House Bill 2833

Sponsored by Representative WITT (at the request of NW Worker Justice Project) (Presession filed.)

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.**

Requires day labor service agencies to register with Commissioner of Bureau of Labor and Industries. Requires employer to provide information about work, employer and wages and to provide certain special attire, accessories, tools or safety equipment to day laborers. Prohibits employers from retaliating or taking certain other actions against day laborers or third party employers.

Requires commissioner to adopt rules to implement and enforce law. Authorizes commissioner to assess civil penalties and to deny, suspend or revoke registration of day labor service agency.

Prohibits employers from discriminating in compensation against part-time employees and employees in contingent jobs. Provides exception. Prohibits person from entering into contract for labor or services with certain contractors when person knows or should know that contract does not include sufficient funds to allow contractor to comply with laws governing labor or services to be provided.

Regulates entity that procures employment for others as employment agency when entity's services are paid for by anyone other than job applicant. Increases amount of bond or other security employment agency must maintain. Prohibits employment agencies from charging applicants for certain items or services. Prohibits employment agencies from taking certain actions against applicants.

Creates cause of action for violations.

A BILL FOR AN ACT

- 2 Relating to regulation of employment; creating new provisions; and amending ORS 658.005, 658.075 and 658.172.
- 4 Be It Enacted by the People of the State of Oregon:
 - **SECTION 1. (1) As used in this section:**
 - (a) "Day labor" includes labor or employment that is occasional or irregular, in which an individual is employed for not longer than the period of time required to complete the assignment for which the individual is hired and in which wage payments are made directly or indirectly to the individual by a day labor service agency or a third party employer for work undertaken by the individual. "Day labor" does not include labor or employment of a professional or clerical nature.
 - (b) "Day labor employer" includes:
 - (A) Any person that directly or indirectly, through an agent, day labor service agency or other person acting in the day labor employer's interest, suffers or permits a day laborer to work or otherwise exercises control over the wages, hours or working conditions of a day laborer;
 - (B) A day labor service agency; and
 - (C) A third party employer.
 - (c) "Day labor service agency" includes any person that recruits, dispatches or otherwise facilitates the employment of day laborers by a third party employer. "Day labor service agency" does not include a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code.

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.

1

5

6

7

8

10

11

12 13

14

15 16

17

18 19

20

- (d) "Day laborer" means an individual solicited or employed to engage in day labor.
- (e) "Third party employer" includes a person that suffers or permits a day laborer to work by contracting with a day labor service agency for the personal services of the day laborer.
- (2) Day labor service agencies and third party employers are day labor employers and share all legal obligations placed on day labor employers by this section.
- (3) A day labor service agency shall register with the Commissioner of the Bureau of Labor and Industries in accordance with rules adopted by the commissioner, unless the day labor service agency is regulated as an employment agency under ORS 658.005 to 658.245, or is licensed as a farm labor contractor under 658.405 to 658.503, and has notified the commissioner that the day labor service agency provides day labor services. The commissioner shall establish by rule an annual registration fee not exceeding \$250.
- (4) A day labor service agency offering to refer day laborers to work shall post in the public reception area of the day labor service agency:
- (a) A list of all employers that are seeking day laborers. The list must include for each employer:
- (A) The name and address of the employer and the address of the work site if different from that of the employer;
 - (B) The type of job opportunities for day laborers;

- (C) The amount of wages to be paid per hour for the work; and
- (D) Whether transportation is available, whether the work site is accessible by public or personal transportation and the approximate commute time to the work site.
- (b) A notice to inform the public of a toll-free telephone number for the commissioner for filing complaints about wage disputes and alleged violations of this section by a day labor employer. The commissioner shall furnish copies of this notice to day labor service agencies without charge.
- (5) A day labor employer shall, for each job opportunity offered, provide a written description of the work to each day laborer recruited or hired at the time of the recruitment or hiring, whichever is earlier. The written description of the work must include:
- (a) A description of the work to be performed by the day laborer, including the pay and any requirements for special attire, accessories, tools, safety equipment or other items required by law or custom to perform the work assignment.
- (b) The exact address of the work site and a telephone number at which a day laborer can be reached for emergency purposes. If the location is in a rural area, the written description of the work must contain directions to the work site.
 - (c) The time of day the work will begin and the time of day the work will end.
- (d) Whether a meal is provided, either by the day labor service agency or the third party employer, and the cost of the meal, if any, that would be charged to the day laborer.
- (e) A phone number and business address of the third party employer requesting the day laborer though the day labor service agency.
- (6) The postings and the written description of the work required by subsections (4) and (5) of this section shall be written in English and any other language that is generally used in the locale of the day labor employer.
- (7) A day labor employer shall pay a day laborer not less than the prevailing wage rate paid to permanent employees performing substantially equivalent work, with due consider-

ation given to seniority, experience and skills.

