SB 454-4 (LC 1229) 3/23/15 (CJC/ges/ps)

## PROPOSED AMENDMENTS TO SENATE BILL 454

1 On page 1 of the printed bill, line 2, after "ORS" insert "314.752, 318.031, 2 653.256 and".

3 Delete lines 4 through 28 and delete pages 2 through 7 and insert:

4 "SECTION 1. Sections 2 to 17 of this 2015 Act are added to and made
5 a part of ORS chapter 653.

6 "SECTION 2. As used in sections 2 to 17 of this 2015 Act:

"(1) 'Employee' means an individual who renders personal services 7 at a fixed rate, based on the time spent in the performance of those 8 services or on the number of operations accomplished or quantity 9 produced or handled, to an employer if the employer either pays or 10 agrees to pay for personal services or permits the individual to per-11 form personal services. 'Employee' includes, but is not limited to, 12home care workers as defined in ORS 410.600. 'Employee' does not in-13 clude: 14

15 "(a) Employees who receive paid sick time under federal law;

16 "(b) Independent contractors;

"(c) Participants in a work training program administered under
 state or federal assistance programs;

"(d) Participants in a work-study program that provides students
 in secondary or post-secondary educational institutions with employ ment opportunities for financial or vocational training;

22 "(e) Railroad workers exempted under the federal Railroad Unem-

**1** ployment Insurance Act; and

"(f) An individual employed by that individual's parent, spouse or
child.

4 "(2) 'Employer' means any person that employs another person. 5 'Employer' includes, but is not limited to, the State of Oregon or a 6 political subdivision of the state or any county, city, district, author-7 ity, public corporation or entity and any instrumentality thereof or-8 ganized and existing under law or charter. 'Employer' does not include 9 the federal government.

"(3) 'Family member' has the meaning given that term in ORS
659A.150.

"(4) 'Paid sick time' means time off that is provided to an employee by an employer that employs six or more employees that may be used for the purposes specified in section 7 of this 2015 Act and that is compensated at the regular rate of pay and without reductions in benefits, including but not limited to health care benefits, that the employee earns from the employer at the time the employee uses the paid sick time.

"(5) 'Sick time' means an absence from work for a reason author ized under section 7 of this 2015 Act.

"(6) 'Year' means a consecutive 12-month period. 'Year' includes,
but is not limited to, a calendar year, tax year, fiscal year, contract
year or the 12-month period beginning on the anniversary of the date
of employment of the employee.

<sup>25</sup> "<u>SECTION 3.</u> (1)(a) Employers with a minimum of six employees <sup>26</sup> shall implement a sick time policy that allows an employee to earn <sup>27</sup> and use up to 40 hours of paid sick time per year. Paid sick time shall <sup>28</sup> accrue at the rate of at least one hour of paid sick time for every 30 <sup>29</sup> hours worked.

30 "(b) Employers with fewer than six employees shall implement a

sick time policy that allows an employee to earn and use up to 40
hours of unpaid sick time per year. Unpaid sick time shall accrue at
the rate of at least one hour of unpaid sick time for every 30 hours
worked.

5 "(2) An employee shall begin to earn and accrue sick time on the 6 first day of employment with an employer. Up to 40 hours of unused 7 sick time may be carried over from one year to a subsequent year. 8 However, an employer may adopt a policy that limits:

9 "(a) An employee from accruing more than 80 hours of sick time;
10 or

"(b) The use of sick time by an employee to no more than 40 hours
of sick time in a year.

"(3)(a) An employer is not required to carry over unused sick time
if, by mutual consent, the employer and the employee agree that:

15 "(A) If the employer has six or more employees, the employee will 16 be paid for all unused paid sick time at the end of the year in which 17 the sick time is accrued and the employer will credit the employee 18 with an amount of paid sick time that meets the requirements of this 19 section on the first day of the immediately subsequent year; or

"(B) If the employer has fewer than six employees, the employer will credit the employee with an amount of sick time that meets the requirements of this section on the first day of the immediately subsequent year.

