

**PROPOSED AMENDMENTS TO
HOUSE BILL 2535**

1 On page 1 of the printed bill, delete lines 5 through 27 and delete pages
2 2 and 3 and insert:

3 **“SECTION 1. Section 2 of this 2013 Act is added to and made a part**
4 **of ORS chapter 656.**

5 **“SECTION 2. (1) Except as provided in subsection (3)(c) of this sec-**
6 **tion, an employer client of a temporary service provider may not pay**
7 **an employee through the temporary service provider and pay the em-**
8 **ployee directly for work performed in the same pay period.**

9 **“(2) An employer client of a temporary service provider that pays**
10 **an employee through the temporary service provider and pays the**
11 **employee directly for work performed in the same pay period is subject**
12 **to ORS 656.052 and 656.054 and to civil penalties assessed pursuant to**
13 **ORS 656.735.**

14 **“(3) A temporary service provider and each employer client of the**
15 **temporary service provider shall execute a written agreement specify-**
16 **ing that:**

17 **“(a) The temporary service provider is providing an employee to the**
18 **employer client;**

19 **“(b) The temporary service provider will maintain a copy of the**
20 **records of the hours worked by each employee provided by the tem-**
21 **porary service provider for the employer client for one year;**

22 **“(c) The employer client may not pay the employee for any work**

1 performed in any pay period in which the employee is assigned to the
2 employer client through the temporary service provider unless the
3 employee transitions to employment with the employer client and re-
4 ceives no further pay from the temporary service provider for work
5 performed by the employee while employed by the employer client; and

6 “(d) The signing of the agreement by the parties acknowledges that
7 the parties are aware of the provisions of this section.

8 “(4) A copy of the agreement required under subsection (3) of this
9 section and of the acknowledgment required under subsection (5) of
10 this section must be retained by the temporary service provider and
11 the employer client in accordance with rules adopted by the Director
12 of the Department of Consumer and Business Services.

13 “(5) The temporary service provider shall inform the employee at
14 the time of hire of the prohibition described in subsection (3)(c) of this
15 section, and the employee shall acknowledge in writing that the em-
16 ployee has been informed by the temporary service provider.

17 “(6) If the Director of the Department of Consumer and Business
18 Services issues a final order declaring the employer client of a tem-
19 porary service provider to be a noncomplying employer as provided in
20 this section, the director shall notify the Department of Revenue and
21 the Employment Department. The notification shall be given in such
22 manner as the director may prescribe and must include information
23 relevant to any payments made by the employer client directly to the
24 employee of the temporary service provider.

25 **“SECTION 3.** ORS 656.850 is amended to read:

26 “656.850. (1) As used in this section and ORS 656.018, 656.403, 656.855 and
27 737.270 and section 2 of this 2013 Act:

28 “(a) ‘Worker leasing company’ means a person who provides workers, by
29 contract and for a fee, to work for a client but does not include a person
30 who provides workers to a client on a temporary basis.

1 “(b) ‘Temporary basis’ means providing workers to a client for special
2 situations such as to cover employee absences, employee leaves, professional
3 skill shortages, seasonal workloads and special assignments and projects
4 with the expectation that the position or positions will be terminated upon
5 completion of the special situation. Workers also are provided on a tempo-
6 rary basis if they are provided as probationary new hires with a reasonable
7 expectation of transitioning to permanent employment with the client and
8 the client uses a preestablished probationary period in its overall employ-
9 ment selection program.

10 “(c) ‘Temporary service provider’ means a person who provides workers,
11 by contract and for a fee, to a client on a temporary basis.

12 “(2) No person shall perform services as a worker leasing company in this
13 state without first having obtained a license therefor from the Director of
14 the Department of Consumer and Business Services. No person required by
15 this section to obtain a license shall fail to comply with this section or ORS
16 656.855, or any rule adopted pursuant thereto.

17 “(3) When a worker leasing company provides workers to a client, the
18 worker leasing company shall satisfy the requirements of ORS 656.017 and
19 656.407 and provide workers’ compensation coverage for those workers and
20 any subject workers employed by the client unless during the term of the
21 lease arrangement the client has proof of coverage on file with the director
22 that extends coverage to subject workers employed by the client and any
23 workers leased by the client. If the client allows the coverage to expire and
24 continues to employ subject workers or has leased workers, the client shall
25 be considered a noncomplying employer unless the worker leasing company
26 has complied with subsection (5) of this section.

27 “(4) When a worker leasing company provides workers for a client, the
28 worker leasing company shall assure that the client provides adequate
29 training, supervision and instruction for those workers to meet the require-
30 ments of ORS chapter 654.

1 “(5) When a worker leasing company provides subject workers to work for
2 a client and also provides workers’ compensation coverage for those workers,
3 the worker leasing company shall notify the director in writing. The notifi-
4 cation shall be given in such manner as the director may prescribe. A worker
5 leasing company may terminate its obligation to provide workers’ compen-
6 sation coverage for workers provided to a client by giving to the client and
7 the director written notice of the termination. A notice of termination shall
8 state the effective date and hour of the termination, but the termination
9 shall be effective not less than 30 days after the notice is received by the
10 director. Notice to the client under this section shall be given by mail, ad-
11 dressed to the client at the client’s last-known address. If the client is a
12 partnership, notice may be given to any of the partners. If the client is a
13 corporation, notice may be given to any agent or officer of the corporation
14 upon whom legal process may be served.”.

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