

# 2024 Legislative Session Summary

July 2024



The Employment Department's Legislative Affairs Team, Budget Team, and Legislative Coordination Team provided the expertise to review, coordinate, and analyze the agency's response to legislative measures, activities, and requests.

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# Executive Summary

The 82<sup>nd</sup> Oregon Legislative Assembly adjourned sine die on Thursday, March 7. Oregon's 2024 Legislative Session lasted 31 days – ending a few days before the constitutional deadline. During the course of this session, the Legislative Assembly introduced 291 measures and with the support of Gov. Tina Kotek, 133 were passed into law. The Employment Department's experts reviewed each measure, ultimately identifying and tracking 162 bills relevant to the agency's administration and programs.

Oregon's 2024 Legislative Session was productive, achieving several critical policy objectives to support the department and benefit Oregonians overall via the passage of important bipartisan pieces of legislation.

Key measures approved by the Legislature in 2024 to support programs administered by the Employment Department are:

- 1) **House Bill 4035:** Increased the percentage of payroll taxes the department is permitted to use to administer Unemployment Insurance (UI) and other federal programs;
- 2) **Senate Bill 1514:** Enables the department to take corrective actions to support and report on the solvency of the Paid Leave Oregon Trust Fund;
- 3) **Senate Bill 1515:** More closely aligns the Oregon Family Leave Act (OFLA) and the Paid Leave Oregon program and establishes new reporting requirements.

An additional key piece of legislation that passed and impacts the department, as well as other state agencies, was Senate Bill (SB) 1595. SB 1595 increased protections for Oregonians from unlawful debt collection practices and set new economic thresholds for the recovery of their debts.

Two other measures introduced by the legislature that failed to pass would have resulted in policy changes for the department. These include House Bill (HB) 4005, a bill that would have required Professional Employer Organizations to disaggregate quarterly payroll reports for their individual clients; and HB 4038, a bill that would have provided a tax credit to employers with 2025 UI tax rates that were lower than their rates in 2024. Although robust conversations about both bills occurred, neither HB 4005 nor HB 4038 passed in 2024. The department anticipates it will continue to be engaged with legislative proponents and other interested parties on both subjects during the interim and forthcoming legislative session.

The Legislative Affairs Team would like to express our appreciation for the collaborative work of the department's entire legislative team, including subject matter experts, bill analysts, and executives from across the agency who provided their knowledge and time over the course of the session. We also want to give special thanks to the department's 2024 Budget and Legislative Coordination Teams. Their expertise, dedication, and contributions cannot be overstated.

The department continues to work with the Legislature year-round. The agency maintains communication with legislators, provides education and outreach, implements legislation, and coordinates internally to identify policy issues to bring forward in the next legislative session. If you have any questions or are interested in learning more about the legislative work performed by the department, please contact our Legislative Affairs Team at [OED\\_Legislative\\_Affairs@Employ.Oregon.Gov](mailto:OED_Legislative_Affairs@Employ.Oregon.Gov).

## Table of Contents

Executive Summary .....	2
Table of Contents .....	3
Section I: Legislation Tracked and Passed.....	4
House Measures .....	4
House Bill 4034: Federal Tax Connection Updates .....	4
House Bill 4035: SEDAF Diversion Increase .....	4
House Bill 4127: Warehouse Worker Protections.....	5
House Bill 4153: Artificial Intelligence Task Force .....	6
House Bill 4156: Stalking Definition Expansion .....	6
Senate Measures.....	7
Senate Bill 1514: Paid Leave Oregon Trust Fund Sustainability Options .....	7
Senate Bill 1515: Paid Leave Oregon Policy Changes and OFLA Alignment .....	8
Senate Bill 1526: Tax Law Changes relating to Regionally Significant Industrial Sites .....	9
Senate Bill 1537: Housing Accountability and Production Office.....	10
Senate Bill 1595: Debt Collection Protections.....	10
Senate Bill 5701: End of Session Omnibus Bill.....	11
Section II: Other Legislation (Not Passed During 2024 Legislative Session) .....	13
House Measures .....	13
House Bill 4005: Professional Employer Organizations Client Reporting .....	13
House Bill 4038: UI Tax Credit for Employers due to Pandemic Tax Relief Legislation .....	13
House Bill 4050: Pay Equity Exceptions .....	14
House Bill 4101A: Oregon Secretary of State Data Collection .....	14
Senate Measures.....	15
Senate Bill 1548A: Daylight Saving Time.....	15

