

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended, Be Printed Engrossed, and Be Placed on the Consent Calendar

Vote: 9 - 0 - 1

Yeas: Barton, Cameron, Esquivel, Holvey, Kennemer, Matthews, Thatcher, Witt, Schaufler

Nays: 0

Exc.: Edwards C.

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 1/28, 2/25

WHAT THE MEASURE DOES: Establishes that in a case of conflict between a provision of Oregon Employment Department Law and another other provision of state law, Employment Department Law prevails. Limits the types of employment that will end an individual's disqualification from unemployment insurance benefits to employment subject to Oregon Employment Department Law or equivalent law in another state or Canada, employment required to be covered under the Federal Unemployment Tax Act, and employment by the federal government.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: Clarifies that ORS chapter 657 prevails when a conflict arises between Employment Department Law and a provision of other state law.

BACKGROUND: HB 2203A clarifies that laws related to the Oregon Employment Department (ORS chapter 657) are immune to changes made in other ORS chapters, and for clarifying unemployment insurance (UI) re-qualification requirements. The measure resolves any conflicts between ORS chapter 657 and other statutes in favor of ORS chapter 657 to ensure that the state conforms to the Federal Unemployment Tax Act (FUTA). Non-conformity with FUTA can lead to the loss of the Employment Department's federal administrative grant of \$52.1 million per year and the loss of the FUTA tax credit for Oregon employers, which is approximately \$505 million per year.

HB 2203A also makes a technical correction to Senate Bill 195 (2007), which limited the types of employment that end an individual's disqualification from receiving UI benefits. The current statutory language did not include all types of covered employment. HB 2203A clarifies that covered types of employment include employment subject to Oregon Employment Department Law or equivalent law in another state or Canada, employment required to be covered under the Federal Unemployment Tax Act, and employment by the federal government.