**2019 SUMMARY OF LEGISLATION** 



# LABOR AND EMPLOYMENT

OREGON LEGISLATIVE POLICY AND RESEARCH OFFICE | 80<sup>TH</sup> LEGISLATIVE ASSEMBLY



## LABOR AND EMPLOYMENT MEASURES

Collective Bargaining	Enacted Not Enacted	SB 272, HB 2016, HB 2231, HB 3009 -none-
General Labor and Employment	Enacted Not Enacted	<b>SB 270, HB 2992</b> SB 284, HB 2498, HB 2655, HB 2818
Public Employment and Contracting	Enacted Not Enacted	SB 479, HB 2216 SB 332-B
Retirement Programs	Enacted Not Enacted	SB 164, SB 1049, HB 2417, HB 2972 SB 187, SB 634-A, SB 768, SB 934, HB 2646, HB 2647, HB 2786-A, HB 2838-A, HB 2861-A
Unemployment	Enacted	SB 507, SB 798, HB 2005, HB 2087, HB 2660,
Insurance, Workers' Compensation, and Leave Laws	Not Enacted	HB 2788 SB 722-A, HB 3022-A
Compensation, and	Not Enacted Enacted Not Enacted	
Compensation, and Leave Laws Wages, Hours, and	Enacted	SB 722-A, HB 3022-A SB 123, SB 494, SB 519, HB 2398, HB 3193

Picture: Tulip Farm, Clackamas County - Gary Halvorson, Oregon State Archives

## TASK FORCES AND REPORTING REQUIREMENTS

The following bills created task forces and reporting requirements. Additional information is provided in the bill summaries.

Bill Number	Description	Deadline
HB 2005	Directs Oregon Employment Department to report on its progress toward implementing the paid family and medical leave insurance program.	February 15, 2020; September 1, 2021; and once during each of the three biennia following July 1, 2023

### LABOR AND EMPLOYMENT

### Senate Bill 123

### Effective Date: January 1, 2020

### **Pay Equity**

At the Request of: Senate Interim Committee on Workforce

Committees: Senate Workforce, Senate Rules, House Rules

**Background and Current Law:** In 2017, the Oregon Legislative Assembly passed the Equal Pay Act (HB 2005) making it an unlawful employment practice to discriminate between employees or applicants in compensation based on race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability, or age. The Act prohibits employers or prospective employers from using salary history to screen applicants or to determine compensation, or from acquiring their salary history unless the applicant chose to disclose their salary history.

**Bill Summary:** Senate Bill 123 modifies the requirements an employer must meet in order to avoid compensatory and punitive damages in a civil action alleging unlawful wage differentials. If the employee prevails and the court finds the employer completed an equal-pay analysis and made reasonable and substantial progress toward eliminating wage differentials, then the court must order the employer to eliminate the unlawful wage differential for the employee and award back pay or unpaid wages. The measure prohibits an employer's implementation of its equal-pay analysis to be considered an admission of liability in a civil action.

Oregon Laws 2019: Chapter 617

### Senate Bill 164

Effective Date: January 1, 2020

### **Oregon Retirement Savings Plan**

At the Request of: State Treasurer Tobias Read

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** In 2015, the Legislative Assembly enacted House Bill 2960 to create the seven-member Oregon Retirement Savings Board. In 2017, the Board created OregonSaves, a defined contribution retirement plan. Employers with 20 or more employees are required to automatically enroll their employees in OregonSaves if the employer does not offer a qualified retirement plan. Employees enrolled in OregonSaves make post-tax contributions to a Roth IRA, administered by the Oregon State Treasury. Currently, no enforcement process exists for ensuring compliance with the Board's requirements.

**Bill Summary:** Senate Bill 164 authorizes the Bureau of Labor and Industries (BOLI) to enforce the Board's rules governing retirement plans using BOLI's contested case process. The bill allows BOLI to accept complaints from employees no earlier than two years following the date by which an employer is required to register with OregonSaves.

### **Not Enacted**

### **Status of Judicial Marshals with PERS**

At the Request Of: Chief Justice Martha L. Walters for Judicial Department

Committees: Senate Workforce, Joint Ways and Means

**Background and Current Law:** In 2012, the Legislative Assembly authorized the Chief Justice to appoint staff to provide physical security in state court facilities. In 2015, the Legislative Assembly designated these judicial marshals as "peace officers" which authorized them to lawfully exercise certain powers, such as detaining individuals, subject to the personnel rules and policies established by the Chief Justice. The Legislative Assembly has determined that judicial marshals are not "police officers" for the purposes of the Public Employees Retirement System (PERS).

**Bill Summary:** Senate Bill 187 would have included current and future judicial marshals in the category of police officer for the purposes of PERS.

### Senate Bill 272

### Effective Date: January 1, 2020

### **Prohibits Assistant Attorneys Generals from Strikes**

Chief Sponsors: Sen. Manning Jr.; Rep. Doherty

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** The Public Employee Collective Bargaining Act (PECBA), enacted in 1973, codifies the laws governing employment relations and public employers and employees, as well as private employers not subject to the jurisdiction of the National Labor Relations Board. Though they may be represented by a labor organization, it is unlawful for certain public safety and emergency personnel and deputy district attorneys to strike or recognize a picket line while in the performance of official duties. Instead, those employees engage in binding arbitration as provided by PECBA to resolve disagreements that have come to an impasse.

**Bill Summary:** Senate Bill 272 adds assistant attorneys general to the list of public employees prohibited from striking or recognizing a picket line due to collective bargaining disputes between labor and management.

### Not Enacted

### **Employer Collection of Biometric Data**

At the Request of: Sen. Monnes Anderson

Committees: Senate Workforce, Senate Judiciary

**Background and Current Law:** A patchwork of laws governs an employer's collection and use of biometric data. For example, employers must comply with federal confidentiality laws regarding information contained in medical files which may include biometric data. And federal and state laws prescribe how fingerprint data may be used and shared. Oregon does not specifically regulate an employer's storage, sharing, and retention of biometric data collected from its employees.

**Bill Summary:** Senate Bill 284 would have made it an unlawful employment practice for an employer to collect any information that could be used to identify employees through measurements of their biological characteristics.