## Section I: Legislation Tracked and Passed

*In 1999, the Legislative Assembly adopted Oregon Revised Statute (ORS) 171.022. Under this statute, legislative measures take effect on Jan. 1 of the year after the measure is passed or on the prescribed effective date. Unless otherwise noted, the effective date of each measure is Jan. 1, 2025. Common alternative effective dates prescribed by the Legislative Assembly are sometimes indicated by the insertion of an emergency clause, which ensures the measure is effective upon passage, or direction that the measure go into effect on the 91st day following the adjournment of the Legislative Session. For the 2024 session, Thursday, June 6, 2024, is the 91st day after adjournment.*

### House Measures

#### [House Bill 4034](#): Federal Tax Connection Updates

##### Chapter 75 (2024 Laws)

##### Effective date June 6, 2024

Each legislative session, a bill is introduced to update connections in Oregon law to the Internal Revenue Code and other provisions in federal tax law. Since tax year 2011, Oregon has had a continuing connection (“rolling reconnect”) to the definition of taxable income and the federal time frames for making these determinations.

This year, House Bill (HB) 4034, was passed to update effective dates for these laws in Oregon from Dec. 31, 2022, to Dec. 31, 2023. Although HB 4034 did not create any impact for the Oregon Employment Department’s budget or operations, the change in law is required to ensure the dates referenced under Oregon Revised Statutes (ORS) chapters 657 and 657B are consistent with federal Internal Revenue Code dates.

#### [House Bill 4035](#): SEDAF Diversion Increase

##### Chapter 76 (2024 Laws)

##### Effective date June 6, 2024

The Employment Department’s administration of the Unemployment Insurance (UI) program and some programs administered by the department are federally funded, but this funding does not cover the entire cost of operating these programs. In 1987, the Legislature created the Supplemental Employment Department Administrative Fund (SEDAF) and approved a one-time diversion of 0.3% from employers’ unemployment taxes to provide more resources to the department to administer these programs. In 2005, the Legislature established a permanent SEDAF diversion rate of 0.09% but discrepancy between the amount of money allocated by the federal government and what the department needs to support adequate customer service levels has increased over time at an exponential rate.

House Bill (HB) 4035 provided an increase to the percentage of money diverted to SEDAF from UI payroll taxes paid by employers in Oregon subject to UI law from 0.09% to 0.109%. Passage of HB 4035 in 2024 provides the department with the resources needed to maintain and expand operational and organizational improvements the agency's customer service strategies and support agency operations.

HB 4035 does not change safeguards under existing law. These safeguards require the department to have legislative approval as part of the biennial budget process to use any SEDAF funding and to transfer any excess SEDAF funds to the UI Trust Fund by Dec. 31 of each odd-numbered year. The department does not believe that increasing the SEDAF percentage will result in an increase in UI tax rates for employers or any change to projected UI tax schedules, or that there is any risk it will impact the solvency of the UI Trust Fund at least through the end of the decade.

The department anticipates that HB 4035 will provide \$18 million in additional administrative revenue for the 2023-25 biennium, and \$29 million for the 2025-27 biennium.

