LC 260 2018 Regular Session 2/5/18 (JAS/ps)

DRAFT

SUMMARY

Creates family and medical leave insurance program to provide employee who is eligible for coverage with portion of wages while employee is on family medical leave or military leave. Requires employer and employee contributions to fund program. Allows self-employed individuals to opt into program. Directs Director of Department of Consumer and Business Services to determine contribution amounts and weekly benefit amounts. Establishes Family and Medical Leave Insurance Fund. Amends Oregon family leave law to allow for leave after employee has been employed for 90 days with employer to match waiting period for benefits.

Protects employee's position of employment with employer while employee is on leave. Prohibits employer from retaliating against employee who invokes program and from interfering with employee rights under program. Establishes right of employee for civil action for certain employer violations.

Directs Department of Consumer and Business Services to administer collection and reporting requirements of contribution provisions. Requires director to work with other agencies and promulgate rules for administration of program. Establishes requirements for director to submit initial report to interim committees of Legislative Assembly no later than January 1, 2020, and to report on January 1 of every even-numbered year thereafter. Requires department to conduct study regarding implementation of program with regard to self-employed individuals who opt into program.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

- 2 Relating to family medical leave insurance benefits; creating new provisions;
- amending ORS 659A.156 and 659A.885; prescribing an effective date; and
- 4 providing for revenue raising that requires approval by a three-fifths
- 5 majority.

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- 6 Be It Enacted by the People of the State of Oregon:
 - SECTION 1. Definitions. As used in sections 1 to 19 of this 2018 Act:

- 1 (1) "Average weekly wage" means the amount calculated by the 2 Employment Department as the state average weekly covered wage 3 under ORS 657.150 (4)(d) as determined not more than once per year.
- 4 (2) "Base year" means the first four of the last five completed cal-5 endar quarters preceding the benefit year.
- 6 (3) "Benefit year" means the 12-month period beginning on the first
 7 day of the week in which a covered individual applies for family and
 8 medical leave insurance coverage, as provided in section 2 of this 2018
 9 Act.
- 10 (4) "Covered individual" means:
- 11 (a) An eligible employee who:
- 12 (A) Applies for family and medical leave insurance coverage, as 13 provided in section 2 of this 2018 Act; and
- (B) Contributes an amount determined by the Director of the Department of Consumer and Business Services to the Family and Medical Leave Insurance Fund established under section 17 of this 2018 Act during the base year prior to applying for coverage; or
- 18 **(b) A self-employed individual who:**
- 19 (A) Elects coverage under section 15 of this 2018 Act;
- 20 **(B)** Applies for family and medical leave insurance coverage, as 21 provided in section 2 of this 2018 Act; and
- (C) Contributes an amount determined by the director to the Family and Medical Leave Insurance Fund established under section 17 of this 2018 Act during the base year prior to applying for coverage.
- 25 (5) "Covered servicemember" has the meaning given that term in 26 29 U.S.C. 2611.
- 27 (6) "Eligible employee" means an employee who has worked for at 28 least 90 days with the employer.
- 29 (7) "Eligible employee's average wage" means an amount deter-30 mined by the director on the basis of an eligible employee's average 31 wages per week during the base year.

- 1 (8)(a) "Employee" means an individual employed for remuneration 2 or under any contract of hire, written or oral, express or implied, by 3 an employer.
- 4 (b) "Employee" does not include:
- 5 (A) An independent contractor as defined in ORS 670.600 who is not 6 a covered individual.
- (B) A participant in a work training program administered under
 a state or federal assistance program.
- 9 (C) A participant in a work-study program that provides students 10 in secondary or post-secondary educational institutions with employ-11 ment opportunities for financial assistance or vocational training.
- 12 **(D)** A railroad worker exempted under the federal Railroad Unem-13 ployment Insurance Act.
- 14 **(E) A volunteer.**
- 15 (9)(a) "Employer" means any person employing one or more em-16 ployees working anywhere in this state, the State of Oregon or any 17 political subdivision thereof, or any county, city, district, authority, 18 public corporation or entity and any of their instrumentalities organ-19 ized and existing under law or charter.
- 20 **(b) "Employer" does not include the federal government or a tribal** 21 **government.**
- 22 (10) "Family and medical leave insurance benefits" means the in-23 surance benefits provided under sections 1 to 19 of this 2018 Act.
- 24 (11) "Family member" means:
- 25 (a) A family member as defined in ORS 659A.150; or
- 26 (b) An individual related by blood or affinity to the employee whose 27 close association with the employee is the equivalent of a family 28 member.
- 29 (12) "Health care provider" has the meaning given that term in ORS 30 659A.150.
- 31 (13) "Next of kin" means next of kin of a covered servicemember