1 2

- (8) When a day labor employer and a day laborer have agreed upon a wage rate, the day labor employer may not reduce the agreed wage rate during the term of the employment.
- (9) At the time wages are paid, a day labor employer shall provide a day laborer with a written statement itemizing the day laborer's total wages, the basis of the calculation of the wages and the amount and purpose of each deduction made from the wages.
- (10) A day labor employer shall provide, at no cost to a day laborer, any special attire, accessories, tools, safety equipment or other items required by law or custom to perform the work assignment. For any other attire, accessories, tools, safety equipment or other items the day labor employer makes available for purchase, the day labor employer may not charge the day laborer more than the actual cost or reasonable market value, whichever is less, for the item. If a day laborer willfully fails to return an item provided by the day labor employer, the day labor employer may charge the day laborer for the market value of the item.
- (11) If a day labor employer fails to appear at a designated time and location after requesting a day laborer's services, the day labor employer shall compensate the day laborer for four hours of work at the regular rate of pay.
- (12) Unless the day laborer requests otherwise, when a day laborer has been transported to a work site, the day labor employer shall provide transportation back to the point of hire at the end of each work day.
 - (13) A day labor employer may not:
 - (a) Charge a day laborer for transportation to and from a worksite or between worksites.
 - (b) Directly or indirectly charge a day laborer for cashing a paycheck.
- (c) Send a day laborer to a workplace where a strike, lockout or other labor trouble exists.
- (14) A day labor service agency may not restrict the right of a day laborer to accept permanent employment with a third party employer to whom the day laborer has been referred for temporary work or restrict the right of the third party employer to offer permanent employment to a day laborer. The day labor service agency may not charge a day laborer a fee or fine for accepting an offer of permanent employment from a third party employer or charge a third party employer additional amounts for offering permanent employment to a day laborer.
- (15) Any agreement between a day laborer and a day labor employer to waive any rights or responsibilities under this section is void and unenforceable as violative of public policy.
- (16) When a day labor employer has not complied with any notification or record keeping provisions required under this section or rules adopted under this section, there is a rebuttable presumption that any reasonable factual presentation by the day laborer is accurate. The presumption may be rebutted only by clear and convincing evidence.
- (17) A day labor employer may not retaliate against a day laborer seeking to enforce rights granted under this section. Protected activities include, but are not limited to:
 - (a) Making a complaint to the day laborer's employer;
- (b) Conferring with a state or federal agency, an attorney or a community organization concerning rights granted a day laborer under this section;
- (c) Making a complaint to an employer or a coworker or before a public hearing or the press that rights granted a day laborer under this section have been violated;
 - (d) Causing to be instituted any proceeding under or related to this section; and

- (e) Testifying or preparing to testify in an investigation or proceeding under this section.
- (18) The commissioner shall adopt rules necessary to implement and enforce this section, including rules for hearings and the assessment of civil penalties for violations of this section.
- (19) The commissioner shall promptly investigate a complaint concerning an alleged violation of this section or any rule adopted under this section.
- (20) In addition to any other penalty provided by law, the commissioner may assess a civil penalty for each violation by:
- (a) A day labor service agency that fails to register in accordance with subsection (3) of this section. The civil penalty is \$1,000 for the first violation and \$5,000 for the second and any subsequent violation.
- (b) A person that commits a violation of this section, other than a violation described in paragraph (a) of this subsection, or any rule adopted under this section. The civil penalty may not exceed \$1,000 for each violation for each day laborer affected.
- (21) The commissioner may deny, suspend or revoke the registration of a day labor service agency if warranted by public health and safety concerns or any violation of this section or any rule adopted under this section.
- (22) The commissioner or any day laborer aggrieved by a violation of this section or any rule adopted under this section by a day labor employer may file a civil action in circuit court. The filing of a complaint with the commissioner under this section is not a condition precedent to the filing of a civil action. The civil action must be brought within three years after the last date of employment with the day labor employer. An action may be brought by one or more day laborers for and on behalf of themselves and other day laborers similarly situated. Any day laborer whose rights have been violated under this section by a day labor employer is entitled to collect:
- (a) Compensatory damages or an amount of \$500 for each violation of this section or a rule adopted under this section, whichever is greater;
- (b) In the case of unlawful retaliation, all legal or equitable relief that may be appropriate; and
 - (c) Attorney fees and costs.

