



**Written Testimony on HB 4002B**  
**Submitted by Maria Ponzi, President, Oregon Winegrowers Association**  
**Joint Farmworker Overtime Committee**  
**February 25, 2022**

Co-Chairs Taylor and Holvey, and members of the committee, the Oregon Winegrowers Association (OWA) respectfully submits comments on HB 4002B.

As we have noted in previous testimony, OWA has been very involved in the farmworker overtime policy discussion for more than a year. Our Board of Directors has listened carefully to our diverse winery and grape grower membership through member forums, surveys, committee meetings, regional association meetings, and one-on-one conversations. This is a complex issue for our industry, and we've remained engaged on this topic since the very beginning.

Although a variety of perspectives have surfaced within our industry on how to approach challenges and opportunities related to farmworker overtime, OWA has broad consensus on three main points:

- First, we have the deepest respect and admiration for our employees, particularly those who work year-round in our vineyards. It is the people that made Oregon's wine industry world-renowned and the people doing the work deserve to be compensated fairly for their very skilled labor.
- Second, we strongly believe Oregon wage and hour policy for farmworkers should be established by the Oregon legislature, and not through an administrative rulemaking at the Bureau of Labor and Industries (BOLI).
- Third, the legislation must be crafted so that farmers who rely on farm labor contractors to supply all or some of their labor force can access the transition tax credits to offset increased labor costs associated with overtime pay.

We do appreciate the legislature taking on the task of crafting a farmworker overtime law, rather than ceding the work to BOLI. While our board supports HB 4002B in principle, concerns remain about its practical application as it relates to the tax credit documentation requirements for farmers who use labor contractors.

It was helpful to hear statements for the record during the February 24, 2022 work session about the definition of 'eligible employer' and that the intent is for that definition to include farmers/growers who have zero employees and rely exclusively on labor contractors to supply the farmer's labor force.

In addition, we appreciated the statements of legislative counsel and Co-Chair Holvey that nothing in this legislation is intended to create a joint employer relationship between the labor contractor and the grower/farmer.

However, challenges remain with respect to the requirement for the 'taxpayer' to provide detailed information about actual overtime hours worked on a given farm in order to access the tax credits. We have attempted to explain the practical challenges of these requirements particularly because many labor contractors will likely need to increase the rates charged to



farmers for all hours worked in order to equitably distribute the costs associated with paying overtime wages to their crews across all the farms they contract with. This reality will make it very difficult to identify the specific overtime ‘wages paid’ and ‘overtime hours worked’ for the ‘taxpayer.’

With that being said, we appreciated statements in the record that the intent is for farmers who use labor contractors to be able to access the tax credits. This is critical to some of our smaller farmers that are so important to the Oregon wine industry. We remain optimistic that the issues we’ve identified can be resolved through rulemaking with the Department of Revenue and/or through clarifying legislation during future legislative sessions.

We recognize that different sectors within Oregon agriculture may experience the results of this policy differently. We believe the workers in our vineyard should be paid a fair and just wage, and we believe our grapegrowers and wineries should have the financial tools to manage through a transition of this new policy.

This latest version of the farmworker overtime bill strikes a balance that was not in the introduced bill, nor proposed earlier. For these reasons, the OWA can support this legislation that sends the message that the workers in our vineyards should be fairly compensated for the critical role they play in producing some of the finest wines in the world.

We thank the co-chairs and the committee for allowing us to make these comments on the latest version of HB 4002.