- 1 as defined in 29 C.F.R. 825.127.
- 2 (14) "Parental leave" means leave taken to care for a new child
- 3 during the first year after the birth, adoption or placement through
- 4 foster care of the child.
- 5 (15) "Self-employed individual" is an individual who has self-6 employment income.
- (16) "Self-employment income" has the meaning given that term in section 1402(b) of the Internal Revenue Code as amended and in effect on December 31, 2017.
- 10 (17) "Serious health condition" has the meaning given that term in 11 29 U.S.C. 2611.
- 12 (18) "Wages" has the meaning given that term in ORS 657.105.
- 13 (19) "Week" means a period of seven consecutive calendar days as 14 determined by the director.
- SECTION 2. Eligibility; payment of benefits. (1) Eligible employees and self-employed individuals who elect coverage under section 15 of this 2018 Act may apply for family and medical leave insurance coverage in a manner determined by the Department of Consumer and Business Services by rule.
- 20 (2) Family and medical leave insurance benefits are payable to a 21 covered individual who files a claim for benefits in a manner deter-22 mined by the department by rule and who takes:
- 23 (a) Parental leave;
- 24 (b) Leave to care for a family member with a serious health condi-25 tion;
- 26 (c) Leave for a serious health condition, including pregnancy;
- 27 (d) Leave to care for a covered servicemember who is the eligible 28 employee's next of kin;
- 29 (e) Military family leave described in ORS 659A.090 to 659A.099;
- 30 (f) Qualifying exigency leave as described in 29 C.F.R. 825.126; or
- 31 (g) Leave for any purpose set forth in ORS 659A.159.

- 1 (3) The first payment of benefits must be made to a covered indi-2 vidual from the Family and Medical Leave Insurance Fund established 3 in section 17 of this 2018 Act within two weeks after the covered indi-4 vidual files a claim for benefits. Subsequent payments must be made 5 every two weeks.
- 6 (4) Except as provided in section 7 of this 2018 Act, family and 7 medical leave insurance benefits are not payable for leave of less than 8 one week.
- 9 (5)(a) A covered individual who receives family and medical leave 10 insurance benefits under this section must, upon request by the cov-11 ered individual's employer or the Director of the Department of Con-12 sumer and Business Services, provide verification of the need for leave 13 in a manner determined by the director.
- 14 (b) Upon request by an employer, the director shall provide any
 15 verification that the director has received under paragraph (a) of this
 16 subsection to the employer in a manner that complies with all stan17 dards required by state and federal laws governing privacy and secu18 rity of protected health information.
- 19 (c) For purposes of this subsection, "protected health information" 20 has the meaning given that term in ORS 192.556.
- 21 <u>SECTION 3.</u> <u>Duration of benefits.</u> (1)(a) A covered individual may 22 qualify for up to 12 weeks of family and medical leave insurance ben-23 efits per benefit year.
- (b) In addition to the 12 weeks of family and medical leave insurance benefits described in paragraph (a) of this subsection, a covered individual may qualify for up to six weeks of benefits for parental leave.
- 28 (2)(a) An employer may not require an eligible employee to take 29 more leave than the eligible employee requests.
- 30 (b) A covered individual may take less leave than available to the 31 individual under this section.

- SECTION 4. Amount of benefits. (1) The Director of the Department of Consumer and Business Services shall determine the amount of family and medical leave insurance benefits that an eligible employee qualifies for, as follows:
- 5 (a) The director shall determine the eligible employee's average 6 wage on the basis of the eligible employee's wages earned during the 7 base year.
 - (b) The director shall set the weekly benefit amount at:

- 9 (A) If the eligible employee's average wage is more than the average weekly wage, 90 percent of the average weekly wage plus 50 percent of the difference between the eligible employee's average wage and the average weekly wage.
- 13 **(B)** If the eligible employee's average wage is equal to or less than 14 the average weekly wage, 90 percent of the eligible employee's average 15 wage.
- 16 (c) The director shall establish a maximum weekly benefit amount 17 of 130 percent of the average weekly wage.
- (d) The director may adjust the maximum weekly benefit amount described in paragraph (c) of this subsection on an annual basis if necessary to maintain fiscal solvency of the Family and Medical Leave Insurance Fund established under section 17 of this 2018 Act.
- (2) The director shall determine the amount of family and medical leave insurance benefits that a self-employed individual qualifies for on the basis of the self-employed individual's contribution amount described in section 5 of this 2018 Act.
- 26 (3) Family and medical leave insurance benefits are payable only to 27 the extent that moneys are available in the Family and Medical Leave 28 Insurance Fund for that purpose. The state, any political subdivision 29 of the state or any state agency is not liable for any amount in excess 30 of this limit.
- SECTION 5. Contributions. (1)(a) All employers and eligible em-