### Senate Bill 332-B

### **Not Enacted**

### **Veteran's Preference for Vacant Civil Service Positions**

Chief Sponsors: Sen. Baertschiger Jr.

Committees: Senate Workforce, House Business and Labor, Joint Ways and Means

**Background and Current Law:** Under current law, public employers must grant preference to a veteran who applies for a vacant civil service position or who seeks promotion if they meet the minimum and special qualifications and if they successfully complete an initial screening or examination, or successfully complete a test used to establish eligibility for the position. Current law also requires public employers to interview every veteran applicant who meets the minimum and special qualifications and who provides evidence that they have the transferable skills required or requested by the public employer.

**Bill Summary:** Senate Bill 332-B would have established a statutory process for scoring and ranking veterans and disabled veterans by applying preferences for initial screenings and for examinations. Senate Bill 332-B would also have allowed evidence of eligibility for a preference to include a certification of service showing an expected discharge within 120 days of submission of the certification.

### Effective Date: June 6, 2019

### **Employee Notification of I-9 Inspection**

At the Request of: Senate Interim Committee on Judiciary

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** Immigration and Customs Enforcement (ICE), a federal agency established in 2003, implements the Immigration Reform and Control Act of 1986. That Act requires employers to verify the identity and employment eligibility of their employees using the Employment Eligibility Verification Form I-9. Employers must notify at least three business days prior to an inspection of the forms by an officer of an authorized agency of the United States.

**Bill Summary:** Senate Bill 370 requires an employer within three business days of receiving a federal notice of inspection of I-9 forms to provide its employees with a notice regarding the upcoming inspection.

Oregon Laws 2019: Chapter 260

### Senate Bill 479

### Effective Date: September 29, 2019

### Public Employers and Workplace Harassment

Chief Sponsors: Sens. Gelser, Knopp

Committees: Senate Workforce, House Judiciary

**Background and Current Law:** Oregon law makes it an unlawful employment practice for an employer to discriminate in wages or in the terms, conditions, or privileges of employment based on race, color, religion, sex, sexual orientation, national origin, marital status, age, expunged juvenile criminal record, person's service in a uniformed service, or disability. An aggrieved employee or applicant may file a complaint with the Bureau of Labor and Industries (BOLI) or may file a civil action in court. In general, an action relating to an unlawful employment practice must be filed within one year of the occurrence of the practice. Currently, no Oregon law explicitly requires a public employer to have written anti-discrimination policies.

**Bill Summary:** Senate Bill 479 requires public employers to have a written policy to prevent and investigate workplace harassment and contain information on how to report and pursue claims. The bill generally prohibits a public employer from requiring employees to enter into nondisclosure agreements having the effect of prohibiting them from disclosing workplace harassment or sexual assault. The bill also extends the statute of limitations for actions based on prohibited conduct from one to five years.

### Effective Date: September 29, 2019

### Abolishes Subminimum Wage for People Experiencing Disabilities

Chief Sponsors: Sen. Gelser; Rep. Piluso

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** Employers who obtain a federal certification are authorized under Oregon and federal law to employ individuals experiencing disabilities at a subminimum wage. Since 1977, the Qualified Rehabilitation Facility (QRF) program, administered by the Oregon Department of Administrative Services (DAS), has promoted through public contracts employment opportunities for people experiencing disabilities. Currently, QRFs must employ persons experiencing disabilities for no less than 75 percent of their direct labor hours across the organization and for each line of business they provide.

**Bill Summary:** Senate Bill 494 prohibits the Bureau of Labor and Industries from establishing a subminimum wage for individuals experiencing disabilities and requires certified employers to phase in wage increases beginning July 1, 2020, until reaching minimum wage no later than July 1, 2023. Senate Bill 494 allows QRFs to phase in a reduction of direct labor hours to no less than 60 percent employment of persons experiencing disabilities by July 1, 2021.

#### Oregon Laws 2019: Chapter 371

### Senate Bill 507

Effective Date: September 29, 2019

### Workers' Compensation PTSD Coverage

Chief Sponsors: Sens. Manning Jr., Beyer; Rep. Holvey

Committees: Senate Workforce, Senate Rules, House Rules

**Background and Current Law:** Workers' compensation insurance provides benefits to employees who suffer from an injury that occurs at work. The system provides benefits for an occupational disease that is caused by substances or activities to which the employee would not ordinarily be subjected or exposed to other than during work. The worker has the burden to prove that employment conditions were the major contributing cause of the disease except in certain circumstances. Current law provides a mental disorder is not a compensable disease unless the employment conditions producing the disorder exist in a real and objective sense and are not generally inherent in the working situation; the disorder is diagnosed by medical or psychological professionals; and clear and convincing evidence exists that the mental disorder arose out of and while employed.

**Bill Summary:** Senate Bill 507 creates a legal presumption that death, disability, or impairment of health is compensable under the workers' compensation system as an occupational disease for specified public safety officers following a diagnosis from a psychiatrist or psychologist, and who have been employed for at least five years or who experience a single traumatic event are eligible for the presumption. An employer is required to rebut the presumption by clear and convincing evidence.

### Effective Date: January 1, 2020

### Garnishment

Chief Sponsors: Sen. Johnson

At the Request of: John Harper

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** Garnishment requires a debtor's employer to withhold an employee's earnings to pay a creditor using a statutory formula. The formula guarantees a minimum amount per paycheck to the debtor employee, while the creditor is entitled to a percentage of the employee's earnings until the debt is paid. The maximum amount of wages subject to garnishment is generally 25 percent of the employee's post-tax earnings so long as the employee is left with a minimum amount of \$218 per week after the garnishment.

**Bill Summary:** Senate Bill 519 increases the minimum amount guaranteed to an employee whose earnings are garnished.

Oregon Laws 2019: Chapter 263

### Senate Bill 634-A

### **Not Enacted**

### PERS Inclusion of Public Charter School Employees Outside of Oregon

Chief Sponsors: Sen. Girod

Committees: Senate Workforce, Joint Ways and Means

**Background and Current Law:** The statutory definition of "salary," for purposes of the Public Employees Retirement System (PERS), excludes compensation paid to Oregon public employees residing and working outside of Oregon. In 2017, the Legislative Assembly enacted Senate Bill 201, allowing a limited group of employees hired by Oregon public universities who resided and worked outside of Oregon to receive PERS benefits.

