

LC 64
2024 Regular Session
1/5/24 (ASD/ps)

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

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

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

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

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

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

(B) Knowingly misclassifies for an insurer the occupation or industry in which an employee is employed.

(b) Fraudulent misrepresentation does not include an employer's good faith misrepresentation to an insurer of the amount of the employer's payroll or employee hours worked, or the good faith misclassification to an insurer of the occupation or industry in which an

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

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.

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