



May 7, 2026

To: Members of Governor Kotek's Prosperity Council

From: The Oregon Association of Nurseries

Subject: Recommendations

---

**The Nursery and Greenhouse industry is the largest sector of agriculture which produces and ships environmentally beneficial green goods and competes on a national and international level.**

**Background:** The nursery and greenhouse industry is Oregon's leading agricultural commodity, valued at over \$1.3 billion annually. Critically, we are a traded sector: 74% of our sales flow to customers outside Oregon, making this commodity essential to the state's trade profile and economic resilience. Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill, and Multnomah Counties.

---

It is our distinct pleasure and responsibility to provide measurable and impactful recommendations to the Prosperity Council. The OAN has followed closely the progress and dedication that the council has as its mission to change the very course of the Oregon economy. For that work, we laud you and your efforts.

In an effort to be concise, the association would like to provide some top line recommendations – of which we are more than happy to provide detail as the council would desire.

29751 SW TOWN CENTER LOOP, WEST, WILSONVILLE, OR 97070

Oregon is at a crossroads and the key takeaway from our comments is that unless a change occurs in Oregon's business climate through a number of policy choices, the state will not achieve a predictable, manageable and competitive ability.

We are grateful for your time and attention to our comments below.

**Oregon must align our labor standards, and overtime rules  
with our neighboring states, or competitive states.**

- The implementation of the Agricultural overtime law is having a negative effect industry wide. Growers compete on a national level with states at the federal minimum wage, further hampering market growth.
- Colorado recently changed its agricultural overtime law to recognize that the industry has peak seasons that are driven by weather, product type, and labor costs. Colorado changed its peak season to 56 hours a week.
- California, who phased in its Ag OT law (much like Oregon) is finding that workers are making less with reductions of hours to the 40 hour threshold and productivity of growers has been reduced.
- The OAN recognizes that a number of factors go into remaining competitive – including regulatory costs, transportation costs to get product to market, and labor.
- OAN is part of an agricultural coalition that recommends freezing agricultural overtime to a 48 hour threshold and allow a 12-week 56 hour OT threshold for peak season labor needs. This solution would go a long way to stabilizing employee hours Oregon's growing loss of market and competitiveness.
- The Prosperity Council should also review and examine the total compensation costs to Oregon agriculture by recognizing state mandated policies – minimum wage, paid family leave, regulatory costs, etc.) to reconcile the true cost per hour of an employee and compare it to other states.
- Ultimately the OAN supports OBI's recommendation on overtime: Repeal agricultural and manufacturing overtime laws, which place artificial constraints on workers' earning capacity and employers' ability to meet production demand fluctuations, particularly those tied to harvesting crops or other seasonally specific demands
- The OAN recommends that the council work reduce barriers by state agencies and collaborate with agricultural operations and their efforts applying for temporary workers (H2A and H2B) to assist in an ever-increasing worker shortage in Oregon.

- A wholesale review and consultation with agriculture on OSHA heat rules, worker protection standards, and farm housing rules.

### **A Comprehensive view of Oregon's tax code is needed**

There has been substantial work done by Oregon Business & Industry on the subject of Oregon's competitiveness and need to do a comprehensive review of the state's tax code. OAN would point out a few comments found in the OBI Competitiveness Agenda and provide links to the source material in their competitiveness scorecard.

- Oregon in 2024 slipped seven places, to 28th, in CNBC's annual America's Top States for Business ranking. CNBC gave Oregon an "F" for business-friendliness, with only New York and New Jersey faring worse.
- From June 2023 to June 2024, Oregon ranked only 45th nationally in manufacturing growth, according to OBI's 2024 report on the condition of Oregon's manufacturing sector.
- Oregon's effective state business tax burden soared 33% between 2019 and 2023, according to a 2024 report conducted for OBI by consulting firm EY. Oregon's corporate tax ranking, at 49th, now tops only Delaware's in the nonpartisan Tax Foundation's 2025 State Tax Competitiveness Index.
- Oregon lost 6,000 residents between 2022 and 2023, according to a report released recently by the Common Sense Institute Oregon. This trend exacerbates the workforce challenges facing existing businesses and discourages further investment here.

