

**SB 664 A STAFF MEASURE SUMMARY**

**House Committee On Business and Labor**

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**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 5/17, 5/31

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**WHAT THE MEASURE DOES:**

Prohibits state agencies from imposing civil penalties on small business for first violation of paperwork requirements if the violation does not pose an unreasonable risk of harm to either the employees of the business or to the general public and if the business is otherwise in compliance with all other applicable laws. Specifies that prohibition does not apply when contrary requirement is imposed by federal law or mandatory federal guidance.

Senate vote: 29-0

**ISSUES DISCUSSED:**

- Examples of violations that would be exempt from civil penalty
- Whether there are violations that should not be exempt
- Whether it has been practice of agencies to not impose penalty on harmless paperwork violation
- Financial harm and physical harm
- Federal regulations that would preempt exemption
- Ability of business owner to know all laws and rules

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

State agency authorization to impose civil penalties is granted generally by ORS 183.745, which specifies that penalties imposed are due and payable 10 days after the order imposing the penalty becomes final. Persons subject to a civil penalty are provided with notice and given 20 days to appeal in writing for a hearing; failure to do so allows the agency to make the order final. If a hearing is requested, it is conducted as a contested case hearing, and is thereafter subject to judicial review. The procedure outlined in ORS 183.745 does not apply to penalties imposed under tax law; antitrust law; wage claims; occupational safety and health; workers' compensation; unlawful discrimination in employment or public accommodations; or penalties imposed by the Public Utility Commission. ORS Chapter 183 defines a small business as having 50 or fewer employees.