- ployees shall contribute to the Family and Medical Leave Insurance Fund established under section 17 of this 2018 Act at a rate determined 2 by the Director of the Department of Consumer and Business Services 3 under subsection (2) of this section. Payroll contributions shall be paid by employers and eligible employees in equal amounts. Payroll con-5 tributions from an eligible employee may not exceed 0.5 percent of the 6 employee's wages. The director shall evaluate and determine on an 7 annual basis the amount of payroll contributions, timing of payroll 8 contributions and maximum employee contributions necessary to fi-9 nance sections 1 to 19 of this 2018 Act. 10
 - (b) A self-employed individual who elects coverage under section 15 of this 2018 Act shall contribute to the fund at a rate determined by the director by rule.

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- (2) The director shall set rates for the collection of payroll contributions consistent with subsection (1) of this section and in a manner such that:
- 17 (a) At the end of the period for which the rates are effective, the 18 balance of moneys in the fund is an amount not less than six months' 19 worth of projected expenditures from the fund for performance of the 20 functions and duties of the director under sections 1 to 19 of this 2018 21 Act; and
 - (b) The volatility of the contribution rates is minimized.
- (3) Subject to the limitations described in subsections (1) and (2) of 23 this section, the director may adjust the contribution rates to meet 24 the needs of the fund for the expenditures of the Department of Con-25 sumer and Business Services in carrying out the department's func-26 tions and duties pursuant to sections 1 to 19 of this 2018 Act. In 27 making adjustments under this subsection, the director shall consider 28 the cash balance of the fund and other factors as determined by the 29 director. 30
 - (4) Employers shall hold any moneys collected under this section in

- trust for the State of Oregon and for the payment thereof to the Department of Revenue in the manner described in subsection (5) of this section.
- (5)(a) Employers shall make and file a combined quarterly report of wages earned and contributions paid under this section upon a report form prescribed by the Department of Revenue.

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- (b) The report shall be filed with the Department of Revenue on or before the last day of the month following the quarter in which the report relates and shall be deemed received on the date of mailing.
- (c) The report shall be accompanied by payment of any contributions due under this section in a manner determined by the Department of Revenue by rule.
- (d) The Department of Consumer and Business Services may assess a civil penalty in an amount not to exceed \$1,000 for an employer's failure to comply with this subsection.
- (6) If an employer fails to remit any moneys collected under this section, the Department of Consumer and Business Services may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. The warrant shall be issued and proceeded upon in the same manner and shall have the same force and effect as a judgment issued and proceeded upon as provided in ORS 205.125.
- (7)(a) If an employer fails to pay sufficient contributions under this section, the Department of Consumer and Business Services may issue a notice of liability to any officer, employee or member of the employer within three years of the due date of the contributions.
- (b) Within 30 days from the date the notice of liability is mailed to the officer, employee or member, the officer, employee or member shall pay the amount due, plus penalties and interest, or shall request a hearing on the matter in writing to the Director of the Department

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- of Consumer and Business Services. A hearing will not be granted unless the request specifies the grounds upon which the individual requesting the hearing contests the liability.
 - (c) Hearings conducted under this subsection shall be held before an administrative law judge assigned from the Office of Administrative Hearings established under ORS 183.605. The procedure shall be that for a contested case under ORS chapter 183.
 - (d) More than one officer or employee of an employer may be held jointly and severally liable for the payment of unpaid contributions.
 - (8) Moneys collected under this section shall be deposited in the fund for the purpose of carrying out the functions and duties of the director under sections 1 to 19 of this 2018 Act.
 - (9)(a) If an employer quits business or sells out, exchanges or otherwise disposes of the business or stock of goods, any payroll contribution payable under this section is immediately due and payable, and the employer shall, within 10 calendar days, pay the payroll contributions due. Any person who becomes a successor to the business is liable for the full amount of the payroll contribution.
- (b) The director shall adopt rules for compliance with sections 1 to
 19 of this 2018 Act related to payroll contributions from an employer's
 successor in interest.
 - SECTION 6. Employment agencies. (1) As used in this section, "employment agency" has the meaning given that term in ORS 658.005.
 - (2) When an employee has obtained employment through the services of an employment agency:
- 26 (a) Except as provided in paragraph (b) of this subsection, the em27 ployment agency and the organization where the employee has been
 28 placed to perform services shall both be considered the employer of the
 29 employee for purposes of sections 1 to 19 of this 2018 Act; and
- 30 (b) The employment agency, but not the organization where the 31 employee has been placed to perform services, shall be considered the

- 1 employer for purposes of section 5 (1) to (6) of this 2018 Act.
- SECTION 7. Benefits for reduced leave. (1) A covered individual may use family and medical leave insurance benefits for leave taken
- 4 in increments of less than 40 hours, provided that:

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- 5 (a) Leave is taken in increments no shorter than eight hours;
- 6 (b) Leave that is taken in an increment of less than 40 hours is 7 predictable on a weekly basis and verified by the covered individual 8 pursuant to section 2 of this 2018 Act;
 - (c) Benefit amounts, as determined under section 4 of this 2018 Act, are prorated to increments of no less than eight hours; and
 - (d) Benefits are payable in increments of 40 hours.
- 12 **(2)** An eligible employee shall make a reasonable effort to schedule 13 family and medical leave under this section so as not to unduly disrupt 14 the operations of the employer. The eligible employee shall provide the 15 employer with prior notice of the schedule on which the eligible em-16 ployee will be taking the leave, to the extent practicable.
- 17 (3) An employer or self-employed individual shall notify the Direc-18 tor of the Department of Consumer and Business Services, upon re-19 quest, of the actual amount of leave taken each week for the purpose 20 of verifying the amount of benefits that are payable to the covered 21 individual.
 - (4) Family and medical leave taken under this section must not result in a reduction of the total amount of leave to which a covered individual is entitled beyond the amount of leave actually taken.
- 25 (5) Nothing in this section shall be construed to entitle a covered 26 individual to an amount of family and medical leave insurance benefits 27 per benefit year that is more than required under section 3 of this 2018 28 Act.
- SECTION 8. Notice to employer. (1) Except as provided in subsection (2) of this section, an employer may require an eligible employee to give the employer written notice at least 30 days before

- commencing leave. The employer may require the employee to include 1 in the notice an explanation of the need for the leave. 2
- (2) An eligible employee may commence taking leave without 30 3 days' advance notice if the leave is not foreseeable, including under 4 the following circumstances: 5
 - (a) An unexpected serious health condition of the employee or a family member of the employee;
- (b) An unexpected illness, injury or condition of a child of the em-8 ployee that requires home care; 9
- (c) A premature birth, unexpected adoption or unexpected foster 10 placement by or with the employee; or 11
 - (d) The death of a family member of the employee.

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- (3) If an employee commences leave without advance notice under 13 subsection (2) of this section: 14
- (a) The employee shall give notice to the employer as soon as 15 practicable, but in no event later than 45 days after the first date of illness or injury, in a manner determined by the Director of the Department of Consumer and Business Services; and
 - (b) The employee shall receive family and medical leave insurance benefits for the period that begins on the first date of illness or injury.
- (4) The notice described in subsection (3) of this section may be 21 given by a family member, health care provider or authorized repre-22 sentative on behalf of the employee taking the leave. 23
- SECTION 9. Employment protection; retaliation prohibited. (1) Af-24 ter returning to work after a period of leave taken under section 2 of 25 this 2018 Act, an eligible employee is entitled to be restored to the 26 position of employment held by the employee when the leave com-27 menced if that position still exists, without regard to whether the 28 employer filled the position with a replacement worker during the pe-29 riod of leave. If the position held by the employee at the time leave 30 commenced no longer exists, the employee is entitled to be restored 31

- to any available equivalent position with equivalent employment benefits, pay and other terms and conditions of employment.
 - (2) During a period in which an eligible employee takes leave under section 2 of this 2018 Act, the employer shall maintain any health care benefits the employee had prior to taking such leave for the duration of the leave as if the employee had continued in employment continuously from the date the employee commenced the leave until the date the family and medical leave insurance benefits terminate.
 - (3) An eligible employee who has taken leave under section 2 of this 2018 Act does not lose any employment benefits, including seniority or pension rights, accrued before the date that leave commenced.
 - (4) This section does not entitle an eligible employee to accrue employment benefits during a period of leave taken under section 2 of this 2018 Act or to a right, benefit or position of employment other than a right, benefit or position to which the employee would have been entitled had the employee not taken leave.
 - (5) During a period in which an eligible employee takes leave under section 2 of this 2018 Act, the Director of the Department of Consumer and Business Services or an employer may require the employee or a family member, health care provider or authorized representative of the employee to report periodically to the director or the employer on the employee's status and on the employee's intention to return to work.
 - (6) It is an unlawful practice for a person to:
- 25 (a) Violate subsections (1) to (3) of this section;
- 26 (b) Interfere with a right to which a covered individual is entitled 27 under sections 1 to 19 of this 2018 Act; or
- (c) Retaliate or in any way discriminate against an individual with respect to hire or tenure or any other term or condition of employment because the individual has inquired about the provisions of sections 1 to 19 of this 2018 Act, applied for coverage under section 2

- of this 2018 Act or invoked any provision of sections 1 to 19 of this 2018
 Act.
- 3 (7) An eligible employee who alleges a violation of this section may 4 bring a civil action under ORS 659A.885 or may file a complaint with 5 the Commissioner of the Bureau of Labor and Industries in the man-6 ner provided by ORS 659A.820.
 - SECTION 10. Coordination of benefits. (1) For employees eligible for leave under ORS 659A.150 to 659A.186, leave taken under sections 1 to 19 of this 2018 Act shall run concurrently with leave under ORS 659A.150 to 659A.186.