"(b) The Commissioner of the Bureau of Labor and Industries shall
adopt rules for the determination of the number of employees employed by an employer.

"(4) Employees who are exempt from overtime requirements under
29 U.S.C. 213(a)(1) of the federal Fair Labor Standards Act of 1938 shall
be presumed to work 40 hours in each workweek for the purpose of
accrual of sick time unless the actual workweek of the employee is

less than 40 hours, in which case sick time accrues based on the actual
 workweek of the employee.

"(5) Nothing in sections 2 to 17 of this 2015 Act requires an employer
to compensate an employee for accrued unused sick time upon the
employee's termination, resignation, retirement or other separation
from employment.

7 **"(6)** An employer may not require an employee to:

8 "(a) Search for or find a replacement worker as a condition of the
9 employee's use of accrued sick time; or

10 "(b) Work an alternate shift to make up for the use of sick time.

"(7) Upon mutual consent by the employee and the employer, an employee may work additional hours or shifts without using accrued sick time for the hours or shifts missed. However, the employer may not require the employee to work additional hours or shifts authorized by this subsection. If the employee works additional hours or shifts, the employer must comply with any applicable federal, state or local laws regarding overtime pay.

18 "(8) Accrued sick time shall be retained by the employee if the 19 employer sells, transfers or otherwise assigns the business or an in-20 terest in the business to another employer.

"(9)(a) An employer shall restore previously accrued unused sick time to an employee who is reemployed by that employer within 180 days of separation from employment with the employer. The employee shall be entitled to use previously accrued sick time immediately upon reemployment.

(b) If an employee leaves employment with an employer before the 91st day of employment and subsequently is reemployed by that employer within 180 days of separation from employment, the accrued sick time balance the employee had when the employee left the employment of the employer shall be restored and the employee may use accrued sick time after the combined total of days of employment with
 the employer exceeds 90 calendar days.

"(10) If an employee is transferred to a separate division, entity or location of the employer but remains employed by that same employer, the employee is entitled to use all sick time accrued while working at the former division, entity or location of the employer and is entitled to retain or use all sick time as provided by sections 2 to 17 of this 2015 Act.

9 "SECTION 4. (1) Employers with sick leave policies, paid time off 10 policies, paid vacation policies or other paid time off programs that 11 provide employees with paid time off that meets or exceeds the re-12 quirements of this section shall be deemed to be in compliance with 13 the requirements of sections 2 to 17 of this 2015 Act.

"(2) An employer with an existing policy for paid sick time, paid
 vacation leave, paid personal time off or other paid time off programs
 is not required to provide additional paid sick time if:

"(a) The policy or combination of policies allows the use of 40 hours
of paid or unpaid leave for the same purposes as sick time specified in
section 7 of this 2015 Act; and

"(b) The employer specifies that the protections against retaliation
 established by section 12 of this 2015 Act are applicable to the employee.

"(3) If an employee of an employer that has an existing policy for 23paid sick time, paid vacation leave, paid personal time off or other paid 24time off programs has exhausted all paid and unpaid leave available 25to the employee, the employer is not obligated to provide additional 26leave for paid or unpaid sick time as required by sections 2 to 17 of this 272015 Act. However, the employer may be obligated to provide paid or 28unpaid sick time by federal or state law that provides for paid or un-29 paid leave for similar purposes. 30

"<u>SECTION 5.</u> (1) An employee is eligible to use sick time beginning
on the 91st calendar day of employment with the employer and may
use sick time as it is accrued.

4 "(2) An employer may authorize an employee to use accrued sick
5 time prior to the 91st calendar day of employment.

6 "(3)(a) Employees of an employer that employs six or more em-7 ployees shall be paid for accrued sick time used at the regular rate of 8 pay of the employee.

"(b) For employees employed on a commission or piece rate basis
by an employer that employs six or more employees, the regular rate
of pay shall be at least the minimum wage specified in ORS 653.025.

