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January 29, 2026

To: The Management-Labor Advisory Committee (MLAC)
From: Anthony K. Smith, National Federation of Independent Business
Re: NFIB Written Testimony in Opposition to SB 1506

Co-Chairs Priest & Strickland, and members of the Committee:

On behalf of Oregon's small business members of the National Federation of Independent Business, I would like to express our concerns with SB 1506, which would increase the Workers' Benefit Fund tax on employers and employees to fund the Oregon Bureau of Labor and Industries (BOLI).

NFIB is the Voice of Small Business. We are a nonprofit, nonpartisan, member-driven organization that advocates on behalf of America's small and independent business owners – both in Washington, D.C. and in all 50 state capitals. NFIB represents thousands of small businesses across the state in every industry sector, many being the smallest of small businesses, with about 90% of our members in Oregon having fewer than 25 employees and 70% having fewer than 10 employees. Together, our members provide jobs for tens of thousands of Oregonians.

The Workers' Benefit Fund (WBF) supports programs specifically related to injured workers. It's supported equally by management and labor. I'll acknowledge that when an injured worker has a discrimination claim based on the worker's status as an injured worker, the WBF pays BOLI to investigate the claim, but that's where BOLI's nexus to the WBF starts and stops. If the Legislature wants to provide additional resources to the bureau, they can do it in a myriad of ways, for example: They can prioritize the agency's work with existing General Fund dollars (to put that in perspective, they spent \$1 billion from the General Fund in the final appropriations bill of the 2025 legislative session) or they can enact a new tax to raise revenue sufficient to pay for the agency's work.

According to the Oregon Constitution, a bill for raising revenue must start in the Oregon House of Representatives and it must pass in both chambers of the legislature by a three-fifths supermajority. Typically, when a bill is identified by its drafters as a bill for raising revenue, a note is added in the relating-to clause designating it as measure that requires this vote threshold. SB 1506, as introduced, is obviously a senate bill and a placeholder relating to the Bureau of Labor and Industries, so it does not include a three-fifths requirement – and I don't expect to see one added when the amendments come out because Legislative Council went on the record in a legislative committee hearing earlier this month to say this bill for raising revenue to fund a state agency's core services, is not a bill for raising revenue.

NFIB and our small business members are incredibly protective of our workers' compensation system, which is a value I know each and every one of you share. Today, the legislature wants to use the Workers' Benefit Fund's taxing authority to raise revenue for BOLI. Tomorrow the need could be for ODOT, or PERS, or public education.

The WBF and/or its taxing mechanism should not be used as a piggybank for anything and everything the legislature wants to fund – without having to tap into the General Fund.

For these reasons NFIB respectfully asks you to oppose SB 1506.

Thank you for your time and consideration,



Anthony K. Smith
NFIB Oregon State Director