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- (2)(a) Sections 1 to 19 of this 2018 Act do not diminish an employer's obligation to comply with a collective bargaining agreement, an employer policy or local, state or federal law.
- (b) An eligible employee's right to family and medical leave insurance benefits under sections 1 to 19 of this 2018 Act may not be diminished by a collective bargaining agreement entered into or renewed, or an employee policy adopted or retained, after the effective date of this 2018 Act.
- 19 (c) The eligibility of an employee for family and medical leave in-20 surance benefits is not affected by a strike or lockout at the store, 21 factory, establishment or other premises at which the employee is or 22 was last employed.
- 23 (3)(a) An employer may not require an employee to use paid sick 24 time, paid vacation time or any other paid time off before or as a 25 condition of using family and medical leave insurance benefits.
- 26 (b) An eligible employee is entitled to use any paid accrued sick 27 time or other paid leave without a reduction in family and medical 28 leave insurance benefits.
- 29 (4) Family and medical leave taken under sections 1 to 19 of this 30 2018 Act does not include leave taken by an eligible employee who is 31 unable to work because of a disabling compensable injury, as defined

- in ORS 656.005, unless the employee has refused a suitable offer of light duty or modified employment as defined by the Director of the 2 Department of Consumer and Business Services. 3
- (5) An employer's failure to provide information to the Department 4 of Consumer and Business Services upon written request by the di-5 rector or the director's authorized representative to assist with the 6 processing of a claim under sections 1 to 19 of this 2018 Act shall 7 constitute interference under section 9 of this 2018 Act. 8
- SECTION 11. Notice to employees. An employer shall display and 9 provide written notice of employee rights under sections 1 to 19 of this 10 2018 Act in a manner determined by the Director of the Department 11 12 of Consumer and Business Services. Such notice shall include:
 - (1) An eligible employee's right to apply for and receive family and medical leave insurance benefits under sections 1 to 19 of this 2018 Act and the terms under which the benefits may be used;

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- (2) The criteria used to determine eligibility for and the amount of 16 family and medical leave insurance benefits;
- (3) The procedure for filing a claim for family and medical leave 18 insurance benefits: 19
- (4) The right to job protection and benefits continuation under 20 section 9 of this 2018 Act; 21
- (5) That discrimination and retaliatory personnel actions against 22 an individual for requesting, applying for or using family and medical 23 leave insurance benefits is prohibited under section 9 of this 2018 Act; 24 and 25
- (6) That an employee has a right to bring a civil action or to file a 26 complaint for violation of section 9 of this 2018 Act. 27
- SECTION 12. Records of employers; inspections. (1) Employers must 28 maintain payroll and employment records that reflect the total hours 29 worked by all employees for the current calendar year plus the three 30 prior calendar years. 31

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- 1 (2) The Director of the Department of Consumer and Business Services may inspect the books, records and payrolls of employers for the purpose of administering sections 1 to 19 of this 2018 Act. Employers must provide the director with all pertinent books, records and payrolls upon request.
 - SECTION 13. Enforcement and confidentiality. (1) Notwithstanding ORS 183.635, the Director of the Department of Consumer and Business Services shall establish a system for enforcement and appeal of contested cases involving family and medical leave insurance benefit claims under ORS chapter 183. In establishing the system, the director may utilize any and all procedures and appeals mechanisms.
- 12 **(2)** The director shall implement procedures to ensure confidentiality of all information related to any claims filed or appeals 13 taken to the maximum extent permitted by applicable laws. 14
- (3) All information in the records of the Department of Consumer 15 and Business Services pertaining to the administration of sections 1 16 to 19 of this 2018 Act: 17
- (a) Is confidential and for the exclusive use and information of the 18 director in administering sections 1 to 19 of this 2018 Act; 19
 - (b) May not be used in any court action or in any proceeding pending in the court unless the director or the State of Oregon is a party to the action or proceeding or unless the action or proceeding concerns the establishment, enforcement or modification of a support obligation and support services are being provided by the Division of Child Support of the Department of Justice or the district attorney pursuant to ORS 25.080; and
 - (c) Is exempt from disclosure under ORS 192.311 to 192.478.
- (4) At the discretion of the director and subject to an interagency 28 agreement, the director may disclose information to a public official 29 in the performance of the public official's official duties administering 30 or enforcing laws within the public official's authority and to an agent 31