12 "<u>SECTION 6.</u> Notwithstanding section 5 of this 2015 Act, an em-13 ployee who is employed by an employer on the effective date of this 14 2015 Act is eligible to use any accrued sick time as it accrues on or 15 after the effective date of this 2015 Act.

"SECTION 7. Sick time earned under section 3 of this 2015 Act may
 be used by an employee:

"(1) For an employee's mental or physical illness, injury or health
 condition, need for medical diagnosis, care or treatment of a mental
 or physical illness, injury or health condition or need for preventive
 medical care;

"(2) For care of a family member with a mental or physical illness,
injury or health condition, care of a family member who needs medical
diagnosis, care, or treatment of a mental or physical illness, injury or
health condition or care of a family member who needs preventive
medical care;

"(3) Notwithstanding ORS 659A.153, for any other purpose specified
 in ORS 659A.159;

"(4) For a purpose specified in ORS 659A.272, notwithstanding ORS
 659A.270 (1);

1 "(5) To donate accrued sick time to another employee if the em-2 ployee uses the donated sick time for a purpose specified in this sec-3 tion;

4 "(6) In the event of a public health emergency, including but not
5 limited to:

"(a) Closure of the employee's place of business, or the school or
place of care of the employee's child, by order of a public official due
to a public health emergency;

9 "(b) Self-care or for care for a family member, if it has been de-10 termined by a lawful public health authority or by a health care pro-11 vider that the presence of the employee or the family member of the 12 employee in the community would jeopardize the health of others; or 13 "(c) Under any law or rule that requires the employer to exclude 14 the employee from the workplace for health reasons; or

15 **"(7) In hourly increments.** 

16 "<u>SECTION 8.</u> (1) Upon request of an employee with accrued sick 17 time available, an employer must provide the employee with sick time. 18 If possible, the employee shall include the anticipated duration of the 19 sick time requested in the request.

"(2) An employer may require the employee to comply with the employer's usual and customary notice and procedural requirements for absences or for requesting time off if those requirements do not interfere with the ability of the employee to use sick time.

24 **"(3) If the need to use sick time is foreseeable:** 

"(a) The employer may require reasonable advance notice of the
intention to use sick time, not to exceed 10 days prior to the date the
sick time is to begin or as soon as otherwise practicable; and

"(b) The employee shall make a reasonable attempt to schedule the
use of sick time in a manner that does not unduly disrupt the operations of the employer.

"(4) If the need to use sick time is unforeseeable, the employee shall provide notice to the employer as soon as practicable and must comply generally with the employer's notice or procedural requirements for requesting or reporting other time off if those requirements do not interfere with the ability of the employee to use sick time.

6 "<u>SECTION 9.</u> (1)(a) If an employee takes more than three consec-7 utive scheduled work days of sick time for a purpose described in 8 section 7 of this 2015 Act, an employer may require the employee to 9 provide verification from a health care provider of the need for the 10 sick time, or certification of the need for leave for purposes of ORS 11 659A.272 as provided in ORS 659A.280.

"(b) If the need for sick time is foreseeable and is projected to last more than three scheduled work days and an employee is required to provide notice under section 8 of this 2015 Act, the employer may require that verification or certification be provided before the sick time commences or as soon as otherwise practicable.

"(c) If the employee commences sick time without providing prior
 notice required by the employer under section 8 of this 2015 Act:

"(A) Medical verification shall be provided to the employer within
 15 calendar days after the employer requests the verification; or

"(B) Certification provided as specified in ORS 659A.280 shall be
 provided to the employer within a reasonable time after the employee
 receives the request for certification.

"(2) Any reasonable costs for providing medical verification or certification required under this section, including lost wages, that are not paid under a health benefit plan in which the employee is enrolled shall be paid by the employer.

"(3)(a) Except as provided in paragraph (b) of this subsection, an employer may not require that the verification or certification required under this section explain the nature of the illness that neces1 sitates the use of sick time.