## **House Bill 4127: Warehouse Worker Protections**

### **Chapter 36 (2024 Laws)**

**Effective date Jan. 1, 2025**

House Bill (HB) 4127 enhances workplace protections for warehouse workers in Oregon that are enforced by the Bureau of Labor and Industries (BOLI). Key protections established by HB 4127 include providing workers with written documentation summarizing performance quotas and extending the right to receive copies of any records related to those performance quotas to workers disciplined for failing to meet them, excluding workers who are already subject to a collective bargaining agreement (assuming their rights under the agreement are substantially equivalent). Both new protections set time frames for providing the required pieces of information and permit workers to file complaints with BOLI when alleged violations occur.

To identify the workplaces where workers are employed whose protections are enhanced under HB 4127, the bill specifies the codes used to classify establishments for these industries under the North American Industry Classification System (NAICS). NAICS industry codes group business establishments into numerical codes based on the activities in which they are primarily engaged. Although these codes are maintained and updated every five years by the Federal Office of Management and Budget (OMB), the Employment Department is the primary source of information about NAICS in Oregon.

Using the current definition for each NAICS code established by the OMB, the department's Workforce and Economic Research team assigns NAICS codes and definitions to employers based on the information they report to us about the work they are doing in their industry, and in turn the department shares that information with BOLI, other state agencies, and the public. While passage of HB 4127 will not require the department to change any processes or systems to support BOLI in its enforcement of protections for the workers, two of the NAICS codes referenced in the bill are not aligned to current definitions as provided by the OMB for the industries referenced in the bill.

The OMB may stop using a particular NAICS code or change the definition for a code, because the need for classifying industries may change over time or depending on economic conditions. When the OMB stops using a code or changes a definition, the department may no longer be able to provide accurate information about the industries that previously met the definition assigned under that code. Therefore, the department does not believe it will be able to provide BOLI with accurate information about some industries referenced in the bill in the future.

As the department understands, BOLI is aware of the discrepancy and believes it will have access to the

information it needs from the industries in question without impacting the agency's ability to enforce the enhanced workplace protections provided to warehouse workers under HB 4127.

### **House Bill 4153: Artificial Intelligence Task Force**

#### **Chapter 44 (2024 Laws)**

**Effective date March 27, 2024**

HB 4153 requires the Legislature to create a task force to identify and examine language related to artificial intelligence (AI). As specified in the bill, the task force shall examine and identify terms and definitions related to AI that are used in technology-related fields for use in legislation and ensure that any terms and definitions identified by the task force align with the AI-related terms and definitions used by the U.S. government and relevant federal agencies. HB 4153 requires the task force to report the terms and definitions they find to the interim committee of the Legislative Assembly related to information management and technology by Dec. 1, 2024.

While the passage of HB 4153 did not create any direct fiscal impact for the Employment Department, the department, along with other state agencies, is required to assist the task force in the performance of their duties. Additionally, if AI-related legislation is created as a result of the work performed by the task force, and that legislation is passed by the Legislature and becomes law, the findings and recommendations provided by the task force could impact the department and other state agencies.

### **House Bill 4156: Stalking Definition Expansion**

#### **Chapter 90 (2024 Laws)**

**Effective date July 1, 2024**

House Bill (HB) 4156 adds enhanced language including the following four criteria to existing law relating to the crime of stalking:

- 1) Obtaining, possessing, transferring, creating, uttering or converting a victim's personal identification for their own purpose;
- 2) Disclosing a victim's image, when their intimate parts are visible or they are engaged in sexual conduct, without their consent;
- 3) Using electronic means to obtain, monitor or interfere with a victim's location, communication, or activities, without their consent; and
- 4) Causing a third party to harass, humiliate or injure the victim by disclosing their person's name, image or personal information, without their consent.

Additionally, HB 4156 expanded the definition of felony-level stalking to include when the person has a prior conviction of an equivalent crime in another jurisdiction, when the person has an active protection order filed against them in another jurisdiction, or when at least one instance of the unwanted contact in the current offense was the commission of a felony, unlawful dissemination of an intimate image, or unlawful use of a global positioning system device.

