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BOLI Creates Expensive Mess for Businesses with Minimum Wage Rules Going Into Effect Today

Salem, Ore. - Today, the first phase of Oregon's new minimum wage law goes into effect, resulting in an increase of up to fifty cents in Oregon's minimum wage. According to rules released by Oregon's Bureau of Labor and Industries (BOLI) on June 15, many Oregon employers will now have to track each employee's location hour-by-hour, rejecting legislative intent and placing an expensive burden on small business owners with employees operating in multiple locations.

In May, Senate Republican Leader Ted Ferrioli (R-John Day) submitted official comments challenging BOLI's proposed minimum wage rules as inconsistent with legislative intent expressed by supporters of SB 1532. The initial proposed rules redefined "employer location" to reflect where an employee performs their work, not where the employer is based, requiring GPS-like tracking of hour-by-hour employee locations and creating an excessive burden for Oregon employers.

BOLI released new rules on June 15, 2016, fixing the issue of hour-by-hour employee tracking for workers making deliveries, but still requiring other employees, such as a landscaper, to track their location hour-by-hour. The new rules also exempt employees who work more than 50% of the time at a fixed location from hour-by-hour tracking, but employers must still track employee time to prove the employee has exceeded the 50% rule.

"These new rules show an acknowledgement that BOLI disregarded legislative intent and created a mess for employers with employees that operate in different minimum wage regions," said Ferrioli. "Unfortunately, these new rules don't go far enough in protecting employers from an expensive new mandate requiring them to track each employee's location hour-by-hour. Oregon small business owners are already struggling to comply with numerous expensive new mandates from the legislature. BOLI must relieve the burden of hour-by-hour GPS-like employee tracking for all employers, complying with legislative intent and protecting small business owners from even higher labor costs."

BOLI's new minimum wage rules go into effect today as the minimum wage increases across the state.

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