SB 1506-1
(LC 26)
2/3/26 (ASD/ps)

Requested by Senator TAYLOR

PROPOSED AMENDMENTS TO SENATE BILL 1506

In line 2 of the printed bill, before the period insert "; creating new provisions; amending ORS 279C.825, 656.506, 656.605 and 656.630; and prescribing an effective date".

Delete lines 4 through 10 and insert:

"**SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS chapter 656.**

"**SECTION 2. (1) The BOLI Expenses Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the BOLI Expenses Fund shall be credited to the fund. Moneys in the fund shall be invested in the same manner as other state moneys and investment earnings shall be credited to the fund.**

"**(2) The Director of the Department of Consumer and Business Services shall manage the fund on behalf of the Bureau of Labor and Industries.**

"**(3) The BOLI Expenses Fund consists of:**

"**(a) Moneys deposited in the fund under ORS 656.506 (6) and (8); and**

"**(b) Moneys appropriated to the fund by the Legislative Assembly.**

"**SECTION 3. Section 2 of this 2026 Act is amended to read:**

"**Sec. 2.** (1) The BOLI Expenses Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the BOLI Expenses Fund shall be credited to the fund. Moneys in the fund shall be invested in the same manner as other state moneys and investment earnings shall be credited to the fund.

“**(2) All moneys in the BOLI Expenses Fund are continuously appropriated to the Bureau of Labor and Industries for payment of the expenses incurred by the Commissioner of the Bureau of Labor and Industries in carrying out the duties set forth in ORS 651.050.**

“[*(2)*] **(3)** The Director of the Department of Consumer and Business Services shall manage the fund on behalf of the Bureau of Labor and Industries.

“[*(3)*] **(4)** The BOLI Expenses Fund consists of:

“(a) Moneys deposited in the fund under ORS 656.506 (6) and (8); and

“(b) Moneys appropriated to the fund by the Legislative Assembly.

“SECTION 4. The amendments to section 2 of this 2026 Act by section 3 of this 2026 Act become operative on July 1, 2029.

“SECTION 5. ORS 656.506 is amended to read:

“656.506. (1) As used in this section **and section 2 of this 2026 Act**:

“**(a) ‘BOLI’ means the Bureau of Labor and Industries.**

“(b) ‘BOLI funding positions’ means new positions not included in the BOLI reinvestment package positions.

“(c) ‘BOLI reinvestment package positions’ means those positions funded by section 7, chapter 629, Oregon Laws 2025.

“[*(a)*] **(d)** ‘Employee’ means a subject worker as defined in ORS 656.005 [*(28)*].

“[*(b)*] **(e)** ‘Employer’ means a subject employer as defined in ORS 656.005 [*(13)*].

“(2) Every employer shall retain from the moneys earned by all employees an amount determined by the Director of the Department of Consumer and Business Services for each hour or part of an hour the employee is employed and pay the money retained in the manner and at such intervals as the director shall specify.

“(3) In addition to all moneys retained under subsection (2) of this section, the director shall assess each employer an amount equal to that assessed pursuant to subsection (2) of this section. The assessment must be paid in such manner and at such intervals as the director may specify.

"(4)**(a)** The Department of Consumer and Business Services shall deposit moneys collected pursuant to subsections (2) and (3) of this section, and any accrued cash balances, into the Workers' Benefit Fund**, and the BOLI Expenses Fund established under section 2 of this 2026 Act, in accordance with subsections (5) to (8) of this section**.

"**(b)** Subject to the limitations in subsections (2) and (3) of this section, the amount of the [*hourly*] assessments provided in subsections (2) and (3) of this section [*annually*] may be adjusted **annually** to **enable the department to:**

"(A) Meet the needs of the Workers' Benefit Fund for the expenditures of the department in carrying out the department's functions and duties pursuant to subsection [*(7)*] **(10)** of this section and ORS 656.445, 656.622, 656.625, 656.628 and 656.630**; and**

"**(B) Deposit in the BOLI Expenses Fund the amount determined under subsection (6) of this section**.

"**(c) The amount of the assessments provided for under subsections (2) and (3) of this section shall be computed using the assessment rates determined under subsections (5) and (6) of this section.**

"(d) The assessment rates under subsections (5) and (6) of this section shall be determined separately.

"**(e)** Factors to be considered in [*making such adjustment of*] **determining** the [*assessments*] **assessment rates** must include, but not be limited to, the [*cash balance*] **respective cash balances** as determined by the director and estimated expenditures and revenues of the Workers' Benefit Fund **and the BOLI Expenses Fund**.