Under current Oregon law, being the victim of stalking enables the person to potentially qualify for safe leave under the Oregon Family Leave Act (OFLA) and can be used as a basis to qualify for Paid Leave Oregon benefits. The Employment Department administers the Paid Leave Oregon program and believes that an expansion of the definition of the crime of stalking could potentially lead to more victims



qualifying for Paid Leave Oregon benefits.

The Department of Corrections estimated that there would be an additional 15 felony cases of stalking per year under the expanded definition. However, the Employment Department believes more victims may qualify for Paid Leave under the expanded definition because a person could still be a victim and potentially qualify for Paid Leave even if the perpetrator of the crime is not convicted of a felony. While this may result in an increase in Paid Leave Oregon benefits paid to safe leave applicants, the Employment Department does not believe the amount paid will impact the solvency of the Paid Leave Oregon Trust Fund.

## Senate Measures

### **Senate Bill 1514**: Paid Leave Oregon Trust Fund Sustainability Options

#### **Chapter 19 (2024 Laws)**

**Effective date March 20, 2024**

Senate Bill (SB) 1514 establishes three new provisions under Paid Leave Oregon law to better ensure the solvency of the Paid Leave Trust Fund:

- 1) Require the Paid Leave Oregon program to periodically evaluate the Paid Leave Trust Fund to make determinations regarding the solvency of the fund;
- 2) Provide the Employment Department with the authority to take specific corrective action to maintain program solvency if the trust fund does not have at least six months of anticipated expenses; and
- 3) Include a summary of any periodic assessments to determine the solvency of the Paid Leave Trust Fund as part of the department's existing biannual reporting on the status of the program to the Legislature.

The first Paid Leave Oregon corrective actions, as approved by the director of the department, that may be taken are:

- Reducing the maximum weekly benefit allowable to no less than 100% of the state average weekly wage (currently 120%), and
- Adjusting the benefit calculation to include a smaller portion of above-average earnings.

If the above two corrective actions above do not create solvency, the director may also reduce the maximum number of weeks of Paid Leave available by up to two weeks for all leave types except for bonding leave. Lastly, SB 1514 also limits the length of time any of the above corrective actions may be taken to five calendar years from the date of implementation.

SB 1514 itself does not create any impact on the Paid Leave Trust Fund or the department if none of the corrective actions are taken. Any fiscal or expenditure impacts resulting from the department opting to take any of the corrective actions to better ensure the solvency of the Paid Leave Trust Fund are indeterminate. While there would be some programming costs to implement any corrective actions, costs for those actions are also indeterminate because any system changes needed would be contingent on which actions are taken.

## **Senate Bill 1515: Paid Leave Oregon Policy Changes and OFLA Alignment**

### **Chapter 20 (2024 Laws)**

**Effective date March 20, 2024**

Senate Bill (SB) 1515 includes three key sections of changes to Oregon leave laws that relate to the Paid Leave Oregon program, as administered by the Employment Department, and the Oregon Family Leave Act (OFLA), as administered by the Bureau of Labor and Industries (BOLI).

Based on the order in the bill, SB 1515 first requires that the following three reports be provided to the Legislature no later than Sept. 15, 2024:

- 1) A report by the Employment Department on seasonal and hiring hall employees and how they are treated by Paid Leave Oregon and in other states with paid leave programs;
- 2) A report by the Employment Department in consideration of implementing programmatic changes to the Paid Leave Oregon program; and
- 3) A joint report between the Employment Department and BOLI on the apportionment of duties between the two agencies regarding protected leave provisions under Paid Leave Oregon and OFLA laws.

Second, SB 1515 specifies the following changes to Paid Leave Oregon law to improve administration of the program for employers, employees, and the Employment Department:

- Clarifies that predictive scheduling requirements do not apply to employers when an employee is on, or returns from, paid leave;
- Excludes all nine federally recognized tribes in Oregon and their employees from coverage under the Paid Leave Oregon program (all tribes still have the ability to choose to participate in Paid Leave);
- Expands the definition of Paid Leave Oregon family leave to include leave for the legal process for placement of a foster child or the adoption of a child;
- Clarifies the use of accrued paid time off while receiving Paid Leave Oregon benefits;
- Clarifies that only workers who are receiving workers' compensation for time loss benefits are disqualified from receipt of Paid Leave Oregon benefits (and not workers who are receiving other types of workers' compensation benefits); and
- Exempts Paid Leave Oregon benefits from garnishment (except for child support, spousal support, and restitution of a crime).