"(b) If an employer suspects that sick time is being abused by an  $\mathbf{2}$ employee, including engaging in a pattern of abuse, the employer may 3 require verification from a health care provider of the need of the 4 employee to use sick time, regardless of whether the employee has  $\mathbf{5}$ used sick time for more than three consecutive days. As used in this 6 paragraph, 'pattern of abuse' means, but is not limited to, repeated 7 use of unscheduled sick time on or adjacent to weekends, holidays, 8 9 vacation days or paydays.

"(4) As used in this section, 'health care provider' has the meaning
 given that term in ORS 659A.150.

12 **"SECTION 10. (1) An employer shall:** 

"(a) Provide written notification at least quarterly to each employee
 of the amount of accrued and unused sick time available for use by
 the employee. Inclusion of the amount of accrued and used sick time
 on the statement required under ORS 652.610 meets the requirements
 of this paragraph.

"(b) Provide written notice of the requirements of sections 2 to 17
 of this 2015 Act to each employee in accordance with rules adopted by
 the Commissioner of the Bureau of Labor and Industries.

"(2) The notices provided under this section must be in the language
 the employer typically uses to communicate with the employee.

"(3) The Bureau of Labor and Industries shall make available to
 employers a template that meets the required notice provisions of this
 section.

"(4) Health information of an employee related to sick time is confidential and may not be released without the permission of the employee. Information pertaining to leave under ORS 659A.272 that is provided by an employee in accordance with sections 2 to 17 of this 2015 Act is confidential as provided in ORS 659A.280. "SECTION 11. Sections 2 to 17 of this 2015 Act establish minimum requirements pertaining to sick time and may not be construed to preempt, limit or otherwise affect the applicability of any employer policy, standard or collective bargaining agreement that provides for greater use of paid or unpaid sick time.

6 "<u>SECTION 12.</u> It is an unlawful practice for an employer or any 7 other person to:

"(1) Deny, interfere with, restrain or fail to pay for sick time to
which an employee is entitled under sections 2 to 17 of this 2015 Act;

"(2) Retaliate or in any way discriminate against an employee with respect to any term or condition of employment because the employee has inquired about the provisions of sections 2 to 17 of this 2015 Act, submitted a request for sick time, taken sick time, participated in any manner in an investigation, proceeding or hearing related to sections 2 to 17 of this 2015 Act or invoked any provision of sections 2 to 17 of this 2015 Act; or

"(3) Apply an absence control policy that includes sick time absences covered under sections 2 to 17 of this 2015 Act as an absence that may lead to or result in an adverse employment action against the employee.

<sup>21</sup> "SECTION 13. (1) The requirements of sections 2 to 17 of this 2015 <sup>22</sup> Act do not apply to an employee whose terms and conditions of em-<sup>23</sup> ployment are covered by a collective bargaining agreement and who <sup>24</sup> is employed by referral through a hiring hall or similar referral system <sup>25</sup> operated by the labor organization or a third party and whose <sup>26</sup> employment-related benefits are provided by a joint multi-employer-<sup>27</sup> employee trust or benefit plan.

"(2)(a) The Home Care Commission created under ORS 410.602 or the support services brokerage as defined in ORS 410.600 that is responsible for providing benefits to consumer employed home care workers shall establish a paid sick time policy for those home care
workers.

"(b) A policy for paid sick time for consumer employed home care workers implemented by the Home Care Commission or a support services brokerage that allows the home care worker to accrue and use up to 40 hours of paid sick time a year is deemed to meet the requirements of sections 2 to 17 of this 2015 Act and is exempt from the provisions of sections 2 (4), 4, 5, 8 and 10 of this 2015 Act.

9 "(3) As used in this section, 'consumer employed home care
10 worker' has the meaning given the term 'home care worker' in ORS
11 410.600.

