



OREGON HOUSE REPUBLICAN OFFICE

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House Democrats Adopt Partisan And Costly Minimum Wage Mandate

Salem, OR - With unprecedented speed and little regard for potential consequences, House Democrats today adopted a partisan wage mandate that rapidly increases Oregon's minimum wage to the highest rate in the country. SB 1532, which establishes a three-tiered system for determining minimum wage rates based on the geographical location of an employer, was approved by a narrow vote of 32-26, with several moderate Democrats joining Republicans in opposing the legislation. Republicans argued the bill will result in layoffs, lost hours, and increased costs for all Oregonians.

"There is a better way - but the consequences of this bill are layoffs, lost hours, and rising costs for all our neighbors. This isn't hypothetical - there will be a real impact on real people," said Representative John Davis (R-Wilsonville).

The bill, which was negotiated behind closed doors and rushed through the House without a review by the Legislature's budget committee, has the potential to devastate the state's economy and expose Oregonians to harmful consequences. Employers, faced with rapidly rising labor costs, may be forced to choose between cutting hours, increasing costs, or both. Oregonians, in turn, are likely to see the cost of living in Oregon rise, as the economy attempts to adjust to such a sudden and significant shift in labor costs. Low- and middle-income working families will be hit particularly hard, as the costs of daycare, healthcare, and other essential goods and services rise.

"I'm worried that this proposal could have serious unintended consequences," said Representative Sherrie Sprenger (R-Scio). "Oregonians will see prices rise with the passage of this bill. Low- and middle-income families will disproportionately feel the burden of cost inflation and a tightening of the labor market. I am not willing to put the most vulnerable members of our society at risk in pursuit of a reckless policy that fails to fully account for potential consequences."

"For those of us who represent rural communities, we know firsthand what poverty looks like," added House Republican Leader Mike McLane (R-Powell Butte). "We understand, that while well-intentioned, SB 1532 will have a detrimental impact on the very people it was designed to help. In passing this bill, Democrats are accepting those consequences."

In addition to having harmful impacts on Oregon's economy and increasing prices for Oregon families, SB 1532 will likely have the effect of increasing legislator salaries. According to an opinion by the nonpartisan Office of Legislative Counsel, "Unless the [Public Officials Compensation Commission] decides to recommend a salary increase that is more substantial than those offered in the past, SB 1532-A would require an increase to members' annual salaries in 2022 to avoid dropping approximately \$1,010 below the statutory minimum salary."

Having already passed the Senate, SB 1532 now moves to Governor Brown's desk. Governor Brown has indicated she will sign the bill into law.

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