

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

FILED
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ARCHIVES DIVISION
SECRETARY OF STATE

Employment Department
Agency and Division

471
Administrative Rules Chapter Number

Definition of the Minimum Hourly Wage for the purposes of Unemployment Insurance

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

The amendment of OAR 471-030-0017

Statutory Authority:

ORS 657.610

Other Authority:

Statutes Implemented:

ORS 657.150

Need for the Rule(s):

The Oregon Employment Department is required by law (ORS 657.150(6)) to reduce unemployment insurance benefit payments based on the state's definition of minimum hourly wage for individuals who report wages when claiming a week of benefits. In March of 2016, Senate Bill (SB) 1532 became law which modifies the definition of minimum hourly wages to a three tiered minimum wage system based on the geographic location of the employer. Based on the changes to the law, the Oregon Employment Department has determined the rate computed under subsection (2) of the act should be used to determine the threshold for a reduction in unemployment insurance benefits. Subsection (2) of SB 1532 refers to the hourly minimum wage paid by employers located within the urban growth boundary of a metropolitan service district organized under ORS chapter 268, except as provided by ORS 652.020 and the rules of the commissioner issued under ORS 653.030 and 653.261.

Documents Relied Upon, and where they are available:

The enrolled version of SB 1532 in the 2016 legislative session. A copy of the bill is available at:
<https://olis.leg.state.or.us/liz/2016R1/Downloads/MeasureDocument/SB1532/Enrolled>

Fiscal and Economic Impact:

Minimal but indeterminate impact expected. Benefit payments for all individuals filing weekly claims for unemployment insurance benefits will only be reduced after the individual earns one-third of their weekly benefit amount or ten times the minimum hourly wage as defined in SB 1532 under ORS 653.025(2).

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

There is no cost for state agencies, units of local government or the public to comply with this rule.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

There is no cost for small businesses to comply with this rule.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

There is no cost for small businesses to comply with this rule.

c. Equipment, supplies, labor and increased administration required for compliance:

There is no cost for small businesses to comply with this rule.

How were small businesses involved in the development of this rule?

Small businesses were not specifically consulted so far in developing this rule, but the Employment Department Advisory Council was consulted. As specified under ORS 657.695, the council includes an equal number of employer and employee representatives.

**Administrative Rule Advisory Committee consulted?: No
If not, why?:**

No, the department does not have an Administrative Rule Advisory Committee. However, the department does have an Employment Department Advisory Council. The Employment Department Advisory Council was consulted regarding this proposed rule and this proposed rule is consistent with their recommendation.

<u>06-29-2016 5:00 p.m.</u>	<u>Cristina Koreski</u>	<u>cristina.koreski@oregon.gov</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address