"SECTION 14. (1) An employee asserting a violation of sections 2
 to 17 of this 2015 Act may file a complaint with the Commissioner of
 the Bureau of Labor and Industries under ORS 659A.820 or a civil
 action as provided in ORS 659A.885.

"(2) The commissioner shall enforce compliance with sections 2 to
 17 of this 2015 Act in the manner provided in ORS chapters 652 and 653.
 "<u>SECTION 15.</u> The Commissioner of the Bureau of Labor and In dustries:

20 "(1) Shall enforce the provisions of sections 2 to 17 of this 2015 Act; 21 and

"(2) May adopt rules necessary for the implementation and
 enforcement of sections 2 to 17 of this 2015 Act.

24 "<u>SECTION 16.</u> Except as provided in section 11 of this 2015 Act, the 25 State of Oregon preempts all charter and statutory authority of local 26 governments as defined in ORS 174.116 to set any sick leave require-27 ments.

28 "<u>SECTION 17.</u> If any provision or application of sections 2 to 17 of 29 this 2015 Act is determined to be invalid, the remaining provisions re-30 main in force and have full effect, and the invalid provisions are de-

## 1 clared severable.

<sup>2</sup> "SECTION 18. ORS 653.256 is amended to read:

"653.256. (1) In addition to any other penalty provided by law, the Commissioner of the Bureau of Labor and Industries may assess a civil penalty
not to exceed \$1,000 against any person who willfully violates ORS 653.025,
653.030, 653.045, 653.050, 653.060 or 653.261 or sections 3 to 11 of this 2015
Act or any rule adopted thereunder.

8 "(2) In addition to any other penalty provided by law, the commissioner 9 may assess a civil penalty not to exceed \$1,000 against any person who in-10 tentionally violates ORS 653.077 or any rule adopted thereunder.

11 "(3) Civil penalties authorized by this section shall be imposed in the 12 manner provided in ORS 183.745.

"(4)(a) All sums collected as penalties under this section shall be first applied toward reimbursement of costs incurred in determining the violations, conducting hearings under this section and addressing and collecting the penalties.

"(b) The remainder, if any, of the sums collected as penalties under subsection (1) of this section shall be paid over by the commissioner to the Department of State Lands for the benefit of the Common School Fund of this state. The department shall issue a receipt for the money to the commissioner.

"(c) The remainder, if any, of the sums collected as penalties under subsection (2) of this section shall be paid over by the commissioner to the Department of Human Services for the benefit of the Breastfeeding Mother Friendly Employer Project. The department shall issue a receipt for the moneys to the commissioner.

## 27 "SECTION 19. ORS 659A.885 is amended to read:

28 "659A.885. (1) Any person claiming to be aggrieved by an unlawful prac-29 tice specified in subsection (2) of this section may file a civil action in cir-30 cuit court. In any action under this subsection, the court may order

injunctive relief and any other equitable relief that may be appropriate, in-1 cluding but not limited to reinstatement or the hiring of employees with or  $\mathbf{2}$ without back pay. A court may order back pay in an action under this sub-3 section only for the two-year period immediately preceding the filing of a 4 complaint under ORS 659A.820 with the Commissioner of the Bureau of La- $\mathbf{5}$ bor and Industries, or if a complaint was not filed before the action was 6 commenced, the two-year period immediately preceding the filing of the 7 action. In any action under this subsection, the court may allow the pre-8 vailing party costs and reasonable attorney fees at trial and on appeal. Ex-9 cept as provided in subsection (3) of this section: 10

11 "(a) The judge shall determine the facts in an action under this sub-12 section; and

"(b) Upon any appeal of a judgment in an action under this subsection,
the appellate court shall review the judgment pursuant to the standard established by ORS 19.415 (3).