- SECTION 2. (1) As used in this section, unless the context clearly requires otherwise:
- (a) "Benefits" includes, but is not limited to, accrual of seniority, credit for length of service, holidays, vacations, sick leaves and other leave, disability and health insurance, health and welfare and pension benefits.
- (b) "Casual employment" means work scheduled on an occasional or intermittent basis, without a regular schedule.
 - (c) "Client" means a person that receives services or functions from another person.
 - (d) "Client employer" means a client that is an employer or joint employer.
- (e) "Client work site" means a place of work owned, operated or controlled by a client employer.
- (f) "Contingent job" means a job in which an individual does not have an explicit or implicit contract for long-term, full-time employment, including casual employment, contractor employment, day labor employment, home-based employment, leased employment, on-call employment, seasonal employment, temporary agency employment or temporary direct-hire employment.

1 2

- (g) "Contractor employment" means employment in which a worker is employed by a person that has contracted with a client to provide services to the client.
- (h) "Cost of health benefits" means the total cost of health insurance premiums and out-of-pocket health care expenses.
- (i) "Day labor employment" means employment in which a worker is hired for a day or on a day-to-day basis to perform an unskilled or semiskilled task.
- (j) "Employer" includes an individual, organization, partnership, association, trust, estate, joint stock company, insurance company or corporation, whether domestic or foreign, receiver or trustee in bankruptcy, the legal representative of a deceased person or a public body, as defined in ORS 174.109, that employs one or more individuals during any day or portion of any day.
- (k) "Full-time employment" means a job with regularly scheduled work of more than 32 hours per week or more than 64 hours in a two-week period.
- (L) "Home-based employment" means employment in which an individual produces goods or delivers services in or about a home, apartment, tenement or room in a residential establishment for an employer that suffers or permits the production or service delivery, regardless of the source, whether obtained from an employer or elsewhere, of the materials used by the individual in the production.
- (m) "Joint employer" includes a contractor and a client that are in a relationship in which the employees of the contractor perform work that is an integral component of the client's enterprise and in which one or more of the following exists:
- (A) The contractor's employees are required to follow the client's instructions concerning the specifics of how and when the services are to be performed;
- (B) The contractor's employees perform the services on a regular basis on premises owned or managed by the client; or
- (C) The capital goods used by the contractor's employees in performing the services in question are provided, or substantially financed, directly or indirectly by the client.
- (n) "Leased employment" means employment in which an individual performs services for a client through a leasing organization pursuant to an agreement between the client and the leasing organization.
- (o) "On-call employment" means employment in which a worker reports to work only when asked by the worker's employer to do so and the worker does not have a regular schedule.
- (p) "Part-time employment" means regularly scheduled work that is less than the fulltime work schedule customary for the individual's occupation.
- (q) "Seasonal employment" means employment that regularly provides no work for at least 90 days during a year.
- (r) "Temporary agency employment" means work performed by a person who is hired and remunerated by an agency that provides the worker to a client, where there is no implicit or explicit contract for long-term employment.
- (s) "Temporary direct-hire employment" means work performed by an individual who is hired and remunerated by the person for whom the individual provides services, where there is no implicit or explicit contract for long-term employment or there is an established employment period of one year or less.
 - (2) An employer, including joint employers of employees at a client work site, may not

[5]

discriminate in any way in the compensation paid as between full-time employees and parttime employees, whether or not the employees are employed in permanent or contingent jobs, or between employees employed in permanent jobs and employees employed in contingent jobs. However, variations in compensation are not prohibited when the variations are based on differences in job duties.

- (3) For the purpose of determining the compensation paid to full-time employees that will be used to determine whether the employer is discriminating against contingent workers or part-time workers, full-time compensation is deemed to be the gross hourly wages of similarly situated full-time employees, plus a 30 percent surcharge. The surcharge is deemed to be paid to the contingent employee or part-time employee if the surcharge is included directly in wages or is offered as part of the cost of health, welfare and retirement benefits.
- (4) Nothing in this section may be construed to diminish or otherwise affect the requirements, guarantees or protections under any bargaining agreement, company policy or state or federal law that provides for greater or additional benefits than those required under this section.
- SECTION 3. Any individual aggrieved by a violation of section 1 of this 2011 Act may, within three years of the alleged violation, institute and prosecute in the individual's own name and on the individual's own behalf, or for the individual and for others similarly situated, a civil action for injunctive relief and any damages incurred, including treble damages for any loss of wages and other benefits. If the aggrieved individual prevails, the court shall award the individual reasonable attorney fees and costs.