**Bill Summary:** Senate Bill 634-A would have allowed public charter school employees who reside and work outside of Oregon to receive PERS benefits provided they were continuously employed in a qualifying position between August 29, 2003, and December 31, 2017; informed they were eligible for retirement benefits; and their employer made PERS contributions.

### Senate Bill 722-A

### **Not Enacted**

### **Unemployment Insurance During Federal Shutdown**

Chief Sponsors: Sen. Courtney; Rep. Mitchell

Committees: Senate Workforce, Joint Ways and Means

**Background and Current Law:** A lapse of appropriation occurs when the federal government fails to enact appropriation bills or continuing resolutions to fund federal agencies and programs. During a lapse, essential workers must continue to work but do not receive a paycheck. The U.S. Department of Labor prohibits state unemployment insurance programs from using federal unemployment insurance money to pay benefits to essential federal workers required to work without pay.

**Bill Summary:** Senate Bill 722-A would have authorized the Director of the Employment Department to include essential federal workers and Coast Guard employees in the class of persons eligible to receive unemployment insurance benefits when a federal lapse of appropriation occurs.

### Senate Bill 726

### Effective Date: September 29, 2019

### **Requires All Employers to Prevent Workplace Harassment**

Chief Sponsors: Sens. Taylor, Knopp, Gelser; Reps. Salinas, Williamson

Committees: Senate Workforce, House Judiciary

**Background and Current Law:** Oregon law makes it an unlawful employment practice for an employer to discriminate based on race, color, religion, sex, sexual orientation, national origin, marital status, age, expunged juvenile criminal record, person's service in a uniformed service, or disability. An aggrieved employee or applicant may file a complaint with the Bureau of Labor and Industries (BOLI) or may file a civil action in court. In general, an action relating to an unlawful employment practice must be filed within one year of the occurrence of the practice. Currently, no Oregon law explicitly requires employers to have written anti-discrimination policies.

**Bill Summary:** Senate Bill 726 requires all Oregon employers to adopt written polices to reduce and prevent unlawful employment practices related to discrimination, including sexual harassment. The bill generally prohibits a public employer from requiring employees to enter into nondisclosure agreements having the effect of prohibiting them from disclosing workplace harassment or sexual assault. The bill also extends the statute of limitations for actions based on prohibited conduct from one to five years.

### Not Enacted

### **PERS Post-Retirement Work for Teachers**

Chief Sponsors: Sens. Monnes Anderson, Knopp, Roblan, Hansell

Committees: Senate Workforce, Joint Ways and Means

**Background and Current Law:** State government, public schools, community colleges, and many local governments (cities, counties, and special districts) participate in Public Employees Retirement System (PERS). If retirees wish to re-enter the workforce, their PERS benefit could be affected based on the plan they retired under, who their employer is, and how many hours they work per year. Any retiree who works for a private-sector or non-PERS covered employer may work unlimited hours without any impact on their level of retirement benefit. To address a labor shortage, the Legislative Assembly passed House Bill 3058 (2015), to allow a retiree to work an unlimited number of hours as a career and technical education (CTE) teacher without any loss of retirement benefits. In 2018, House Bill 4012 extended the sunset on the exemption to June 30, 2023.

**Bill Summary:** Senate Bill 768 would have eliminated the sunset for CTE teachers working unlimited hours and expanded the exemption to allow any teacher, including CTE teachers, to work unlimited hours for a school district or education service district. Senate Bill 1049 incorporates certain aspects of Senate Bill 768.

### Senate Bill 796

Effective Date: January 1, 2020

### **Family Leave**

Chief Sponsors: Sen. Gelser; Rep. Mitchell

Committees: Senate Health Care; House Business and Labor

**Background and Current Law:** The Oregon Family Leave Act (OFLA) provides unpaid, protected leave for Oregon employees. Leave types include parental leave, serious health condition leave, pregnancy disability leave, sick child leave, bereavement leave, and Oregon military family leave.

**Bill Summary:** Senate Bill 796 adds period of absence for the donation of a body part, organ, or tissue to the definition of "serious health condition" for the purposes of family leave protected by OFLA.

### Not Enacted

### PERS Post-Retirement Work for Police and Corrections Employees

Chief Sponsors: Sen. Heard; Reps. Smith DB, Hernandez, Doherty

Committees: Senate Workforce, Joint Ways and Means

**Background and Current Law:** State government, public schools, community colleges, and many local governments participate in PERS. If retirees wish to re-enter the workforce, their PERS benefit could be affected based on the plan they retired under, who their employer is, and how many hours they work per year. Any retiree who works for a private-sector or non-PERS covered employer may work unlimited hours without any impact on their level of retirement benefit. The hour limitations on employment do not apply to certain retired members, including those employed by a sheriff, the Oregon State Police, or a state or county correctional institution in a county with a population of fewer than 75,000 persons. The hour limitations also do not apply to a retired member employed by a municipal police department in a city with a population of fewer than 15,000 persons.

**Bill Summary:** Senate Bill 934 would have removed the hour limitations for retired members employed by a state or county correctional institution, or a municipal police department regardless of the population size of the county or city. Senate Bill 1049 incorporates certain aspects of Senate Bill 934.

### Senate Bill 1026-A

### **Not Enacted**

### **Eliminating Overtime Exemption for Seafood Processors**

At the Request of: Sens. Heard, Johnson, Roblan; Reps. Gomberg, McKeown, Smith DB

Committees: Senate Workforce, Senate Rules

**Background and Current Law:** The payment of overtime is required by both federal and state laws. Oregon law requires most employers to pay overtime to eligible employees at a rate of one-and-a-half times the employee's regular pay for all hours worked beyond 40 in the workweek. Oregon House Bill 3458 (2017) modified overtime payment by employers in the manufacturing and food processing sectors to require calculation on both daily and weekly basis and payment of the larger of the two amounts. HB 3458 specifically exempted seafood processing employees from the weekly cap on hours but allowed them to continue to be eligible for both daily and weekly overtime.