"(2) An action may be brought under subsection (1) of this section alleg-16 ing a violation of ORS 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 17 (2), 476.574, 652.355, 653.060, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063, 18 659A.069, 659A.082, 659A.088, 659A.103 to 659A.145, 659A.150 to 659A.186, 19 659A.194, 659A.199, 659A.203, 659A.218, 659A.228, 659A.230, 659A.233, 20659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306, 21659A.309, 659A.315, 659A.318, 659A.320 or 659A.421 or sections 2 to 17 of 22this 2015 Act. 23

"(3) In any action under subsection (1) of this section alleging a violation
of ORS 25.337, 25.424, 659A.030, 659A.040, 659A.043, 659A.046, 659A.069,
659A.082, 659A.103 to 659A.145, 659A.199, 659A.228, 659A.230, 659A.250 to
659A.262, 659A.290, 659A.318 or 659A.421:

"(a) The court may award, in addition to the relief authorized under
subsection (1) of this section, compensatory damages or \$200, whichever is
greater, and punitive damages;

1 "(b) At the request of any party, the action shall be tried to a jury;

"(c) Upon appeal of any judgment finding a violation, the appellate court
shall review the judgment pursuant to the standard established by ORS
19.415 (1); and

"(d) Any attorney fee agreement shall be subject to approval by the court.
"(4) In any action under subsection (1) of this section alleging a violation
of ORS 652.355 or 653.060, the court may award, in addition to the relief
authorized under subsection (1) of this section, compensatory damages or
\$200, whichever is greater.

"(5) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574, 659A.203 or 659A.218, the court may award, in addition to the relief authorized under subsection (1) of this section, compensatory damages or \$250, whichever is greater.

"(6) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092, the court may award, in addition to the relief authorized under subsection (1) of this section, a civil penalty in the amount of \$720.

"(7) Any individual against whom any distinction, discrimination or re-18 striction on account of race, color, religion, sex, sexual orientation, national 19 origin, marital status or age, if the individual is 18 years of age or older, 20has been made by any place of public accommodation, as defined in ORS 21659A.400, by any employee or person acting on behalf of the place or by any 22person aiding or abetting the place or person in violation of ORS 659A.406 23may bring an action against the operator or manager of the place, the em-24ployee or person acting on behalf of the place or the aider or abettor of the 25place or person. Notwithstanding subsection (1) of this section, in an action 26under this subsection: 27

"(a) The court may award, in addition to the relief authorized under
subsection (1) of this section, compensatory and punitive damages;

30 "(b) The operator or manager of the place of public accommodation, the

employee or person acting on behalf of the place, and any aider or abettor
shall be jointly and severally liable for all damages awarded in the action;
"(c) At the request of any party, the action shall be tried to a jury;
"(d) The court shall award reasonable attorney fees to a prevailing
plaintiff;

6 "(e) The court may award reasonable attorney fees and expert witness fees 7 incurred by a defendant who prevails only if the court determines that the 8 plaintiff had no objectively reasonable basis for asserting a claim or no 9 reasonable basis for appealing an adverse decision of a trial court; and

"(f) Upon any appeal of a judgment under this subsection, the appellate
 court shall review the judgment pursuant to the standard established by ORS
 19.415 (1).

"(8) When the commissioner or the Attorney General has reasonable cause 13 to believe that a person or group of persons is engaged in a pattern or 14 practice of resistance to the rights protected by ORS 659A.145 or 659A.421 15or federal housing law, or that a group of persons has been denied any of the 16 rights protected by ORS 659A.145 or 659A.421 or federal housing law, the 17 commissioner or the Attorney General may file a civil action on behalf of 18 the aggrieved persons in the same manner as a person or group of persons 19 may file a civil action under this section. In a civil action filed under this 20subsection, the court may assess against the respondent, in addition to the 21relief authorized under subsections (1) and (3) of this section, a civil penalty: 22

"(a) In an amount not exceeding \$50,000 for a first violation; and

<sup>24</sup> "(b) In an amount not exceeding \$100,000 for any subsequent violation.

