



## TESTIMONY IN OPPOSITION TO HOUSE BILL 4089

Chair and members of the Committee:

The Oregon Wine Council respectfully opposes House Bill 4089. We have significant concerns that this measure will create unintended consequences that harm Oregon's wine industry, its workforce, and the broader agricultural economy. Oregon wine producers are already under significant strain from the implementation of agricultural overtime, changing consumer alcohol consumption habits, and persistent wildfire and environmental risks. **Adding criminal liability now would compound these pressures at a time when the industry can least absorb additional uncertainty.**

### **Criminalization of Good-Faith Disputes Creates Chilling Effects**

HB 4089 transforms what have historically been civil wage disputes into criminal offenses punishable by up to 10 years in prison. The bill's broad language, covering any failure to pay "agreed-upon" compensation, could capture legitimate disputes over bonus structures, commission calculations, and contractor payment terms that should be resolved through existing civil and administrative processes. Oregon already has robust civil remedies through BOLI that allow workers to recover unpaid wages, penalties, and attorney fees without criminalizing legitimate business disputes.

### **Vague Standards Create Compliance Uncertainty**

The bill lacks clear intent standards for criminal liability. Section 1(c) does not require willful or intentional conduct; simply "failing to pay" creates criminal exposure. This absence of a clear intent requirement could result in criminal liability for inadvertent errors, payroll processing mistakes, or computational differences that would never meet the threshold for criminal prosecution in other contexts.

### **Felony Liability for Using Labor Contractors Is Unworkable**

Section 4 of the bill creates Class C felony liability (up to 5 years imprisonment, \$125,000 fine) for any person who "uses the services of an unlicensed labor contractor and who knows, or should have known, that the contractor is violating ORS 658.410." This "should have known" standard is a concerningly low bar for imposing criminal liability on small, medium, and even large wine businesses.

The Oregon Wine Council supports fair treatment of workers and compliance with wage and hour laws. Our members are committed to being good employers. Please do not impose criminal liability on top of the current system.

Sincerely,

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**Oregon Wine Council**