**Bill Summary:** Senate Bill 1026-A would have repealed the overtime statute applicable to seafood processors, subjecting such processors to the same overtime requirements for food processors.

### Effective Date: June 11, 2019

### **Omnibus Changes to PERS to Lower Employer Contribution Rates**

Chief Sponsors: Sen. Courtney; Rep. Kotek

Committees: Joint Ways and Means

**Background and Current Law:** Approximately 900 state and local public employers participate in the Public Employees Retirement System (PERS). There are 367,853 members in PERS, with retirees accounting for 40 percent of membership, active non-retirees accounting for 48 percent, and inactive non-retirees making up the balance. Benefit levels vary depending on when the employee entered the system. Tier 1 covers members hired before January 1, 1996; Tier 2 covers members hired between January 1, 1996, and August 28, 2003; and Oregon Public Service Retirement Plan (OPSRP) covers those hired after August 28, 2003. The unfunded actuarial liability for the system is approximately \$26 billion.

**Bill Summary:** Senate Bill 1049 contains numerous provisions designed to reduce the employer contribution rates. Though many provisions modify the financing of PERS, the purpose of this summary is to focus on the provisions that modify employee benefits and contributions. First, the measure limits the salary used in the calculation of Final Average Salary to \$195,000. This cap applies to all membership levels and will be adjusted annually to reflect cost of living. Second, Senate Bill 1049 redirects a portion of the employee contribution from the Individual Account Program to partially fund the employee's pension plan. The amount of the redirect depends on the employee's membership level and salary. Third, the measure eliminates the limit on hours a retiree may work for a public employer, but the employer is required to continue making the employer's contribution while the retiree accrues no additional PERS benefit. Finally, the measure allows members with a choice of investment options for the money in their Individual Account Program. Though the effective date of the measure is June 11, 2019, the measure contains various operative and repeal dates.

### Effective Date: September 29, 2019

### **Paid Family and Medical Leave Insurance**

Chief Sponsors: Reps. Williamson, Alonso Leon, Bonham; Sens. Taylor, Knopp

Committees: House Rules, Joint Ways and Means

**Background and Current Law:** Family and medical leave is protected time off from work to recover from a serious illness, care for a family member who is ill, or bond with a new child. More than half of Oregon workers are eligible for unpaid family and medical leave benefits under the federal Family and Medical Leave Act of 1993 (FMLA) and the Oregon Family Leave Act (OFLA). Other Oregon laws provide unpaid protected leave for employees to address events arising from domestic violence, sexual assault, stalking, and criminal harassment, and for an employee whose spouse is being deployed or on leave from deployment (Oregon Military Family Leave Act). However, neither Oregon nor federal law requires employers to pay employees for time on medical and family leave beyond the amount of vacation and sick leave accrued by the employee.

Bill Summary: House Bill 2005 creates an insurance program to provide employees with a portion of wages while on family, medical, or safety-related leave. The program will be administered by the Employment Department, which may contract with a third party for administration. Self-employed individuals and tribal government employers may opt into the program. Beginning January 2022, employers will pay 40 percent of contributions and employees will pay 60 percent, which combined cannot exceed one percent of the worker's wages. Employers with fewer than 25 employees are exempt from the obligation to pay their 40 percent share. If they opt to contribute, they may apply for a grant to offset the cost associated with a worker on leave. Beginning January 2023, employees will be eligible for 12 weeks of insurance benefits per, with an additional 2 weeks of benefits for pregnancy-related leave. An employee can take a total of 16 weeks a year under this program in any combination of paid leave and unpaid OFLA leave (18 weeks if pregnancy related leave is also taken). Benefits will be based on the worker's average weekly wage with a cap set at 120 percent of the state's average weekly wage (approximately \$1,215). Employees who have worked at least 90 days will have job protection when on leave. An employee may use vacation or sick time to supplement insurance, up to 100 percent of wages, with the employer's consent. An employer, with the Department's approval, may provide leave benefits through an equivalent plan. The measure establishes civil and criminal penalties for violations and provides the Department with collection tools. Local governments are preempted from establishing local requirements. There is appropriated, from the General Fund, nearly \$16 million for start-up costs that the Department must reimburse by January 2023.

### Effective Date: January 1, 2019

### Public Employee Collective Bargaining Act (PECBA)

Chief Sponsors: Rep. Witt, Lively; Sens. Golden, Taylor

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** In 2018, the U.S. Supreme Court held that a state's collection of agency fees from nonconsenting public employees violates the First Amendment (*Janus v. AFSCME Council 31*, 138 S Ct 2448 (2018)). According to the Oregon Department of Justice, under *Janus*, public employers may not deduct agency fees from a nonmember's wages without the employee's affirmative consent.

**Bill Summary:** House Bill 2016 repeals the statute mandating that employees provide written notice to the public employer when authorizing or revoking payroll deductions for union dues or payment in-lieu-of-dues. The measure allows the employee to enter into an agreement with the labor organization to authorize deductions (which may be accomplished via telephone or in writing) and the agreement may also specify the manner of revocation. The measure also makes changes to the Public Employees Collective Bargaining Act regarding activities and compensation of designated representatives, union access to employees included in a bargaining unit, and union use of employer facilities and equipment.

Oregon Laws 2019: Chapter 429

### House Bill 2087

### Effective Date: January 1, 2020

### **Civil Penalties for Workers' Compensation Violations**

At the request of: Governor Kate Brown for Department of Consumer and Business Services

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** The Department of Consumer and Business Services (DCBS) may impose a civil penalty of up to \$2,000 per violation and \$10,000 per year for violations related to workers' compensation statutes and rules that occur within any three-month period. DCBS has raised concerns that penalties were not incentivizing compliance.

**Bill Summary:** House Bill 2087 separates DCBS authority to impose civil penalties into three categories with three separate caps. The measure sets the maximum penalty against an employer or insurer at \$2,000 per violation and \$40,000 per year for inducing a worker to not file a claim. The maximum penalty against a self-insured employer, insurer, or service company is set at \$4,000 per violation and \$180,000 per year for failure to pay assessments or comply with statutes and rules. Finally, the measure sets the maximum penalty against an employer (not self-insured) or managed care organization at \$2,000 per violation and \$40,000 per year for failure to pay assessments or comply with statutes and rules.