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

- (a) "Contingent job" has the meaning given that term in section 1 of this 2011 Act.
- (b) "Knows" includes the knowledge, arising from familiarity with the normal facts and circumstances of the business activity engaged in, that a contract or agreement does not include funds sufficient to allow the contractor to comply with applicable laws.
- (c) "Should know" includes the knowledge of any additional facts or information that would make a reasonably prudent person inquire whether a contract or agreement contains sufficient funds to allow the contractor to comply with applicable laws.
- (2)(a) A person may not enter into a contract or agreement with a construction, farm labor, janitorial or security guard contractor for labor or services provided by workers in contingent jobs if the person knows or should know that the contract or agreement does not include funds sufficient to allow the contractor to comply with all applicable local, state and federal laws, rules or regulations governing the labor or services to be provided.
- (b) The person shall request any information from the contractor that is reasonably necessary to determine whether the contract or agreement between the person and the contractor includes funds sufficient to allow the contractor to comply with applicable local, state and federal laws, rules or regulations governing the labor or services to be provided under the contract or agreement. A person is presumed to know the information described in this section, and a failure to request the information from the contractor is no defense.
 - (3) Subsection (2) of this section does not apply to:
- (a) A person that executes a collective bargaining agreement covering the workers employed under the contract or agreement; or
- (b) A person that enters into a contract or agreement for labor or services to be performed on the person's home residence if a family member of the person resides for at least

a part of the year in the residence.

- (4)(a) A worker aggrieved by a violation of subsection (2) of this section may file a civil action for damages to recover the greater of the worker's actual damages or \$250 per worker per violation for an initial violation or \$1,000 per worker for each subsequent violation. If the aggrieved worker prevails, the court shall award the worker reasonable attorney fees and costs. An action under this section may not be maintained unless the worker pleads and proves that the worker was damaged as a result of a violation of an applicable local, state and federal law, rule or regulation governing the labor or services provided under the contract or agreement.
- (b) A worker aggrieved by a violation of subsection (2) of this section may also bring an action for injunctive relief and, upon prevailing, may recover reasonable attorney fees and costs.
- (c) A person who has violated subsection (2) of this section is jointly and severally liable with the contractor to any worker of the contractor who is aggrieved by the contractor's violation.

SECTION 5. ORS 658.005 is amended to read:

658.005. As used in ORS 658.005 to 658.245, unless the context requires otherwise:

- (1) "Applicant for employment" or "applicant" means an individual who is seeking or who has obtained employment through the services of an employment agency.
- (2) "Charge for services" means any money or other consideration paid or promised to be paid by an applicant for employment **or by an employer** for services rendered by an employment agency.
 - (3) "Commissioner" means the Commissioner of the Bureau of Labor and Industries.
- (4)(a) "Employment agency" or "agency" [means] includes a business, service, bureau or club operated by a person, firm, organization, limited liability company or corporation engaged in procuring for a fee[,] employment for others and employees for employers.
 - (b) "Employment agency" or "agency" does not include:
 - (A) A nursing school, business school or career school that does not charge a fee for placement.
- (B) [Any] A business, person, service, bureau, organization or club that by advertisement or otherwise offers as its main object or purpose to counsel, teach or prepare individuals to obtain employment, and which charges for its services, whether in the form of dues, tuition, membership fees, registration fees or any other valuable service.
- [(C) Any business, service, bureau or club operated by a person engaged in procuring employment for others when the charges for services are paid, directly or indirectly, by anyone other than the applicant for employment.]
 - [(D)] (C) An employment listing service, as defined in ORS 658.250.

SECTION 6. ORS 658.075 is amended to read:

- 658.075. (1) Each employment agency shall maintain a corporate surety bond or irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 of [\$5,000] \$20,000, payable to the people of the State of Oregon, conditioned that the employment agency will comply with ORS 658.005 to 658.245 and will pay:
- (a) All sums legally owing to any person when the employment agency or its agents have received such sums;
- (b) All damages occasioned to any person by reason of any willful misrepresentation, fraud, deceit or other unlawful act or omission by the employment agency, or its agents or employees acting within the scope of their employment; and

- (c) All sums legally owing to any employee of the employment agency.
- (2) For the purposes of this section, each general partner shall furnish the required bond or letter of credit. When an employment agency is operated by a limited liability company or corporation, the bond or letter of credit shall be in the name of the limited liability company or corporation.

