

February 7, 2022

To: House Committee on Labor and Business

From: Wes Bailey, Smith Gardens

RE: HB 4002

I am writing to you in concern of HB 4002, Farmers losing the Agricultural exemption of paying overtime to agricultural workers.

We are a family owned farm in Marion County and have been operating in this state for over 25 years. We are a greenhouse nursery operation that grows annuals, ground cover, perennials and other plant material for the mass merchants in the Pacific Northwest.

We are a very seasonal operation that employ as low as 75 employees during the late summer and fall, but during the spring busy season we ramp up to 220 employees to complete our production, growing and shipping to market for 4 months during the year.

I am very concerned about the impact this bill will have on our business. We would like to continue to expand our operations in Oregon and we have grown our business significantly over the past 15 years, expanding our operations and providing more full time living wage jobs for employees. But as we continue to see the cost of doing business in Oregon year after year becomes more expensive, I am not sure we will have a sustainable business.

The impact to the employees will be reduced hours which in turn will reduce their overall take home pay and potentially force them to look for a second job to make ends meet. We already operate with a single digit NIBT bottom line. With these continued hits to the business owner and the cost pressure that we are currently facing is just another layer to the cake. In addition to mandatory wage increases in the minimum wage, mandatory sick pay, property tax for personal property and additional bills that the employer has taken on 100% of the expense. After all that, we will be facing increases in natural gas cost and other expenses from a carbon tax bill.

As our bottom line continues to shrink year after year due to the increased cost from the legislation in the State of Oregon, we will be forced to evaluate the additional benefits and perks that we offer as an organization to eliminate to manage a bottom line.

I would not be opposed to such a bill if it was an even playing field. Right now, we pay a market based wage which is currently above the minimum wage. Agricultural operators in the State of Oregon have to play by different rules and laws, i.e. minimum wage and overtime. Some of our neighboring states either have no overtime or have been able to adopt a much more palatable agricultural overtime bill to bridge the gap, look at Colorado.

With an uneven playing field, we are inviting businesses outside of the State of Oregon a competitive advantage to come into Oregon and take our business because they can operate at a much lower cost. This will in the long run, just be one more factor added onto the multi layered cake that will close the doors of some agricultural businesses in the state of Oregon and invite the competition in from other states. Again, I ask that you oppose HB 4002 and we come to the table with open minds that will work for all parties involved in this matter.

Best regards,

Wes Bailey

Smith Gardens

Aurora, Oregon