### House Bill 2181-A

(see Senate Bill 259)

### Task Force on Maritime Sector Workforce Development

At the request of: House Interim Committee on Economic Development and Trade

Committees: House Economic Development, Joint Ways and Means

**Background and Current Law:** According to the Oregon Employment Department, Oregon's maritime sector workforce totaled nearly 19,000 in 2017. The Task Force on Maritime Sector Workforce Development was created in 2017 to study and develop a description of maritime sector and maritime sector workforce in Oregon and to develop recommendations for the State Workforce and Talent Development Board to incorporate into the statewide workforce investment system plan.

**Bill Summary:** House Bill 2181-A would have established the Task Force on Maritime Sector Workforce Development to continue the work of the 2017 Task Force. The measure would also have required the State Workforce and Talent Development Board to study and analyze how to implement the recommendations of the Task Force and to report to the Legislative Assembly in 2020 and 2022.

### House Bill 2216

Effective Date: January 1, 2020

### **Hiring Practices of Public Universities**

Chief Sponsors: Rep. Greenlick

Committees: House Business and Labor, Senate Education

**Background and Current Law:** In 2009, the legislature passed House Bill 3118 requiring public universities to interview at least one qualified minority candidate for a head coach or athletic director position. The law created an exception if the public university is not able to identify a minority applicant to interview for the position and established an affirmative defense to a claim of a violation if the public university acts in good faith. The Oregon law is based on the National Football League's "Rooney Rule" that requires league teams to interview minority candidates for head coaching and other senior football positions. House Bill 3118 (2009) included a sunset date of January 2, 2020.

Bill Summary: House Bill 2216 repeals the sunset date, making the interview requirement permanent.

Oregon Laws 2019: Chapter 190

Not Enacted

### Effective Date: January 1, 2020

### **Collective Bargaining for Health Care Interpreters**

Chief Sponsors: Rep. Alonso Leon

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Health care interpreters provide communication services to people with limited English proficiency and typically contract with private companies that are under contract with the State of Oregon to provide interpreter services. Proficiency standards are set in statute for qualified and certified health care interpreters, and the Legislative Assembly has stated that it is the policy to require the use of certified or qualified health interpreters whenever possible.

**Bill Summary:** House Bill 2231 allows health care interpreters, paid by the State of Oregon, the right to collectively bargain as though they are public employees under the Public Employees Collective Bargaining Act (PECBA). The measure specifies that these interpreters are not for any other purpose to be considered employees of the State or any other public body.

Oregon Laws 2019: Chapter 157

### House Bill 2341

Effective Date: January 1, 2020

### **Reasonable Accommodation for Pregnancy-Related Conditions**

Chief Sponsors: Rep. Power; Sen. Taylor

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Discrimination against a pregnant worker can be enforced as a violation of the prohibition to discriminate "because of sex" under ORS 659A.030. "Because of sex" is broadly defined; it includes, but is not limited to, because of pregnancy, childbirth, and related medical conditions. Women affected by pregnancy, childbirth, or related medical conditions are to be treated the same for all employment-related purposes as other workers not so affected (ORS 659A.029). These protections apply to all employees regardless of the number of workers employed by an employer. Discrimination against a pregnant worker can also be enforced under Oregon's disability laws if the employer failed to provide reasonable accommodations. These protections apply to those who work for employers with at least six employees. There also are federal protections against sex discrimination and discrimination against persons with disabilities.

**Bill Summary:** House Bill 2341 clarifies the workplace protections for job applicants and workers who have limitations related to pregnancy, childbirth, or a related medical condition. Unless an undue hardship would result, employers with six or more employees must provide reasonable accommodations to known limitations related to pregnancy, childbirth, or other related conditions. The measure provides a private right of action for employee or job applicant alleging violations. The Bureau of Labor and Industries is directed to develop training and education materials for employers and employees.

### Effective Date: January 1, 2020

### Wages for Charitable Gaming Operators

At the request of: Attorney General Ellen Rosenblum

Committees: House Business and Labor, Senate Judiciary

**Background and Current Law:** Current Oregon law allows charitable organizations (those exempt from payment of federal taxes) to conduct bingo, lotto, and raffle games and Monte Carlo events under the regulation of the Department of Justice. Oregon law caps the compensation for operators at 200 percent of the federal minimum wage and for supervisors at 300 percent of the federal minimum wage, which is currently \$7.25 per hour.

**Bill Summary:** House Bill 2398 ties the statutory cap on compensation paid to operators and supervisors of charitable gaming events to the applicable Oregon minimum wage instead of the federal minimum wage. The Oregon minimum wage for the Portland urban growth boundary is \$12.50 as of July 1, 2019.

Oregon Laws 2019: Chapter 64

### House Bill 2408-A

### **Not Enacted**

### **Prevailing Wage Rate for Enterprise Zone Projects**

At the request of: House Interim Committee on Business and Labor

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Under Oregon law, the hourly wage for the workers of any contractor performing a public works contract must be equal to or greater than the prevailing wage rate. The Bureau of Labor and Industries sets the prevailing wage rate based upon the specific trade and region where the workers perform the labor. Any project for construction, reconstruction, major renovation or painting that uses at least \$750,000 in public funds is subject to prevailing wage rate. Public funds are defined to exclude tax credits or tax abatements. Enterprise zones provide eligible businesses with a total exemption from property taxes for up to five years.

**Bill Summary:** House Bill 2408-A would have required prevailing wage rate be paid on projects in enterprise zones in which a property tax exemption has or will be received and in which total project cost is at least \$20 million.

### Effective Date: January 1, 2020

### **Death Benefits Under PERS**

At the request of: House Interim Committee on Business and Labor for City of Eugene

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** If a Tier 1 or Tier 2 member of the Public Employees Retirement System (PERS) dies before retiring, the member's designated beneficiary will receive the amount in the member's pension account and the amount in the member's Individual Account Program (IAP) account. Members of PERS who began working after August 28, 2003, are members of the Oregon Public Service Retirement Plan (OPSRP). The spouse of an OPSRP member who dies prior to retirement will receive a death benefit that is the actuarial equivalent of 50 percent of the pension that would have been paid as a retirement benefit to the member and the amount in the IAP account.

