

**2008 Special Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3632                      **STATUS:** Original  
**SUBJECT:** Minimum wage, workers' compensation, and employment law exemption for volunteer ski patrol activities or ski area program activities.  
**GOVERNMENT UNIT AFFECTED:** Employment Department, Bureau of Labor and Industries, and the Department of Consumer and Business Services  
**PREPARED BY:** John F. Borden  
**REVIEWED BY:** Michelle Deister and Robin LaMonte  
**DATE:** February 06, 2008

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	<u>2007-2009</u>	<u>2009-2011</u>
<b>EXPENDITURES:</b> See Comments		
<b>REVENUES:</b> See Comments		
<b>POSITIONS / FTE:</b> See Comments		

**EFFECTIVE DATE:** On passage

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was not reviewed nor approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:** The measure expands exemptions from minimum wage, workers' compensation, and employment law requirements for volunteers performing ski patrol duties or volunteering for program activities sponsored by a statutorily defined ski area operator or a non-profit corporation or organization. A volunteer is defined as an individual that receives no wage or other remuneration other than a ski pass.

The Employment Department states that this measure may place Oregon out of conformity, and in violation of, federal unemployment law U.S. law Title 26, Subtitle C, Chapter 23, section 3309). In the Department's opinion, this could have three ramifications:

- (a) A significant increase in Oregon employers Federal Unemployment taxes (FUTA) based on Oregon's non-conformity with federal law. This increase is estimated to be \$1.04 billion or a FUTA tax rate increase from 0.8% to 6.2%. Employers' contributions to FUTA currently do not go into UI Trust Fund so no additional interest income would be anticipated.
- (b) The loss of \$97 million Federal Funds supporting the Department's administrative function. This would result in a corresponding reduction in agency personnel and non-personnel related expenditures.

(c) The loss of \$35,887 in revenue to the Unemployment Trust Fund as well as interest income for the 2007-09 biennium and \$87,939 for the 2009-11 biennium. The Department would also see a nominal decline in revenue for the Supplemental Employment Department Administrative Fund for both biennia.

The Department of Consumer and Business Services (DCBS) notes that some employers may voluntarily elect to provide workers' compensation under this measure. If workers' compensation insurance coverage is elected by employers of ski patrol volunteers, the insurer would collect premium assessment on the policy. The revenue impact to DCBS is indeterminate, but assumed to be negligible.

The Bureau of Labor and Industries has reported that this measure does not have a fiscal impact. This is based on the limited number of employers and individuals who would become exempt from investigation from minimum wage and overtime law under this measure.