"(5) The Legislative Assembly intends that the department set **assessment** rates [*for the collection of assessments*] pursuant to subsections (2) and

(3) of this section [*in a manner*] so that at the end of the period for which the rates are effective, the balance of the Workers' Benefit Fund is an amount of not less than 12 months of projected expenditures from the fund in regard to the department's functions and duties under subsection [*(7)*] **(10)** of this section and ORS 656.445, 656.622, 656.625, 656.628 and 656.630, in a manner that minimizes the volatility of the rates assessed.

"**(6)(a) The Legislative Assembly intends that the department set assessment rates pursuant to subsections (2) and (3) of this section so that there shall have been deposited in the BOLI Expenses Fund, for the purpose of funding the BOLI reinvestment package positions and BOLI funding positions, at least:**

"(A) On or before June 30, 2029, the greater of:

"(i) $4.25 million; or

"(ii) 12 months of projected expenses from the fund for this purpose.

"(B) On or before June 30, 2030, the greater of:

"(i) $4.25 million; or

"(ii) 12 months of projected expenses from the fund for this purpose.

"(C) On or before June 30, 2031, and June 30 of each subsequent year, the greater of:

"(i) $9.5 million; or

"(ii) 12 months of projected expenses from the fund for this purpose.

"(b) The department shall set assessment rates for purposes of this subsection so as to:

"(A) Minimize the volatility of the rates; and

"(B) Create a 12-month reserve in the fund.

"(c) BOLI funding positions funded by the assessments may not exceed the number of positions that cumulatively cost $5.25 million per year as of July 1, 2031.

"(7)(a) If the department determines that the balance of the **Workers' Benefit** Fund will fall below the balance required under [*this*] subsection **(5)**

of this section, the department shall devise and report to the Workers' Compensation Management-Labor Advisory Committee a plan to increase the balance to the required amount.

"**(b)** The department may set the assessment rate **determined under subsection (5) of this section** at a higher level if the department determines that a higher **assessment** rate is necessary to avoid unintentional program or benefit reductions in the time period immediately following the period for which the rate is being set.

"**(8)(a) If the department determines that the balance of the BOLI Expenses Fund will fall below the reserve required under subsection (6) of this section, the department, in consultation with the Bureau of Labor and Industries, shall devise and report to the Workers' Compensation Management-Labor Advisory Committee a plan to increase the reserve to the required amount.**

"(b) The department may set the assessment rate determined under subsection (6) of this section at a higher level if the department determines that a higher assessment rate is necessary to avoid unintentional program or benefit reductions in the time period immediately following the period for which the rate is being set.

"[*(6)*] **(9)** Every employer required to pay the assessments referred to in this section shall make and file a report of employee hours worked and amounts due under this section upon a combined report form prescribed by the Department of Revenue. The report must be filed with the Department of Revenue:

"(a) At the times and in the manner prescribed in ORS 316.168 and 316.171; or

"(b) Annually as required or allowed pursuant to ORS 316.197, 657.571 or 657B.150.

"[*(7)*] **(10)(a)** There is established a Retroactive Program for the purpose of providing increased benefits to claimants or beneficiaries eligible to receive compensation under the benefit schedules of ORS 656.204, 656.206, 656.208 and 656.210 that are lower than currently being paid for like injuries. However, benefits payable under ORS 656.210 may not be increased by the Retroactive Program for claimants whose injury occurred on or after April 1, 1974.

"**(b)** Notwithstanding the formulas for computing benefits provided in ORS 656.204, 656.206, 656.208 and 656.210, the increased benefits payable under this subsection must be in such amount as the director considers appropriate.

"**(c)** The director [*annually*] shall **annually** compute the amount which may be available during the succeeding year for payment of such increased benefits and determine the level of benefits to be paid during such year. If, during such year, it is determined by the director that there are insufficient funds to increase benefits to the level fixed by the director, the director may reduce the level of benefits payable under this subsection.

"**(d)** The increase in benefits to workers is payable in the first instance by the insurer or self-insured employer subject to reimbursement from the Workers' Benefit Fund by the director. If the insurer is a member of the Oregon Insurance Guaranty Association and becomes insolvent and the Oregon Insurance Guaranty Association assumes the insurer's obligations to pay covered claims of subject workers, including Retroactive Program benefits, the benefits are payable in the first instance by the Oregon Insurance Guaranty Association, subject to reimbursement from the Workers' Benefit Fund by the director.