<sup>25</sup> "(9) In any action under subsection (1) of this section alleging a violation <sup>26</sup> of ORS 659A.145 or 659A.421 or alleging discrimination under federal housing <sup>27</sup> law, when the commissioner is pursuing the action on behalf of an aggrieved <sup>28</sup> complainant, the court shall award reasonable attorney fees to the commis-<sup>29</sup> sioner if the commissioner prevails in the action. The court may award rea-<sup>30</sup> sonable attorney fees and expert witness fees incurred by a defendant that

prevails in the action if the court determines that the commissioner had no objectively reasonable basis for asserting the claim or for appealing an adverse decision of the trial court.

"(10) In an action under subsection (1) or (8) of this section alleging a
violation of ORS 659A.145 or 659A.421 or discrimination under federal housing law:

7 "(a) 'Aggrieved person' includes a person who believes that the person:

8 "(A) Has been injured by an unlawful practice or discriminatory housing
9 practice; or

"(B) Will be injured by an unlawful practice or discriminatory housing
 practice that is about to occur.

"(b) An aggrieved person in regard to issues to be determined in an action may intervene as of right in the action. The Attorney General may intervene in the action if the Attorney General certifies that the case is of general public importance. The court may allow an intervenor prevailing party costs and reasonable attorney fees at trial and on appeal.

"SECTION 20. Except for penalties assessed for violation of section
12 (2) and (3) of this 2015 Act, civil penalties for violations of sections
2 to 17 of this 2015 Act may only be assessed against an employer after
January 1, 2017.

"SECTION 21. Sections 2 to 17 of this 2015 Act and the amendments
 to ORS 653.256 and 659A.885 by sections 18 and 19 of this 2015 Act apply
 to requests for sick time made on or after January 1, 2016.

<sup>24</sup> "<u>SECTION 22.</u> Section 23 of this 2015 Act is added to and made a <sup>25</sup> part of ORS chapter 315.

<sup>26</sup> "<u>SECTION 23.</u> (1) As used in this section, 'paid sick time' has the <sup>27</sup> meaning given that term in section 2 of this 2015 Act.

"(2) A credit against taxes that are otherwise due under ORS
 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317
 or 318 is allowed to a taxpayer that provides paid sick time as defined

in this section. The amount of the credit shall be computed based on
 the number of employees employed by the employer, as follows:

"(a) For an employer that employs from one to 25 employees, the
amount of the credit is 100 percent of the qualified paid sick time
wages that are paid by the taxpayer during the tax year.

6 "(b) For an employer that employs from 26 to 100 employees, the 7 amount of the credit is 75 percent of the qualified paid sick time wages 8 that are paid by the taxpayer during the tax year.

9 "(c) For an employer that employs from 101 to 250 employees, the
10 amount of the credit is 50 percent of the qualified paid sick time wages
11 that are paid by the taxpayer during the tax year.

"(d) For an employer that employs from 251 to 500 employees, the
amount of the credit is 25 percent of the qualified paid sick time wages
that are paid by the taxpayer during the tax year.

"(3) A taxpayer may qualify for the credit allowed under this section
 if the taxpayer:

"(a) Employs not more than 500 employees at any time during the
tax year;

"(b) Provides paid sick time in accordance with all applicable fed eral, state and local laws; and

"(c) Has paid to its employees the full amount of wages due for paid
sick time taken during the tax year not later than the last day of the
of the tax year.

"(4) A taxpayer must obtain a written certification of eligibility
 from the Department of Consumer and Business Services prior to
 claiming the credit allowed under this section.

"(5) The credit allowed under this section may not exceed the tax
liability of the taxpayer for the tax year.

29 "(6) Any tax credit otherwise allowable under this section that is 30 not used by the taxpayer in a particular tax year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, and likewise any credit not used in that second succeeding tax year may be carried forward and used in the third succeeding tax year but may not be carried forward for any tax year thereafter.

"(7) A nonresident shall be allowed the credit under this section.
8 The credit shall be computed in the same manner and be subject to
9 the same limitations as the credit granted to a resident.

