cost of everything from groceries to housing in order to offset mandates. Moreover, these mandates also hit government employers hard, and have contributed to cuts in services for citizens. For these reasons, we urge you to go back to the drawing board and vote NO on HB 3031.

Sincerely,

A handwritten signature in black ink, appearing to read "Lou Ogden", written over a white background.

Lou Ogden
Executive Director