

Senate Bill 849

Sponsored by Senator PROZANSKI

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**.

Excludes from definition of "employment" service performed for corporation by individual with substantial ownership interest in corporation who is sole corporate officer and director of corporation.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to exclusion from the definition of employment; creating new provisions; amending ORS
3 657.044; and prescribing an effective date.

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

5 **SECTION 1.** ORS 657.044 is amended to read:

6 657.044. (1) As used in this chapter, "employment" does not include service performed for:

7 (a) A corporation by corporate officers who:

8 **(A)** Are directors of the corporation[*who*];

9 **(B)** Have a substantial ownership interest in the corporation; and [*who*]

10 **(C)** Are members of the same family [*if the corporation elects not to provide coverage for those*
11 *individuals. The election shall be in writing and shall be effective on the first day of the current cal-*
12 *endar quarter or of the calendar quarter preceding the calendar quarter in which the request was*
13 *submitted*].

14 **(b) A corporation by an individual who is the sole corporate officer and director of the**
15 **corporation and who has a substantial ownership interest in the corporation.**

16 [*b*] **(c)** A limited liability company by a member, including members who are managers, as de-
17 fined in ORS 63.001.

18 [*c*] **(d)** A limited liability partnership by a partner as described in ORS chapter 67.

19 **(2)(a) The exclusion under subsection (1)(a) or (b) of this section is effective only if the**
20 **corporation elects not to provide coverage for the individuals described respectively in sub-**
21 **section (1)(a) or (b) of this section.**

22 **(b) The election must be in writing and is effective on the first day of the current cal-**
23 **endar quarter or, upon request, on the first day of the calendar quarter preceding the cal-**
24 **endar quarter in which the request is submitted.**

25 [(2)] **(3)** The provisions of this section do not apply to service performed for:

26 (a) A nonprofit employing unit;

27 (b) This state;

28 (c) A political subdivision of this state; or

29 (d) An Indian tribe.

30 [(3)] **(4)** As used in this section, "members of the same family" means persons who are members

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 of a family as parents, stepparents, grandparents, spouses, sons-in-law, daughters-in-law, brothers,
2 sisters, children, stepchildren, adopted children or grandchildren.

3 **SECTION 2. (1) Notwithstanding ORS 657.044 (2)(b), an election under ORS 657.044 (2)**
4 **may not become effective before the January 1 that immediately follows the first date after**
5 **the effective date of this 2013 Act on which a Fund Adequacy Percentage Ratio schedule**
6 **lower than V, V B or V C, pursuant to ORS 657.462, 657.463 or 657.439, respectively, is in ef-**
7 **fect.**

8 **(2) The Director of the Employment Department shall notify Legislative Counsel when a**
9 **Fund Adequacy Percentage Ratio schedule lower than V, V B or V C, pursuant to ORS**
10 **657.462, 657.463 or 657.439, respectively, is in effect for the first time following the effective**
11 **date of this 2013 Act.**

12 **SECTION 3. This 2013 Act takes effect on the 91st day after the date on which the 2013**
13 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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