

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	5/22

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**WHAT THE MEASURE DOES:** Extends exclusive remedy protections of workers' compensation statutes to partners, limited liability company members, general partners, limited liability partners, and limited partners. Creates exception if negligence is substantial factor and occurs outside capacity that qualifies person for exemption. Applies exclusive remedy protections only for claims or causes of action arising on or after effective date. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Letter from House Small Business Task Force urging passage
- Consensus amendments adopted in Senate committee

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon law requires Oregon employers to obtain and maintain workers' compensation insurance coverage when they employ subject workers. This coverage protects employers from personal liability, and provides guaranteed benefits to workers when they are hurt on the job. This protection is referred to as the "exclusive remedy" protection because the workers' compensation system provides the exclusive remedy for an injured worker.

The exemption from liability is for the employer as well as the employers' contracted agents, employees, officers and directors. In 2011, the Oregon Court of Appeals ruled that this exclusive remedy protection did not apply to members of limited liability corporations that employed the injured worker because statute did not explicitly list them as eligible for the protection (*Cortez c. NACCO Materials Handling Group, Inc., 2011*). The case is currently before the Oregon Supreme Court.

Senate Bill 678-A extends the exemption to include the employer's partners, limited liability company members, general partners, limited liability partners, and limited partners.