"SECTION 6. (1) The amendments to ORS 656.506 by section 5 of this 2026 Act become operative on January 1, 2027.

"(2) Notwithstanding the operative date set forth in subsection (1) of this section, the Director of the Department of Consumer and Business Services and the Director of the Department of Revenue may take any action before the operative date set forth in subsection (1)

of this section that is necessary for the departments to administer ORS 656.506, as amended by section 5 of this 2026 Act, on or after the operative date set forth in subsection (1) of this section.

"**SECTION 7.** ORS 656.506, as amended by section 5 of this 2026 Act, is amended to read:

"656.506. (1) As used in this section and section 2 of this 2026 Act:

"(a) 'BOLI' means the Bureau of Labor and Industries.

"(b) 'BOLI funding positions' means new positions not included in the BOLI reinvestment package positions.

"(c) 'BOLI reinvestment package positions' means those positions funded by section 7, chapter 629, Oregon Laws 2025.

"(d) 'Employee' means a subject worker as defined in ORS 656.005.

"(e) 'Employer' means a subject employer as defined in ORS 656.005.

"(2) Every employer shall retain from the moneys earned by all employees an amount determined by the Director of the Department of Consumer and Business Services for each hour or part of an hour the employee is employed and pay the money retained in the manner and at such intervals as the director shall specify.

"(3) In addition to all moneys retained under subsection (2) of this section, the director shall assess each employer an amount equal to that assessed pursuant to subsection (2) of this section. The assessment must be paid in such manner and at such intervals as the director may specify.

"(4)(a) The Department of Consumer and Business Services shall deposit moneys collected pursuant to subsections (2) and (3) of this section, and any accrued cash balances, into the Workers' Benefit Fund, and the BOLI Expenses Fund established under section 2 of this 2026 Act, in accordance with subsections (5) to (8) of this section.

"(b) Subject to the limitations in subsections (2) and (3) of this section, the amount of the assessments provided in subsections (2) and (3) of this section may be adjusted annually to enable the department to:

"(A) Meet the needs of the Workers' Benefit Fund for the expenditures of the department in carrying out the department's functions and duties pursuant to subsection (10) of this section and ORS 656.445, 656.622, 656.625, 656.628 and 656.630; and

"(B) Deposit in the BOLI Expenses Fund the amount determined under subsection (6) of this section.

"(c) The amount of the assessments provided for under subsections (2) and (3) of this section shall be computed using the assessment rates determined under subsections (5) and (6) of this section.

"(d) The assessment rates under subsections (5) and (6) of this section shall be determined separately.

"(e) Factors to be considered in determining the assessment rates must include, but not be limited to, the respective cash balances as determined by the director and estimated expenditures and revenues of the Workers' Benefit Fund and the BOLI Expenses Fund.

"(5) The Legislative Assembly intends that the department set assessment rates pursuant to subsections (2) and (3) of this section so that at the end of the period for which the rates are effective, the balance of the Workers' Benefit Fund is an amount of not less than 12 months of projected expenditures from the fund in regard to the department's functions and duties under subsection (10) of this section and ORS 656.445, 656.622, 656.625, 656.628 and 656.630, in a manner that minimizes the volatility of the rates assessed.

"(6)(a) The Legislative Assembly intends that the department set assessment rates pursuant to subsections (2) and (3) of this section so that**, on or before June 30 of each year,** there shall have been deposited in the BOLI Expenses Fund, for the purpose of funding the BOLI reinvestment package positions and BOLI funding positions, at least **the greater of**:

"[*(A) On or before June 30, 2029, the greater of:*]

"[*(i) $4.25 million; or*]

"[*(ii) 12 months of projected expenses from the fund for this purpose.*]

"[*(B) On or before June 30, 2030, the greater of:*]

"[*(i) $4.25 million; or*]

"[*(ii) 12 months of projected expenses from the fund for this purpose.*]

"[*(C) On or before June 30, 2031, and June 30 of each subsequent year, the greater of:*]

"[*(i)*] **(A)** $9.5 million; or

"[*(ii)*] **(B)** 12 months of projected expenses from the fund for this purpose.

"(b) The department shall set assessment rates for purposes of this subsection so as to:

"(A) Minimize the volatility of the rates; and

"(B) [*Create*] **Maintain** a 12-month reserve in the fund.

"(c) BOLI funding positions funded by the assessments may not exceed the number of positions that cumulatively cost $5.25 million per year as of July 1, 2031.

"(7)(a) If the department determines that the balance of the Workers' Benefit Fund will fall below the balance required under subsection (5) of this section, the department shall devise and report to the Workers' Compensation Management-Labor Advisory Committee a plan to increase the balance to the required amount.