- or contractor of a public official. The public official shall agree to assume responsibility for misuse of the information by the public official's agent or contractor.
- (5) At the discretion of the director, the director may disclose information to a contractor pursuant to a contract for actuarial services. The contractor shall agree to assume responsibility for misuse of the information by the contractor's agent.
- 8 SECTION 14. Noncompliance and erroneous payments. (1) An employer or individual acting on behalf of an employer may not willfully make or cause to be made false statements or willfully fail to report a material fact regarding the claim of an eligible employee or regarding an employee's eligibility for family and medical leave insurance benefits under sections 1 to 19 of this 2018 Act.
 - (2) The Director of the Department of Consumer and Business Services may assess a civil penalty in an amount not to exceed \$1,000 against an employer for each occurrence that violates subsection (1) of this section.

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- (3)(a) An eligible employee is disqualified from family and medical leave insurance benefits for one year if the director determines that the eligible employee willfully made a false statement or willfully failed to report a material fact to obtain benefits under sections 1 to 19 of this 2018 Act.
 - (b) A self-employed individual is disqualified from family and medical leave insurance benefits for three years if the director determines that the self-employed individual willfully made a false statement or willfully failed to report a material fact to obtain benefits under sections 1 to 19 of this 2018 Act.
- 28 (4) If family and medical leave insurance benefits are paid erro-29 neously or as a result of willful misrepresentation, or if a claim for 30 family and medical leave insurance benefits is rejected after benefits 31 are paid except for matters that have been timely appealed, the di-

1 rector:

- (a) May seek repayment of benefits from an eligible employee upon issuance of a final order in a manner provided by rule;
- (b) May seek repayment of benefits from a self-employed individual and may also seek payment of a penalty of up to 100 percent of the amount of benefits that the self-employed individual erroneously received upon issuance of a final order, in a manner provided by rule; and
- (c) Shall exercise the director's discretion to waive, in whole or in part, the amount of any such payments where the recovery would be against equity, good conscience or administrative efficiency.
- SECTION 15. Elective coverage. (1) A self-employed individual may elect to be covered under sections 1 to 19 of this 2018 Act. The self-employed individual must file a notice of election in writing with the Director of the Department of Consumer and Business Services, as required by the director, and contribute to the Family and Medical Leave Insurance Fund established under section 17 of this 2018 Act in a manner determined by the director. The election becomes effective on the date of filing the notice. The self-employed individual shall agree to supply any information concerning income that the director deems necessary.
- (2) A self-employed individual who has elected coverage may withdraw after three consecutive years of coverage, or at times as the director may prescribe by rule, including at a change in the self-employed individual's employment status, by filing written notice with the director. The withdrawal may not take effect sooner than 30 days after filing the notice.
- (3) Notwithstanding subsection (2) of this section, a self-employed individual who has elected coverage may terminate coverage on the date of filing a voluntary or involuntary bankruptcy petition. The self-employed individual's elective coverage terminates on the date the

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- 1 self-employed individual provides to the director documentation to support the self-employed individual's filing of the bankruptcy petition 2 and files written notice with the director. At any time thereafter, the 3 self-employed individual may reelect coverage under this section. 4
 - SECTION 16. Administration. (1) The Director of the Department of Consumer and Business Services shall adopt rules for the implementation and administration of sections 1 to 19 of this 2018 Act.
- (2) The director may enter into interagency agreements to imple-8 ment and administer sections 1 to 19 of this 2018 Act.
 - (3) All agencies of state government, as defined in ORS 174.111, are directed to assist the Department of Consumer and Business Services upon request in the performance of its duties under sections 1 to 19 of this 2018 Act, including outreach, technical assistance and training.
 - SECTION 17. Family and Medical Leave Insurance Fund. (1) The Family and Medical Leave Insurance Fund is established in the State Treasury, separate and distinct from the General Fund. The Family and Medical Leave Insurance Fund consists of moneys deposited in the fund under sections 1 to 19 of this 2018 Act and may include fees, revenues or other income deposited in the fund. Interest earned by the fund shall be credited to the fund.
 - (2) All moneys in the fund are continuously appropriated to the Department of Consumer and Business Services for the purposes of carrying out the provisions of sections 1 to 19 of this 2018 Act, including payment of benefits under section 2 of this 2018 Act and repayment of any funds used for start-up costs.
 - (3) Notwithstanding any other provision of sections 1 to 19 of this 2018 Act, if the Director of the Department of Consumer and Business Services determines at any time that there are insufficient moneys in the fund to pay the expenses of the provisions of sections 1 to 19 of this 2018 Act, the director may reduce the level of family and medical leave insurance benefits payable accordingly.