The third section of SB 1515 more closely aligns the OFLA and Paid Leave Oregon programs to eliminate concurrency concerns. Key changes in this section include:

- Removal of bonding, family, and medical leave due to serious health conditions from the list of available leave options allowed under OFLA (because these are covered under Paid Leave Oregon);
- Confirms that leave taken under OFLA law is in addition to, and may not be taken concurrently with, any leave under Paid Leave Oregon law; and
- Removes the combined leave total of Paid Leave Oregon and OFLA (currently 16 or 18 weeks combined maximum) to include the 12 weeks of Paid Leave and then separates out leave time frames for OFLA (up to four weeks for bereavement leave, 12-week combination of bereavement leave and sick child (serious or non-serious condition), and an additional 12 weeks for pregnancy disability).

All changes in law due to SB 1515 take effect on July 1, 2024, except for the provision to permit Paid



Leave Oregon family leave to be taken by covered individuals for the legal process for placement of a foster child or the adoption of a child, which takes effect Jan. 1, 2025.

The Employment Department anticipates there may be some nominal savings in the Paid Leave Oregon Trust Fund due to the exclusion of all nine federally recognized tribes in Oregon from coverage. However, the Employment Department believes that the reporting requirements and other policy changes to the Paid Leave Oregon program will either not create a fiscal impact or are indeterminate. Lastly, the Employment Department estimates that any costs resulting from the implementation of SB 1515 will be absorbed using existing resources.

### **Senate Bill 1526: Tax Law Changes relating to Regionally Significant Industrial Sites**

#### **Chapter 52 (2024 Laws)**

#### **Effective date June 6, 2024**

Among other more significant provisions, Senate Bill (SB) 1526 amends a reference under existing law that relates to the information the department is required to share with Business Oregon relating to Regionally Significant Industrial Sites (RSISs). SB 1526 requires the department to share employment and earnings data in annual averages rather than individual wage records as specified under current Oregon Revised Statutes Chapter 238 (2023).

Since these records are not collected at the reporting unit level for firms with multiple worksites, SB 1526 requires the department to use data from Oregon's Multiple Worksite Report (MWR) survey. The MWR is a survey required under federal law that is conducted pursuant to the federal-state cooperative agreement between the Department and the Bureau of Labor Statistics.

As the department understands, it appears making this change will enable Business Oregon to better measure the qualifications to implement tax reimbursements under the state law for the Oregon Industrial Site Readiness Program.

The department has the authority it needs under existing confidentiality laws to share information with Business Oregon. The department already shares employment data related to RSISs with Business Oregon. Therefore, as the department currently understands, SB 1526 does not create any impact for the agency.

## **Senate Bill 1537: Housing Accountability and Production Office**

### **Chapter 110 (2024 Laws)**

**Effective date June 6, 2024**

Senate Bill (SB) 1537 establishes a Housing Accountability Production Office (HAPO) to assist local governments with housing production. The law requires local governments to grant land use regulation and design adjustments in certain circumstances, allows housing developers with pending applications to opt into local land use regulations, and expands eligibility for prevailing applicants for housing development to receive attorney fees in a Land Use Board of Appeals review, among other provisions designed to expand the supply of housing. The office is also authorized to take certain actions to enforce housing laws.

