

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: HB 2567 - A

***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Requires employers with 75 or more employees to provide 60 days' notice to employees and certain officials before ceasing operations, relocating or ordering mass layoff involving 50 or more employees.

Government Unit(s) Affected:

Bureau of Labor and Industries (BOLI), Employment Department, Higher Education Coordinating Commission, Judicial Department

Analysis:

The bill requires employers, with some exceptions specified in the bill, with 100 or more employees to provide 60 days' notice to employees and government officials before ceasing operations, relocating, or laying off 50 or more employees. The bill provides an exemption for employers if a court or the Commissioner of the Bureau of Labor and Industries determines certain conditions have been met.

BOLI would be required to adopt rules and provide investigations to determine if conditions have been met to relieve an employer from these notice requirements. The Legislative Fiscal Office notes that enforcement for this legislation is currently provided through the courts under the Worker Adjustment and Retraining Notification (WARN) Act; BOLI's role in these investigations would be an added alternative to the services already provided by the courts.

The number of complaints filed with BOLI will determine the need for additional resources associated with this measure. The Legislative Fiscal Office (LFO) believes the fiscal impact cannot be sufficiently determined. There were seven WARN listings for Oregon companies with 100 or more employees in 2015 and twelve in 2016. Even assuming similar numbers in future years, it is unknown how many employees may submit a complaint with BOLI about sufficient notification that would trigger an investigation, versus pursuing the matter through the courts. Due to the uncertainty surrounding this measure's fiscal impact, the agency may return to a future Emergency Board if budgeted resources prove insufficient to cover the actual costs of this measure.

The bill is expected to have a minimal fiscal impact to the following agencies: Higher Education Coordinating Commission, Employment Department, and the Judicial Department.