

D R A F T

SUMMARY

Digest: The Act would make it a crime for an employer to report false data in order to lower its workers' comp premium. (Flesch Readability Score: 65.2).

Creates the crime of fraudulent misrepresentation by an employer to an insurer of certain employee-related data with the intent to decrease the employer's workers' compensation insurance premium. Punishes by a maximum fine of \$125,000 plus specified forms of restitution.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to fraudulent misrepresentation by employers to reduce workers'
3 compensation premiums; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2024 Act is added to and made a part**
6 **of ORS chapter 656.**

7 **SECTION 2. (1)(a) An employer commits the crime of fraudulent**
8 **misrepresentation if the employer, with the intent to decrease the**
9 **employer's premium for coverage under this chapter:**

10 **(A) Knowingly misrepresents to an insurer the amount of the**
11 **employer's payroll or employee hours worked; or**

12 **(B) Knowingly misclassifies for an insurer the occupation or in-**
13 **dustry in which an employee is employed.**

14 **(b) Fraudulent misrepresentation does not include an employer's**
15 **good faith misrepresentation to an insurer of the amount of the**
16 **employer's payroll or employee hours worked, or the good faith mis-**
17 **classification to an insurer of the occupation or industry in which an**

1 **employee is employed.**

2 **(2) Fraudulent misrepresentation is a felony punishable by:**

3 **(a) A fine of not more than \$125,000; and**

4 **(b) Notwithstanding ORS 137.101 to 137.109, restitution that equals:**

5 **(A) The difference between the amount of premium the employer**
6 **would have paid absent the fraudulent misrepresentation and the**
7 **amount of premium the employer actually paid; and**

8 **(B) The reasonable costs of administrative investigation of the**
9 **employer's conduct related to the charge of fraudulent misrepresen-**
10 **tation.**

11 **SECTION 3. Section 2 of this 2024 Act applies to employer conduct**
12 **occurring on or after the effective date of this 2024 Act.**

13 **SECTION 4. This 2024 Act being necessary for the immediate pres-**
14 **ervation of the public peace, health and safety, an emergency is de-**
15 **clared to exist, and this 2024 Act takes effect on its passage.**

16