SB 1537 allows the newly established office to bring enforcement actions against a local government to bring it into compliance with housing law. This may result in actions coming to the Office of Administrative Hearings under Chapter 183, although it is currently unknown whether HAPO will be using services of the Office of Administrative Hearings or a separate panel of hearings officers. However, should these cases come to the OAH, the department expects the volume to be relatively minimal. They would be assigned to the senior panel of judges on the OAH, who currently have the capacity for this work without additional resources. Therefore, the department believes SB 1537 will ultimately create no fiscal impact to the OAH.

## **Senate Bill 1595: Debt Collection Protections**

### **Chapter 100 (2024 Laws)**

**Effective date April 4, 2024**

Senate Bill (SB) 1595 (also known as the Family Financial Protection Act of Oregon) is the reintroduction of a bill from the 2023 Legislative Session, House Bill (HB) 2008, to increase protections for Oregonians from unlawful debt collection practices and increase economic thresholds for the recovery of debts.

SB 1595 increases consumer debt collection protections for:

- 1) The value and types of personal property exempt from judgment execution;
- 2) The amount of money exempt from wage garnishment; and
- 3) The value of homesteads exempt from judgment execution and the period of time proceeds from the sale of a homestead may be withheld from execution.

As a state agency that is responsible for collecting debts, SB 1595 impacts the Employment Department. SB 1595 phases in the increase to the wage garnishment exemption amounts over time through 2027. SB 1595 will reduce the overall amount of overpaid benefits the department is able to recover via wage garnishment.

While the department has the authority to recover debts using other means identified in the bill, wage garnishments are the only legal mechanism included in SB 1595 that the Employment Department is currently using to recover overpaid Unemployment Insurance (UI) and Paid Leave Oregon benefits. SB

1595 does not affect the department's ability to recover delinquent UI taxes or Paid Leave Oregon contributions because it only relates to consumer debts.

Based only on an analysis of the phased-in weekly exemption amount, the department estimates that SB 1595 will reduce the amount in overpaid UI and Paid Leave Oregon benefits recovered by approximately \$1.8 million in 2023-25, \$9.7 million in 2025-27, and \$11.2 million in 2027-29. These estimated reductions equate to approximately 7% less in recovered overpaid benefits in 2023-25, 30% less in 2025-27, and 33% less in 2027-29.

Additionally, the reductions include estimated losses to administrative revenues for the UI program of approximately \$666,000 in 2023-25, \$2.8 million in 2025-27, and \$3.2 million in 2027-29. Losses in UI administrative revenues may result in a decline in service to our customers and a potential loss in full-time equivalent employees (FTE). While the reductions also affect the UI Trust Fund, the department does not believe the impact will be great enough to require an increase to statewide UI tax schedules in the foreseeable future.

Since the Paid Leave Oregon program has only been paying benefits since Sept. 3, 2023, the department does not have much overpaid Paid Leave benefits data to forecast potential reductions in recoveries for the future. Since the department is using the same internal systems and methods to recover overpaid Paid Leave Oregon benefits as are used to recover overpaid UI benefits, proportionately similar losses are projected, but losses in future biennia are indeterminate. However, administrative revenue for the Paid Leave Oregon program comes directly from the Paid Leave Trust Fund. Therefore, the department does not anticipate any decline in service for Paid Leave Oregon customers.

To implement SB 1595, the department will need to update one internal form annually and ensure that any updated versions of forms generated by other state agencies are provided on an annual basis when issuing wage garnishments after this date and all subsequent phase-in dates. The department will absorb the costs for this work using existing resources.

## **Senate Bill 5701: End of Session Omnibus Bill**

### **Chapter 114 (2024 Laws)**

**Effective date April 17, 2024**

SB 5701 is the omnibus budget reconciliation bill for the 2024 session. The measure modifies state agencies' 2023-2025 legislatively adopted budgets and adjusts General Fund appropriations to the Emergency Board.

The bill includes a long list of funding appropriations and expenditure limitations to several state agencies. Although most of these funding adjustments have no direct bearing on the Employment Department or the administration of our programs, SB 5701 appropriated \$99,426 to allow the Office of Administrative Hearings to hire a legal secretary. In addition, the bill included a \$10.4 million spending limitation increase for unemployment insurance administration.