**Bill Summary:** House Bill 2417 provides an alternative calculation of death benefit for the surviving spouse of a PERS member who dies before retiring. The alternative is equivalent to the death benefit under the OPSRP program.

Oregon Laws 2019: Chapter 487

### House Bill 2453

Not Enacted

### Eastern Oregon Border Region Workforce Plan

Chief Sponsors: Rep. Findley

Committees: House Economic Development

**Background and Current Law:** House Bill 2012 (2017) established the seven-member Eastern Oregon Border Economic Development Board, appointed by the Governor, to formulate and implement plans and practices for strategic investment in workforce and economic development in the Eastern Oregon Border Economic Development Region. This is one of seven measures (Senate Bill 875 and House Bills 2453, 2454, 2455, 2456, 2457, and 2933) introduced this session to address priorities of the Board.

**Bill Summary:** House Bill 2453 would have directed the Oregon Business Development Department to develop a workforce development plan for the Eastern Oregon Border Economic Development Region to communicate the workforce advantages of and opportunities in the western Treasure Valley and to encourage people to move to and work in the region.

### **Not Enacted**

### **Independent Contractor Classification**

Chief Sponsors: Rep. Holvey

Committees: House Rules

**Background and Current Law:** ORS 670.600 provides a four-part test to determine whether an individual is an employee or an independent contractor. According to Oregon's Interagency Compliance Network, independent contractors are not subject to employment laws, rules, or protections provided to employees and improper classification can lead to unfair wage practices, increased business taxes, wrongful tax avoidance, and underfunded worker benefits. Similarly, the National Conference of State Legislatures notes that a business must withhold income, Social Security and Medicare taxes from employees' wages, pay unemployment taxes and provide employees with workers' compensation insurance coverage. These obligations do not extend to independent contractors.

**Bill Summary:** House Bill 2498 would have added a fifth part to the test to determine whether an individual is working as an independent contractor or as an employee, specifically whether the individual provides services for another person that are within the usual course of the other person's business.

### House Bill 2593

Effective Date: September 29, 2019

### **Expression of Milk in the Workplace**

Chief Sponsors: Reps. Power, Smith Warner, Williamson, Boshart Davis; Sen. Taylor

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Current Oregon law requires employers with 25 or more employees to allow an employee a 30-minute rest period to express milk during each four-hour period and specifies that the rest period be taken approximately in the middle of the work period. The employee is required, if feasible, to time the rest periods to express milk to coincide with rest periods and meal periods otherwise provided. The Fair Labor Standards Act does not place limits on the frequency and duration of rest periods to express milk. The federal provisions are limited to the first 12 months after the child's birth; Oregon law extends the provisions to 18 months. There is no requirement that the rest periods to express milk be paid when they extend beyond the time the employer is required to provide paid rest periods. An employer is not required to comply with the rest period to express milk if doing so would impose an undue hardship on the business.

**Bill Summary:** House Bill 2593 requires all employers to provide reasonable rest periods for employees to express milk as often and if needed for the child's first 18 months. The measure limits the undue hardship provision to employers who have 10 or fewer employees.

### **Not Enacted**

### **PERS Definition of Salary**

Chief Sponsors: Rep. Gorsek

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** Eligible employees of a participating employer in the Public Employees Retirement System who were hired after August 28, 2003, are members of the Oregon Public Service Retirement Plan (OPSRP). Employees hired prior to that date are either in the Tier 1 or Tier 2 plan. For OPSRP members, their pension benefit is based on salary. Statute defines salary to mean the remuneration paid to an active member in return for services to the participating public employer, including remuneration in the form of living quarters, board or other items of value, to the extent the remuneration is includable in the employee's taxable income under Oregon law.

**Bill Summary:** House Bill 2646 would have treated a housing allowance paid to a prison chaplain who is an OPSRP member as if it were includable in the member's taxable income under Oregon law.

### House Bill 2647

### **Not Enacted**

### **OHSU Police Officers in PERS**

Chief Sponsors: Rep. Gorsek

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** Public Employees Retirement System (PERS) members are classified as either General Service or Police and Fire (P&F). Employees classified as PERS P&F can retire at an earlier age and have a higher benefit factor used in calculating their retirement benefits. Employees of Oregon Health and Science University (OHSU) who are eligible for a retirement plan have a choice at the time of hire between enrolling in the University Pension Plan (UPP) or PERS. In 2013, the Legislative Assembly amended the definition of police officer for the purposes of PERS to include police officers commissioned by OHSU.

**Bill Summary:** House Bill 2647 would have allowed individuals currently employed as OHSU police officers who elected the UPP retirement plan prior to 2014, when membership in PERS P&F was not an option, to change their election and become a member of PERS P&F going forward.

### Not Enacted

### **Unlawful Employment Practices**

Chief Sponsors: Reps. Gorsek

Committees: House Business and Labor

**Background and Current Law:** Under current Oregon law, an employer may not prohibit an employee or prospective employee from using tobacco products during nonworking hours. However, an employer may prohibit the use of other products legal in Oregon, including marijuana.

**Bill Summary:** House Bill 2655 would have prohibited employers from banning the use of marijuana and other products legal in Oregon by their employees or prospective employees during nonworking hours, unless the restriction relates to an employee's impairment at work, non-use of the product is a bona fide occupational qualification, or the restriction is included in the relevant collective bargaining agreement.

### House Bill 2660

### Effective Date: January 1, 2020

### **Eligibility for Unemployment Insurance Benefits**

Chief Sponsors: Rep. Schouten; Sens. Dembrow, Frederick

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** The unemployment insurance (UI) program has special provisions applying to people who work for educational institutions, generally restricting employees from receiving UI benefits during school breaks, including summer break. Federal law affords little flexibility to states in applying those laws to employees performing instructional, research, or principal administrative work, but provides greater flexibility on their application to people who perform other types of services, such as bus drivers, janitorial workers, and school nurses.

