

**House Committee on Health Care**  
**Testimony on HB 3262**  
**April 2, 2019**

My name is Bennett Minton, and I speak on my own behalf as a resident of Portland. Before I moved to Oregon last year, I was for three decades a federal legislative analyst in Washington, D.C., mostly in tax policy.

On March 31 *The Oregonian* printed my op-ed about the proclivity of legislators of both parties to use the tax code to achieve goals large and small. Taken together, your bills would undermine the tax code as a rational, equitable and efficient means of raising revenue.

Three of the bills I wrote about in *The Oregonian* are minor. The fourth, this one, is not. It would have major effects on the state's labor market and employers. The legislature should understand them.

The intent is fair enough: Recover for taxpayers the state's costs of subsidizing low-wage employers with various income-assistance programs.

But I'm not sure whether reimbursing the state is the bill's purpose, or rather a rationale. I'm thinking the purpose is to nudge business to raise wages.

The Walmartization of the American economy is a terrible problem, and the state may be able to address some aspects of it. A simpler remedy is a minimum wage add-on equal to safety-net benefits.

Other concerns:

- The bill would apply only to larger businesses
- It would be limited to certain sectors
- It has unknown administrative costs
- I question the state's ability to enforce sanctions on employers who refuse to hire workers who receive benefits
- I'm worried about the security safeguards of so much personal information traveling between the state and employers

I hope the legislature will take these concerns into consideration.

Thank you.