Passage of SB 5701 ensured the Office of Administrative Hearings had the necessary authority from the Legislature to hire a legal secretary. In addition, the department will use the funding for unemployment

insurance administration to provide enhanced customer service and operations for Oregonians applying for UI benefits.

## Section II: Other Legislation (Not Passed During 2024 Legislative Session)

### House Measures

#### **House Bill 4005: Professional Employer Organizations Client Reporting**

HB 4005 is a bill brought forward by the House Business and Labor committee (Chair Rep. Paul Holvey) to align how Professional Employer Organizations (PEOs) are treated for all programs (i.e. unemployment insurance (UI) and Paid Leave Oregon). The bill would have changed the definition of employer for UI and Paid Leave Oregon to be the client of a PEO, rather than the PEO itself, for quarterly payroll reporting. This is because the PEO client has direction and control over the employee, not the PEO.

Currently, workers employed by client employers are considered employees of the PEOs when the PEOs file combined quarterly payroll reports, and the PEOs base their UI and Paid Leave Oregon contributions on an aggregation of their clients' employees. HB 2005 would have required individual quarterly payroll reports from each client employer instead of one joint report beginning Jan. 1, 2025. This would allow each client employer to have their own UI tax rate and employer size for Paid Leave Oregon instead of the PEO as a whole. It also would have required the Employment Department to issue refunds to PEOs for contributions paid on behalf of client employers that are considered small employers going back to Jan. 1, 2023.

#### **House Bill 4038: UI Tax Credit for Employers due to Pandemic Tax Relief Legislation**

House Bill (HB) 4038 would have modified unemployment insurance (UI) tax law so that employers with 2025 UI tax rates lower than their rate in 2024 would have received a tax credit for the UI taxes they would have been expected to pay in the future.

As the department understands, HB 4038 was proposed to provide tax relief to employers who were adversely affected by the pandemic UI tax relief bill, HB 3389, in the 2021 Legislative Session. Some employers who had a larger amount in UI tax charges than they historically had experienced were attributed with a higher experience rating just prior to the pandemic. HB 3389 locked in all employers' pre-pandemic experience ratings from 2022 through 2024 to their 2020 rate, regardless of what their actual UI tax charges were during and after the pandemic. As a result, some employers had higher tax rates for 2022 through 2024 and had to pay more in UI taxes than they possibly would have had their UI tax rate been based on their actual charges for UI benefits during the pandemic.

HB 4038 would have provided a non-refundable credit for employers who had:

- A tax rate assigned in 2022;
- A 2025 UI tax rate at least 0.5 percentage points less than their 2024 tax rate; and
- Filed all quarterly reports and paid all tax liabilities due for both 2024 and 2025 in a timely manner.

Additionally, HB 4038 would require that these employers have either paid all outstanding UI taxes and related liabilities or are in a current payment plan approved by the department as of Jan. 1, 2025.

These employers would have received a credit to their taxes due in 2025 based on the following scale:

Decrease in UI Tax Rate	
% point difference	Credit
0.5% <= 1.0%	25%
1.0% <= 1.5%	50%
1.5% <= 2.0%	75%
2.0% <	100%

Had this bill passed, there would have been a potential UI Trust Fund impact as the credit given for 2025 taxes paid would have reduced the amount of taxes collected in 2026. Although the department estimated an approximate loss to the UI Trust Fund of \$223 million in the 2025-27 biennium, it does not believe that the impact would have been large enough to cause a change in the forecasted tax schedule over the next two biennium and the impact would not extend into subsequent biennia because the law establishing the credit would be repealed Jan. 1, 2028.

HB 4038 would have required significant work on the part of the Department's Contributions and Recovery (C&R) and Modernization Divisions as well as additional contract work by the department's Modernization vendor, FAST Enterprises, to implement.