**Bill Summary:** House Bill 2660 allows eligible, unemployed maintenance and janitorial employees of public and nonprofit educational institutions and institutions of higher education to receive unemployment benefits during summer breaks, customary vacation periods, and holiday recesses.

### House Bill 2786-A

### Not Enacted

### Status of District Attorneys in PERS

At the request of: Multnomah County Prosecuting Attorneys Association

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** Public Employees Retirement System (PERS) members are classified as either General Service or Police and Fire (P&F). Employees classified as P&F under PERS statutes can retire at an earlier age and have a higher benefit factor used in calculating their retirement benefits. These enhanced benefits raise the costs of benefits members earn while in that status by four to five percent of payroll. Those costs increase further if existing General Service members move into P&F status.

**Bill Summary:** House Bill 2786-A would have reclassified district attorneys and deputy district attorneys as "police officers" under PERS statutes, making those members eligible for P&F benefits. The P&F benefits would have applied only to service performed on or after the measure's effective date.

### House Bill 2788

### Effective Date: January 1, 2020

### Workers' Benefit Fund Balance

At the request of: Workers' Compensation Management-Labor Advisory Committee

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** The Workers' Benefit Fund supports return-to-work programs and cost-ofliving adjustments to permanently and totally disabled workers and to the spouses and children of workers who died from an occupational injury or disease. Revenue comes from an assessment of 2.4 cents per hour worked that is shared equally by employers and workers. In 2014, the Legislative Assembly reduced the required balance of the Workers' Benefit Fund from 12 months to six months of projected expenditures in response to issues with the solvency of several self-insured employer groups.

**Bill Summary:** House Bill 2788 requires the Department of Consumer and Business Services to increase the minimum fund balance of the Workers' Benefit Fund from six months to twelve months of projected operating expenditures, and to report to the Workers' Compensation Management-Labor Advisory Committee if the balance falls below that threshold.

### **Age Discrimination**

Chief Sponsors: Reps. Piluso, Gomberg

Committees: House Business and Labor

**Background and Current Law:** A person claiming employment discrimination because of age may file a complaint with the Bureau of Labor and Industries or may file an action in court. In addition to two years back pay, costs, and reasonable attorney fees, a prevailing plaintiff may be awarded compensatory damages or \$200, whichever is greater, and punitive damages.

**Bill Summary:** House Bill 2818 would have prohibited employers from seeking the age of an applicant prior to making a conditional offer of employment or suggesting or implying an age preference in a recruitment unless age is a bona fide occupational qualification. The measure would have created a private right of action for harmed individuals.

### House Bill 2838-A

### Not Enacted

### PERS Post-Retirement Work for Police Officers

Chief Sponsors: Reps. Doherty, Noble, Stark

At the request of: Oregon School Board Association

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** Oregon's Public Employees Retirement System (PERS) enables public employers to provide their employees with retirement benefits. In general, a Tier 1 or Tier 2 retired PERS member working for a participating public employer can continue to receive retirement benefits if the total period of combined employment with one or more participating public employers does not total more than 1,039 hours in a calendar year. There are numerous exemptions to the limit on hours a retiree can work. Retirement benefit payments will cease for a retiree under the Oregon Public Service Retirement Plan (OPSRP) if they are employed in a qualifying position by a participating employer.

**Bill Summary:** House Bill 2838-A would have exempted retired police officers under PERS from postretirement work limits when employed by a school district to provide law enforcement, security, or safety services. Senate Bill 1049 incorporates certain aspects of House Bill 2838-A.

### House Bill 2861-A

### Not Enacted

### **Individual Account Program of PERS**

At the request of: Rep. Paul Holvey

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** The Individual Account Program (IAP) of the Public Employees Retirement System includes over 250,000-member accounts for Tier 1, Tier 2, and Oregon Public Service Retirement Plan benefit plans. The IAP, an account-based plan nearly identical to a defined contribution plan, is funded with member contributions, which is six percent of a member's salary. Member funds are placed in a target-date fund, and members are not able to choose another investment strategy.

**Bill Summary:** House Bill 2861-A would have allowed members to choose their IAP investment strategy beginning January 1, 2020. Senate Bill 1049 incorporates certain aspects of House Bill 2861-A.

### House Bill 2972

Effective Date: June 25, 2019

### **Retirement of Employees of Harney County Health District**

Chief Sponsors: Rep. Findley

Committees: House Business and Labor, Joint Ways and Means

**Background and Current Law:** Oregon's Public Employees Retirement System (PERS) enables public employers to provide their employees with retirement benefits. In general, a Tier 1 or Tier 2 retired PERS member working for a participating public employer can continue to receive retirement benefits if the total period of combined employment with one or more participating public employers does not total more than 1,039 hours in a calendar year. There are numerous exemptions to the limit on hours a retiree can work. Retirement benefit payments will cease for a retiree under the Oregon Public Service Retirement Plan if they are employed in a qualifying position by a participating employer.

**Bill Summary:** House Bill 2972 allows Tier 1 or Tier 2 retirees to work an unlimited number of hours without any loss of retirement benefits if they are employed by the Harney County Health District as a licensed, registered, or certified provider of health services. The measure also allows the Health District to offer retirement benefits that are an alternative to PERS.

### Effective Date: January 1, 2020

### **Noncompetition Agreements**

Chief Sponsors: Rep. Noble

At the request of: Matt Rupert

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Under current Oregon law, a noncompetition agreement may not exceed 18 months from the date of an employee's termination. A noncompetition agreement is not enforceable unless four requirements are met: 1) employer informs the employee in a written employment offer received at least two weeks before employee's first day or the agreement is entered into upon a promotion; 2) the employee is engaged in administrative, executive, or professional level work; 3) the employer has a protectable interest; and 4) the employee's gross annual salary and commissions at the time of termination exceeds the median family income for a four-person family.

**Bill Summary:** House Bill 2992 requires an employer to provide a signed, written copy of the terms of the noncompetition agreement within seven days after an employee is terminated. The requirement applies to noncompetition agreements entered on or after the effective date of the measure.