- (4) Whenever, in the judgment of the director, there is in the fund an amount of moneys in excess of the amount sufficient to meet the current expenditures for a self-sustaining insurance account, the director shall have full power to invest, reinvest, manage, contract, sell or exchange investments acquired with such excess funds to reduce contribution rates.
 - (5) Contributions under section 5 of this 2018 Act that are intended for the fund and moneys in the fund may not be subject to execution, attachment or any other process or to the operation of any bankruptcy or insolvency law.
 - (6) Expenditures from the fund may not be used for purposes other than carrying out the provisions of sections 1 to 19 of this 2018 Act.
- SECTION 18. Reports. (1) The Director of the Department of Consumer and Business Services shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to workforce or business and labor no later than January 1, 2020, and January 1 of every even-numbered year thereafter.
- (2) The Department of Consumer and Business Services shall conduct a study to determine how to implement the provisions of sections 1 to 19 of this 2018 Act, as those provisions pertain to self-employed individuals who elect coverage under section 15 of this 2018 Act. The study shall include procedures for determining the amount of payroll contributions that a self-employed individual must make and the amount of family and medical leave insurance benefits that a self-employed individual shall receive. The director shall include recommendations based on that study in the report described in subsection (1) of this section.
- 29 (3) The director shall include in reports submitted after January 1, 30 2022, analysis of data regarding the number of individuals who apply 31 for family and medical leave insurance coverage under sections 1 to

- 1 19 of this 2018 Act, reasons for leave, gender of covered individuals
- 2 taking leave, contribution rates, balances in the Family and Medical
- 3 Leave Insurance Fund established under section 17 of this 2018 Act,
- 4 outreach efforts and, if applicable, family members for whom leave
- 5 was taken to provide care.
- 6 SECTION 19. Sharing technology. The Director of the Department
- 7 of Consumer and Business Services is encouraged to use state data
- 8 collection and technology to the extent possible and to integrate the
- 9 provisions of sections 1 to 19 of this 2018 Act with existing state poli-
- 10 cies.
- SECTION 20. Short title. Sections 1 to 19 of this 2018 Act shall be
- 12 known and may be cited as the Family and Medical Leave Insurance
- 13 Equity Act.
- SECTION 21. ORS 659A.156 is amended to read:
- 659A.156. (1) All employees of a covered employer are eligible to take
- leave for one of the purposes specified in ORS 659A.159 (1)(b) to (e) except:
- 17 (a) An employee who was employed by the covered employer for fewer
- than [180] 90 days immediately before the date on which the family leave
- 19 would commence.
- 20 (b) An employee who worked an average of fewer than 25 hours per week
- 21 for the covered employer during the [180] 90 days immediately preceding the
- 22 date on which the family leave would commence.
- 23 (2) All employees of a covered employer are eligible to take leave for the
- 24 purpose specified in ORS 659A.159 (1)(a) except an employee who was em-
- 25 ployed by the covered employer for fewer than [180] 90 days immediately
- 26 before the date on which the family leave would commence.
- 27 **SECTION 22.** ORS 659A.885, as amended by section 9, chapter 197,
- 28 Oregon Laws 2017, and section 13, chapter 691, Oregon Laws 2017, is
- 29 amended to read:
- 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice
- 31 specified in subsection (2) of this section may file a civil action in circuit

- 1 court. In any action under this subsection, the court may order injunctive
- 2 relief and any other equitable relief that may be appropriate, including but
- 3 not limited to reinstatement or the hiring of employees with or without back
- 4 pay. A court may order back pay in an action under this subsection only for
- 5 the two-year period immediately preceding the filing of a complaint under
- 6 ORS 659A.820 with the Commissioner of the Bureau of Labor and Industries,
- 7 or if a complaint was not filed before the action was commenced, the two-
- 8 year period immediately preceding the filing of the action. In any action
- 9 under this subsection, the court may allow the prevailing party costs and
- 10 reasonable attorney fees at trial and on appeal. Except as provided in sub-
- 11 section (3) of this section:
- 12 (a) The judge shall determine the facts in an action under this subsection;
- 13 and
- (b) Upon any appeal of a judgment in an action under this subsection, the
- 15 appellate court shall review the judgment pursuant to the standard estab-
- 16 lished by ORS 19.415 (3).
- 17 (2) An action may be brought under subsection (1) of this section alleging
- 18 a violation of:
- 19 (a) ORS 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 (2), 475B.281,
- 20 476.574, 652.020, 652.220, 652.355, 653.060, 653.263, 653.265, 653.547, 653.549,
- 21 653.601 to 653.661, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063,
- 22 659A.069, 659A.082, 659A.088, 659A.103 to 659A.145, 659A.150 to 659A.186,
- 23 659A.194, 659A.199, 659A.203, 659A.218, 659A.228, 659A.230, 659A.233,
- 24 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306,
- 25 659A.309, 659A.315, 659A.318, 659A.320, 659A.355 or 659A.421; or
- 26 (b) ORS 653.470, except an action may not be brought for a claim relating
- 27 to ORS 653.450.
- 28 (3) In any action under subsection (1) of this section alleging a violation
- 29 of ORS 25.337, 25.424, 652.220, 652.355, 653.547, 653.549, 659.852, 659A.030,
- 30 659A.040, 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145,
- 31 659A.199, 659A.203, 659A.228, 659A.230, 659A.250 to 659A.262, 659A.290,