#### **House Bill 4050: Pay Equity Exceptions**

House Bill (HB) 4050 would have added to the list of factors that an employer may use to legally pay employees who perform work of comparable character at different compensation levels. HB 4050 would have allowed employers to pay employees at different compensation levels if the difference was based on a bona fide factor other than the employee's protected class status if it was consistent with business necessity and fulfilled the underlying business purpose of the business necessity. It also specified that the bona fide factor may not be relied upon if alternative business practice would fulfill the same business purposes without producing a compensation differential.

Had HB 4050 been passed into law, it would have created minimal fiscal impact for the Employment Department. If it had passed, the department may have been required to adjust the factors currently reviewed when Human Resources staff conduct a pay equity analysis. However, this adjustment to the agency's existing processes or procedures could have been absorbed using existing resources. Any change to the laws around state employment practices would also have affected the agency's Employment Services Complaint System, because federal regulations require the department to administer this system as a condition of a federal award. The Complaint System deals with complaints about employment laws and employers and may involve making referrals to relevant enforcement agencies such as the Bureau of Labor and Industries. If HB 4050 had passed into law, the work to implement changes to the Complaint System would also have been absorbed using existing resources.

#### **House Bill 4101A: Oregon Secretary of State Data Collection**

House Bill (HB) 4101A would have required the Corporations Division of Oregon's Secretary of State (SOS) to gather demographic and veteran status information on new and renewing business owners. The



SOS would also be required to provide the data to businesses development entities and other state agencies, including the Employment Department. Having access to this data could potentially have enhanced the department's existing data sets and enabled the department to provide more specialized services or reporting based on the additional data elements obtained by the SOS and shared with the department.

While HB 4101A would have required the SOS to gather the information when available, the bill would not have required business owners to provide the information. The bill did not include any language to specify how the data could be shared and used by other state agencies, and therefore it is unclear if it would have created any fiscal impact for the department. However, HB 4101A could have resulted in a need for the department to establish additional data security and transfer systems as well as standardization with other sets of data administered by the department. Had HB 4101A passed into law, the department would have absorbed any impact using existing resources.

## **Senate Measures**

### **Senate Bill 1548A: Daylight Saving Time**

Senate Bill (SB) 1548 would have kept parts of Oregon in the Pacific Time Zone on standard time year-round. However, without congressional approval, Oregon would still be required to follow Daylight Saving Time requirements under federal law (15 USC 260(a)).

SB 1548 would have required the department to make minor changes to various systems used by the agency to administer our programs. These systems include Information Technology applications, security, lighting, HVAC, fire panels and circulation pumps in the agency's central office, Unemployment Insurance (UI) contact centers, and 38 of the department's 39 WorkSource centers around the state (one center is located in Ontario, which is in the Mountain Time Zone). Had SB 1548 passed into law, it would not have created a fiscal impact for the department because any work efforts to implement the change would have been absorbed using existing resources. Additionally, it is likely the department may have experienced nominal savings long term because existing biannual adjustments to these systems would no longer have been required.

### **Need help?**

This information is vital. The Oregon Employment Department (OED) is an equal opportunity agency. OED provides free help so you can use our services. Some examples are sign language and spoken-language interpreters, written materials in other languages, large print, audio, and other formats. To get help, please call 503-9471794 (toll free). TTY users call 711. You can also send an email to [Language@employ.oregon.gov](mailto:Language@employ.oregon.gov).

### **¿Necesita ayuda?**

Esta información es vital. El Departamento de Empleo de Oregon (OED) es una agencia de igualdad de oportunidades. El OED proporciona ayuda gratuita para que usted pueda utilizar nuestros servicios. Algunos ejemplos son intérpretes de lengua de señas e idiomas hablados, materiales escritos en otros idiomas, letra grande, audio y otros formatos. Para obtener ayuda, por favor llame al 503-947-1794 (gratuito). Usuarios de TTY pueden llamar al 711. También puede enviar un correo electrónico a [Language@employ.oregon.gov](mailto:Language@employ.oregon.gov).