Resources:

OBI Competitiveness Report - [OBI Releases Oregon Competitiveness Agenda - Oregon Business & Industry](#)

OBI Prosperity Council Memo - [OBI-Prosperity-Council-Recommendations-4.2.2026.pdf](#)

OBI Scorecard - [The Oregon Scorecard - Oregon Business & Industry](#)

### **Small Business is agriculture, and it needs support**

Oregon agriculture's profile is that of small businesses, family farms, and generational commitment to growing and shipping quality green goods throughout the country and internationally.

29751 SW TOWN CENTER LOOP, WEST, WILSONVILLE, OR 97070

- Senate bill 1507 disconnecting from the federal tax code has been problematic both in terms of cost classified small business shares and accelerated depreciation. Especially for assets in Oregon, another look at accelerated depreciation might help businesses invest in things like agricultural equipment.
- Elimination of the Commercial Activities Tax on green goods would go a long way in reducing supply chain costs.
- While common sense land use is needed in Oregon, we urge caution to recognize that agricultural lands are essential businesses without walls. Long-term structural planning needs to be advanced that simultaneously protects Oregon’s natural working lands while also providing stable growth for housing and economic development. There is a model with an OAN led Urban-Rural Reserves passed by the Oregon legislature over a decade ago. This bill was never intended to be “the answer” but a model policy for the state to update its land use planning.
- Business Oregon needs to be retooled and given an updated mission to evaluate Oregon’s tax code, economic development support for Oregon’s small business community. Reform needs to be meaningful and work toward achievable targets. The solution is not just one thing, rather many small improvements that – when coordinated – render big results.

#### **Building blocks for a future workforce:**

#### **Investment and connection to 4-year and community colleges and funding for CTE**

- A core conduit to success in agriculture is the investment in our land grant university (Oregon State University) and our community colleges. The OAN has built bridges with these institutions to create a pipeline of a workforce, increased research to resolve emerging issues facing the industry, and to grow awareness of the very connection between our institutions of higher learning and business.
- Partnerships to build training programs and education requires a quantum leap of support by the state.
- A critical building block, before higher education, is getting kids engaged in agriculture at the High School level. It is the first step to building our workforce and fully funded CTE programs by the state is an appropriate step.

#### **Oregon is missing the mark on climate**

- OAN joins OBI in its desire to replace Oregon’s unique Climate Protection Program with a market-based program that allows for legislative oversight and linkage with other states, invests related revenue in prioritized state policies related to GHG

reduction (e.g., wildfire mitigation, transportation congestion relief, industrial equipment upgrades) and avoids duplicative or overlapping regulation of GHGs.

- OAN has been a long-standing critic of Oregon's Recycling Modernization Act. While examination of how to properly take plastic out of the waste stream is good policy, the manner in which EPR has been implemented is not only costly, but inconsistent with how other states are regulated. This law needs to be modernized to ensure it is constitutional, fair and transparent to regulated entities and consumers; to align costs with outcomes; and to align systems and costs with other programs. The OAN is leading a national conversation with the nursery and greenhouse industry and is working to develop a model policy. We view the council as a partner on this issue and will advise on our progress.
- Green goods, produced by the nursery and greenhouse industry, sequester carbon and have been selectively held out of balanced climate policy and how agriculture can mitigate climate change. There is emerging science on quantifying the benefits of green goods and recognition, research and investment in this area is encouraged.

As the largest sector of agriculture, a true traded sector commodity that brings over a billion dollars back to state each year, the Prosperity Council has an opportunity to make a difference on the future of our economy. Agriculture is the backbone of our state, and it is hurting. We cannot urge you enough to support the family farm. The above recommendations would go a long way towards bolstering the continued success of this economic driver and ensuring that family farms thrive for many generations to come.