"(b) The department may set the assessment rate determined under subsection (5) of this section at a higher level if the department determines that a higher assessment rate is necessary to avoid unintentional program or benefit reductions in the time period immediately following the period for which the rate is being set.

"(8)(a) If the department determines that the balance of the BOLI Expenses Fund will fall below the reserve required under subsection (6) of this section, the department, in consultation with the Bureau of Labor and Industries, shall devise and report to the Workers' Compensation Management-Labor Advisory Committee a plan to increase the reserve to the required amount.

"(b) The department may set the assessment rate determined under subsection (6) of this section at a higher level if the department determines that a higher assessment rate is necessary to avoid unintentional program or benefit reductions in the time period immediately following the period for which the rate is being set.

"(9) Every employer required to pay the assessments referred to in this section shall make and file a report of employee hours worked and amounts due under this section upon a combined report form prescribed by the Department of Revenue. The report must be filed with the Department of Revenue:

"(a) At the times and in the manner prescribed in ORS 316.168 and 316.171; or

"(b) Annually as required or allowed pursuant to ORS 316.197, 657.571 or 657B.150.

"(10)(a) There is established a Retroactive Program for the purpose of providing increased benefits to claimants or beneficiaries eligible to receive compensation under the benefit schedules of ORS 656.204, 656.206, 656.208 and 656.210 that are lower than currently being paid for like injuries. However, benefits payable under ORS 656.210 may not be increased by the Retroactive Program for claimants whose injury occurred on or after April 1, 1974.

"(b) Notwithstanding the formulas for computing benefits provided in ORS 656.204, 656.206, 656.208 and 656.210, the increased benefits payable under this subsection must be in such amount as the director considers appropriate.

"(c) The director shall annually compute the amount which may be available during the succeeding year for payment of such increased benefits and determine the level of benefits to be paid during such year. If, during such year, it is determined by the director that there are insufficient funds to increase benefits to the level fixed by the director, the director may reduce the level of benefits payable under this subsection.

"(d) The increase in benefits to workers is payable in the first instance by the insurer or self-insured employer subject to reimbursement from the Workers' Benefit Fund by the director. If the insurer is a member of the Oregon Insurance Guaranty Association and becomes insolvent and the Oregon Insurance Guaranty Association assumes the insurer's obligations to pay covered claims of subject workers, including Retroactive Program benefits, the benefits are payable in the first instance by the Oregon Insurance Guaranty Association, subject to reimbursement from the Workers' Benefit Fund by the director.

"SECTION 8. The amendments to ORS 656.506 by section 7 of this 2026 Act become operative on July 1, 2031.

"SECTION 9. ORS 656.605 is amended to read:

"656.605. (1) The Workers' Benefit Fund is created in the State Treasury, separate and distinct from the General Fund. Moneys in the fund shall be invested in the same manner as other state moneys and investment earnings shall be credited to the fund. The fund shall consist of the following:

"(a) Moneys received pursuant to ORS 656.506.

"(b) Moneys recovered under ORS 656.054.

"(c) Penalties recovered under ORS 656.735.

"(d) All moneys received by the Director of the Department of Consumer and Business Services pursuant to law or from any other source for purposes for which the fund may be expended.

"(2) Moneys in the Workers' Benefit Fund may be expended for the following purposes:

"(a) Expenses of programs under ORS 656.445, 656.506, 656.622, 656.625, 656.628 and 656.630.

"(b) Proceedings against noncomplying employers pursuant to ORS 656.054 and 656.735.

"(c) Expenses of vocational assistance on claims, the cost of which was imposed pursuant to section 15, chapter 600, Oregon Laws 1985.

"(d) Payment of supplemental temporary disability benefits for workers employed in more than one job at the time of injury and reimbursement of the costs of administering payments resulting from elections by insurers and self-insured employers as provided by ORS 656.210 (5).

"(e) Payments made to injured workers pursuant to section 6a, chapter 865, Oregon Laws 2001.

"(f) Expenses of the Bureau of Labor and Industries for enforcing ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052, subject to an agreement between the Director of the Department of Consumer and Business Services and the Commissioner of the Bureau of Labor and Industries. The agreement must include, but is not limited to, the amount of funds to be transferred to the bureau for enforcing ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052 and the information relating to the enforcement of ORS 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052 that the bureau must report to the director.

"(g) Reimbursement to the insurer or self-insured employer for the amount of permanent total disability benefits paid after the date of the notice of closure that was upheld pursuant to ORS 656.206.

