

Senate Bill 664

Sponsored by COMMITTEE ON COMMERCE

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that local government collecting, contributing or receiving funds to provide fringe benefits for employees may use funds only for that purpose.

A BILL FOR AN ACT

1
2 Relating to fringe benefits for employees of local government.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Fringe benefit" means any program providing insurance or other form of coverage,**
6 **reimbursement or incentives for costs associated with:**

7 (A) **A program under section 125 of the Internal Revenue Code, or other similar program;**
8 **or**

9 (B) **Health care, dental care, vision care, disability or death. For purposes of this sub-**
10 **paragraph, "health care" has the meaning given that term in ORS 243.303.**

11 (b) **"Funds" includes:**

12 (A) **Moneys collected from or contributed by an employer, employee or employee organ-**
13 **ization for the purpose of providing fringe benefits; and**

14 (B) **Rebates, refunds, repayments or returns on premiums received from a provider or**
15 **administrator of fringe benefits and provided to a local government.**

16 (c) **"Local government" has the meaning given that term in ORS 174.116.**

17 (2) **A local government that collects, contributes or receives funds for the provision of**
18 **fringe benefits to its employees may not use the funds for any purpose other than to pay:**

19 (a) **Costs directly associated with providing the fringe benefits; or**

20 (b) **Administrative expenses arising from and directly related to the provision of fringe**
21 **benefits.**

22 (3) **All funds collected, contributed or received by a local government for the provision**
23 **of fringe benefits to its employees shall be kept in an account separate and distinct from**
24 **other accounts of the local government.**

25 **SECTION 2. Section 1 of this 2007 Act applies to funds collected, contributed or received**
26 **on or after the effective date of this 2007 Act.**

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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.