Oregon Laws 2019: Chapter 121

### House Bill 3003

Effective Date: January 1, 2020

### Self-Insured Employers in Workers' Compensation Cases

At the request of: State Accident Insurance Fund

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Current law allows employers to self-insure to meet workers' compensation insurance requirements. These self-insured employers must deposit security with the Director of the Department of Consumer and Business Services (DCBS) that can be accessed to ensure mandatory payments are made. The amount of the security must be to secure any remaining liability from the period that the employer was self-insured. The security must remain on deposit for five years after the employer ceases to be self-insured. At the end of the five-year period, DCBS may accept a paid-up policy, provided the Director approves of the insurance coverage, covering this liability in lieu of any remaining security.

**Bill Summary:** House Bill 3003 allows DCBS to accept a paid-up insurance policy in lieu of a surety bond or other security from a former self-insured employer in the five-year period after the employer is no longer self-insured.

### Effective Date: June 20, 2019

### Labor Union Representation Fees

Chief Sponsors: Reps. Piluso, Barker; Sen. Hansell

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** A 2018 decision by the U.S. Supreme Court found that public sector unions may not deduct agency dues and fees from an employee unless the employee clearly and affirmatively consents. The labor organization, serving as the exclusive representative, has the duty to represent all employees in the bargaining unit even if an employee is not a member of the union or does not pay a fair-share fee.

**Bill Summary:** House Bill 3009 allows the exclusive representative of police officers, sheriffs, and deputy sheriffs to charge employees who are not members of the union or not paying fair-share fees the reasonable fees and costs for representation that is unrelated to negotiation of a collective bargaining agreement.

Oregon Laws 2019: Chapter 439

### House Bill 3022

### **Not Enacted**

### Workers' Compensation: Combined Conditions and Diagnostic Services

Chief Sponsors: Rep. Power; Sen. Dembrow

Committees: House Business and Labor, House Rules, Senate Rules

**Background and Current Law:** Workers' compensation insurance provides medical treatment and lost wages to employees for employment-related accidents or illnesses. Oregon employers are required to carry workers' compensation insurance or be self-insured, and most employees are eligible for benefits. Employers can purchase insurance from the State Accident Insurance Fund Corporation (a publicly owned nonprofit company), from a private insurance company or be self-insured.

**Bill Summary:** House Bill 3022 would have modified Oregon's workers' compensation statutes to describe the circumstances under which diagnostic services are compensable. The measure also would have assigned, in specified circumstances, the burden to the employer to prove that an otherwise compensable condition is no longer the major cause of need for treatment and disability.

### Effective Date: May 24, 2019

### **Unemployment Insurance Benefits for Victims of Intimidation**

Chief Sponsors: Reps. Hernandez, Bynum

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** Generally, when an individual leaves employment for good cause or is laid off, the individual can file a claim to receive unemployment insurance benefits. The individual must seek and be willing to accept suitable employment. There are exceptions, including cases where the individual or a member of the individual's immediate family is, or could become, a victim of domestic violence, stalking, or sexual assault, and the individual leaves work or fails to apply for, or accept, suitable work in order to protect themselves or an immediate family member from domestic violence, stalking, or sexual assault that the individual reasonably believes will occur as a result of continued employment or acceptance of work.

**Bill Summary:** House Bill 3120 allows unemployment insurance benefits for an individual or a member of their immediate family who is, or could become, a victim of intimidation when the individual reasonably believes intimidation will occur because of working.

Oregon Laws 2019: Chapter 168

### House Bill 3193

Effective Date: January 1, 2020

### **Construction Wage Claims**

Chief Sponsors: Rep. Fahey

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** The Bureau of Labor and Industries (BOLI) received approximately 1,200 employee wage claims in 2017, of which a disproportionately large share involved the construction industry. Contractors licensed by the Construction Contractors Board (CCB) must maintain a bond which can be accessed by employees with a claim of unpaid wages. Wage claimants can access up to \$4,000 in the Wage Security Fund if the business that owes the wages has ceased business and lacks enough assets to pay the claim.

**Bill Summary:** House Bill 3193 requires BOLI to notify CCB of valid wage claims filed against a licensee and establishes disciplinary actions CCB may take when notified of a final order by BOLI. The measure also raises the amount that a wage claimant can receive from the Wage Security Fund from \$4,000 to \$10,000.

### Effective Date: January 1, 2020

### Right of Certain Employees of Oregon State Police to Collectively Bargain

Chief Sponsors: Reps. Williamson, Barker, Smith G

Committees: House Business and Labor, Senate Workforce

**Background and Current Law:** The Public Employee Collective Bargaining Act (PECBA) codifies the laws governing employment relations and public employers and employees in the state, counties, cities, school districts, transportation districts, and other local governments, as well as private employers not subject to the jurisdiction of the National Labor Relations Board. Employees that are not covered under the PECBA and who are prohibited from organizing include supervisory or managerial employees. Senate Bill 1518 (2014) modified the definition of "supervisory employee" to exclude firefighters who are prohibited from striking and who assign, transfer or direct the work of others but lack authority to hire, fire or impose economic discipline.

**Bill Summary:** House Bill 3252 excludes through January 1, 2026, certain employees of Oregon State Police from definition of "supervisory employee" for purposes of collective bargaining, which in effect gives them the right to collectively bargain.

Oregon Laws 2019: Chapter 146

### House Bill 3374

### **Not Enacted**

### Salary Threshold for Exemption from Overtime Wages

Chief Sponsors: Rep. Marsh

**Committees:** House Business and Labor

**Background and Current Law:** Oregon statutes grant authority to the Commissioner of the Bureau of Labor and Industries to adopt rules prescribing minimum working conditions necessary to preserve the health of employees including overtime, meal breaks, rest periods, and maximum hours of work. The federal Fair Labor Standards Act also establishes overtime requirements. In general, an employer must pay 1.5 times the regular rate of pay for all hours exceeding 40 in a workweek. Both state and federal law exempt executive, managerial, and professional employees who meet a series of duties tests and a salary basis test.

**Bill Summary:** House Bill 3374 would have required overtime wages be paid to executive, managerial, and professional employees who are paid less than twice the minimum wage.