"(8) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the credit allowed by this section shall be prorated or computed in a manner consistent with ORS 314.085.

"(9) If a change in the status of a taxpayer from resident to non resident or from nonresident to resident occurs, the credit allowed by
 this section shall be determined in a manner consistent with ORS
 316.117.

"(10) The Department of Consumer and Business Services, in consultation with the Bureau of Labor and Industries, shall adopt rules for the purposes of this section, including rules establishing policies and procedures for providing written certification to taxpayers eligible for the credit allowed under this section, as required by subsection (4) of this section.

<sup>25</sup> "<u>SECTION 24.</u> ORS 314.752 is amended to read:

"314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits allowed or allowable to a C corporation for purposes of ORS chapter 317 or 318 shall not be allowed to an S corporation. The business tax credits allowed or allowable for purposes of ORS chapter 316 shall be allowed or are allowable to the shareholders of the S corporation.

"(2) In determining the tax imposed under ORS chapter 316, as provided 1 under ORS 314.734, on income of the shareholder of an S corporation, there  $\mathbf{2}$ shall be taken into account the shareholder's pro rata share of business tax 3 credit (or item thereof) that would be allowed to the corporation (but for 4 subsection (1) of this section) or recapture or recovery thereof. The credit (or  $\mathbf{5}$ item thereof), recapture or recovery shall be passed through to shareholders 6 in pro rata shares as determined in the manner prescribed under section 7 1377(a) of the Internal Revenue Code. 8

9 "(3) The character of any item included in a shareholder's pro rata share 10 under subsection (2) of this section shall be determined as if such item were 11 realized directly from the source from which realized by the corporation, or 12 incurred in the same manner as incurred by the corporation.

"(4) If the shareholder is a nonresident and there is a requirement applicable for the business tax credit that in the case of a nonresident the credit be allowed in the proportion provided in ORS 316.117, then that provision shall apply to the nonresident shareholder.

"(5) As used in this section, 'business tax credit' means a tax credit 17 granted to personal income taxpayers to encourage certain investment, to 18 create employment, economic opportunity or incentive or for charitable, ed-19 ucational, scientific, literary or public purposes that is listed under this 20subsection as a business tax credit or is designated as a business tax credit 21by law or by the Department of Revenue by rule and includes but is not 22limited to the following credits: ORS 285C.309 (tribal taxes on reservation 23enterprise zones and reservation partnership zones), ORS 315.104 (forestation 24and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways), 2526 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning), ORS 315.164 and 315.169 (agriculture workforce housing), ORS 315.204 (de-27pendent care assistance), ORS 315.208 (dependent care facilities), ORS 315.213 28(contributions for child care), ORS 315.304 (pollution control facility), ORS 29 315.326 (renewable energy development contributions), ORS 315.331 (energy 30

conservation projects), ORS 315.336 (transportation projects), ORS 315.341
(renewable energy resource equipment manufacturing facilities), ORS 315.354
and 469B.151 (energy conservation facilities), ORS 315.507 (electronic commerce), ORS 315.533 (low income community jobs initiative) and ORS 317.115
(fueling stations necessary to operate an alternative fuel vehicle) and section 23 of this 2015 Act (paid sick time).

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"SECTION 25. ORS 318.031 is amended to read:

"318.031. It being the intention of the Legislative Assembly that this 8 chapter and ORS chapter 317 shall be administered as uniformly as possible 9 (allowance being made for the difference in imposition of the taxes), ORS 10 305.140 and 305.150, ORS chapter 314 and the following sections are incor-11 porated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141, 12315.156, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and 13 315.533 and section 23 of this 2015 Act (all only to the extent applicable 14 to a corporation) and ORS chapter 317. 15

"SECTION 26. Section 23 of this 2015 Act and the amendments to
ORS 314.752 and 318.031 by sections 24 and 25 of this 2015 Act apply to
tax years beginning on or after January 1, 2016, and before January
1, 2020.".

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