"(h) Reimbursement of vocational benefit expenses as provided in ORS 656.313.

"(3) Subject to the following provisions, all moneys in the fund are appropriated continuously to the Director of the Department of Consumer and Business Services to carry out the activities for which the fund may be expended:

"(a) Moneys received pursuant to ORS 656.054 and 656.735 and transfers made pursuant to ORS 705.148 may be expended only to carry out the provisions of ORS 656.054 and 656.735 and section 15, chapter 600, Oregon Laws 1985.

"(b) Moneys received pursuant to ORS 656.506 and the transfers of unexpended and unobligated moneys in the Retroactive Reserve, Reemployment

Assistance Reserve, Reopened Claims Reserve and Handicapped Workers Reserve referred to in ORS 656.506, 656.622, 656.625 and 656.628 (All 1993 Edition) may be expended only to carry out the programs referred to in ORS 656.506, 656.622, 656.625, 656.628 and 656.630.

"(4) Notwithstanding any other provision of this chapter, if the director determines at any time that there are insufficient moneys in the Workers' Benefit Fund to pay the expenses of programs for which expenditure of the fund is authorized, the director may reduce the level of benefits payable accordingly.

"**(5) Moneys in the fund may not be transferred to the BOLI Expenses Fund established under section 2 of this 2026 Act for the purpose of complying with ORS 656.506 (6) or (8).**

"**SECTION 10.** ORS 656.630 is amended to read:

"656.630. (1) There is transferred to and continuously appropriated to the Oregon Institute of Occupational Health Sciences of the Oregon Health and Science University, the following amounts from the following sources:

"(a) The amount of revenue equivalent to one-sixteenth of one cent of the money deductible from workers' wages pursuant to ORS 656.506 (2) **assessed at the rate set by the Director of the Department of Consumer and Business Services under ORS 656.506 (5)**.

"(b) An amount equal to the amount raised by paragraph (a) of this subsection from those assessments made pursuant to ORS 656.612 (2).

"(2) The moneys referred to in subsection (1) of this section may only be used for paying the expenses of the Oregon Institute of Occupational Health Sciences. If the Director of the Department of Consumer and Business Services determines adequate funds are available and the director reduces or suspends for a period of time the assessments made pursuant to ORS 656.506 (2) and 656.612 (2), the reduction or suspension of the assessments does not terminate the transfers to the Oregon Institute of Occupational Health Sciences authorized in subsection (1) of this section.

"(3) Annually, the Oregon Institute of Occupational Health Sciences shall file a report with the Oregon Health and Science University, with a copy to the Director of the Department of Consumer and Business Services, describing the activities in sufficient detail for which moneys received under this section during the year have been obligated or expended.

"SECTION 11. ORS 279C.825 is amended to read:

"279C.825. (1)(a) The Commissioner of the Bureau of Labor and Industries, by order, shall establish a fee to be paid by the public agency that awards a public works contract subject to ORS 279C.800 to 279C.870. The commissioner shall use the fee to pay the costs of:

"(A) Surveys to determine the prevailing rates of wage;

"(B) Administering and providing investigations under and enforcement of ORS 279C.800 to 279C.870; and

"(C) Providing educational programs on public contracting law under the Public Contracting Code.

"(b) The commissioner shall establish the fee at 0.1 percent of the contract price. However, in no event may a fee be charged and collected that is less than $250 or more than [*$7,500*] **$12,500**.

"(2) The commissioner shall pay moneys received under this section into the State Treasury. The moneys shall be credited to the Prevailing Wage Education and Enforcement Account created by ORS 651.185.

"(3) The public agency shall pay the fee at the time the public agency notifies the commissioner under ORS 279C.835 a contract subject to the provisions of ORS 279C.800 to 279C.870 has been awarded.

"SECTION 12. Section 13 of this 2026 Act is added to and made a part of ORS 279C.800 to 279C.870.

"SECTION 13. (1) The Commissioner of the Bureau of Labor and Industries shall submit a report, in the manner provided in ORS 192.245, to the interim committees of the Legislative Assembly relating to labor, that examines whether the maximum fee amount allowed

under ORS 279C.825 (1)(b) raises enough revenue for the bureau to meet its staffing needs.

"(2) The report shall be submitted no later than September 15 of each even-numbered year.

"SECTION 14. This 2026 Act takes effect on the 91st day after the date on which the 2026 regular session of the Eighty-third Legislative Assembly adjourns sine die.".