SECTION 7. ORS 658.172 is amended to read:

- 658.172. (1) Any job referrals between an employment agency and an applicant for whom [such] **the** agency is to procure employment and from whom a charge for services is to be exacted or attempted to be collected shall be in writing. The employment agency shall give the applicant a copy of the job referral document.
- (2) The job referral document, which shall be assigned the same number as the receipt of the job order by the agency, shall include:
 - (a) The name, address and telephone number of the employment agency.
 - (b) The date of issuing the job referral document.
- (c) The name of the applicant, the name and address of the person to whom the applicant is sent for interview and the address where the applicant is to report for employment.
- (d) The approximate amount of fee to be charged and to be collected from the applicant, if the applicant accepts employment, and a statement [that] as to whether the employer is [not] responsible for paying the fee.
 - (e) The kind of work or employment.
- (f) The daily hours of work and the approximate wages or salary, including any consideration of privilege.
 - (g) The projected duration of the job assignment.
 - [(g)] (h) If any labor trouble exists at the place of employment, a statement of that fact.
- (3) The job referral document shall be signed by a representative of the employment agency, and shall be delivered to the applicant or sent by United States mail to the applicant.
- (4) [No fee or charge shall be required or accepted] The employment agency may not require or accept a fee or charge from an applicant for employment when the employment agency fails to comply with the provisions of subsection (3) of this section.
- (5) The job referral document shall be written in English and any other language that is generally used in the locale of the employment agency.
- SECTION 8. (1) An employment agency may not, directly or indirectly, charge for any special attire, accessories, tools, safety equipment or other item required by law or custom to perform the work assignment. For any other attire, accessories, tools, safety equipment or item the employment agency makes available for purchase, the employment agency may not charge the applicant more than the actual cost or reasonable market value, whichever is less, for the item.
 - (2) An employment agency may not:
- (a) Charge an applicant for transportation to and from the work site or between work sites; or
 - (b) Directly or indirectly charge an applicant for cashing a paycheck.
- (3) An employment agency may not restrict the right of an applicant to accept permanent employment with a third party employer to whom the applicant has been referred for temporary work or restrict the right of a third party employer to offer permanent employment to the applicant. The employment agency may not charge an applicant a fee or fine for ac-

cepting an offer of permanent employment from a third party employer or charge a third party employer additional amounts for offering permanent employment to an applicant, except as otherwise provided in ORS 658.005 to 658.245.

(4) If an employment agency pays wages to an applicant, the agency shall, at the time wages are paid, provide the applicant a written statement itemizing the applicant's total wages, the basis of the calculation of the wages and the amount and purpose of each deduction made from the wages.

SECTION 9. Any applicant aggrieved by a violation of ORS 658.005 to 658.245, or any rule adopted under ORS 658.005 to 658.245, by an employment agency may file a civil action in circuit court. The filing of a complaint with the Commissioner of the Bureau of Labor and Industries is not a condition precedent to the filing of a civil action. The civil action must be brought within three years after the date of the final referral of an applicant who is a party to the action by the employment agency. An action may be brought by one or more applicants for and on behalf of themselves and other applicants similarly situated. Any applicant whose rights under ORS 658.005 to 658.245 have been violated is entitled to collect:

- (1) Compensatory damages or an amount of \$500 for each violation, whichever is greater;
- (2) In the case of unlawful retaliation, all legal or equitable relief as may be appropriate; and
 - (3) Attorney fees and costs.

 <u>SECTION 10.</u> Any agreement between an applicant and an employment agency to waive rights and responsibilities under ORS 658.005 to 658.245 or any rule adopted under ORS 658.005 to 658.245 is void and unenforceable as violative of public policy.

SECTION 11. When an employment agency has not complied with a notification or record keeping provision required under ORS 658.005 to 658.245 or any rule adopted under ORS 658.005 to 658.245, there is a rebuttable presumption that any reasonable factual presentation by the applicant is accurate. The presumption may be rebutted only by clear and convincing evidence.

SECTION 12. An employment agency may not retaliate against an applicant seeking to enforce the applicant's rights under ORS 658.005 to 658.245 or any rule adopted under ORS 658.005 to 658.245. Protected activities include, but are not limited to:

- (1) Making a complaint to the employment agency;
- (2) Conferring with a state or federal agency, an attorney or a community organization concerning rights granted an applicant under ORS 658.005 to 658.245;
- (3) Making a public complaint to a coworker, or before a public hearing or the press, that rights granted under ORS 658.005 to 658.245 or any rule adopted under ORS 658.005 to 658.245 have been violated;
- (4) Causing to be instituted any proceeding under or related to ORS 658.005 to 658.245; and
- (5) Testifying or preparing to testify in an investigation or proceeding under ORS 658.005 to 658.245.

SECTION 13. Sections 8 to 12 of this 2011 Act are added to and made a part of ORS 658.005 to 658.245.