- 1 659A.318, 659A.355 or 659A.421 or section 9 of this 2018 Act:
- 2 (a) The court may award, in addition to the relief authorized under sub-
- 3 section (1) of this section, compensatory damages or \$200, whichever is
- 4 greater, and punitive damages;
- 5 (b) At the request of any party, the action shall be tried to a jury;
- 6 (c) Upon appeal of any judgment finding a violation, the appellate court
- 7 shall review the judgment pursuant to the standard established by ORS
- 8 19.415 (1); and
- 9 (d) Any attorney fee agreement shall be subject to approval by the court.
- 10 (4) Notwithstanding ORS 31.730, in an action under subsection (1) of this
- 11 section alleging a violation of ORS 652.220, the court may award punitive
- 12 damages if:
- 13 (a) It is proved by clear and convincing evidence that an employer has
- 14 engaged in fraud, acted with malice or acted with willful and wanton mis-
- 15 conduct; or
- 16 (b) An employer was previously adjudicated in a proceeding under this
- 17 section or under ORS 659A.850 for a violation of ORS 652.220.
- 18 (5) In any action under subsection (1) of this section alleging a violation
- of ORS 653.060, the court may award, in addition to the relief authorized
- 20 under subsection (1) of this section, compensatory damages or \$200, which-
- 21 ever is greater.
- 22 (6) In any action under subsection (1) of this section alleging a violation
- 23 of ORS 171.120, 476.574 or 659A.218, the court may award, in addition to the
- 24 relief authorized under subsection (1) of this section, compensatory damages
- 25 or \$250, whichever is greater.
- 26 (7) 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 au-
- 28 thorized under subsection (1) of this section, a civil penalty in the amount
- 29 of \$720.
- 30 (8) Any individual against whom any distinction, discrimination or re-
- 31 striction on account of race, color, religion, sex, sexual orientation, national

- origin, marital status or age, if the individual is 18 years of age or older,
- 2 has been made by any place of public accommodation, as defined in ORS
- 3 659A.400, by any employee or person acting on behalf of the place or by any
- 4 person aiding or abetting the place or person in violation of ORS 659A.406
- 5 may bring an action against the operator or manager of the place, the em-
- 6 ployee or person acting on behalf of the place or the aider or abettor of the
- 7 place or person. Notwithstanding subsection (1) of this section, in an action
- 8 under this subsection:

- 9 (a) The court may award, in addition to the relief authorized under sub-10 section (1) of this section, compensatory and punitive damages;
- 11 (b) The operator or manager of the place of public accommodation, the 12 employee or person acting on behalf of the place, and any aider or abettor 13 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;
- 15 (d) The court shall award reasonable attorney fees to a prevailing 16 plaintiff;
- 17 (e) The court may award reasonable attorney fees and expert witness fees 18 incurred by a defendant who prevails only if the court determines that the 19 plaintiff had no objectively reasonable basis for asserting a claim or no 20 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).
- (9) When the commissioner or the Attorney General has reasonable cause 24 to believe that a person or group of persons is engaged in a pattern or 25 practice of resistance to the rights protected by ORS 659A.145 or 659A.421 26 or federal housing law, or that a group of persons has been denied any of the 27 rights protected by ORS 659A.145 or 659A.421 or federal housing law, the 28 commissioner or the Attorney General may file a civil action on behalf of 29 the aggrieved persons in the same manner as a person or group of persons 30 31 may file a civil action under this section. In a civil action filed under this

- subsection, the court may assess against the respondent, in addition to the relief authorized under subsections (1) and (3) of this section, a civil penalty:
- 3 (a) In an amount not exceeding \$50,000 for a first violation; and
- 4 (b) In an amount not exceeding \$100,000 for any subsequent violation.
- 5 (10) In any action under subsection (1) of this section alleging a violation
- of ORS 659A.145 or 659A.421 or alleging discrimination under federal housing
- 7 law, when the commissioner is pursuing the action on behalf of an aggrieved
- 8 complainant, the court shall award reasonable attorney fees to the commis-
- 9 sioner if the commissioner prevails in the action. The court may award rea-
- 10 sonable attorney fees and expert witness fees incurred by a defendant that
- 11 prevails in the action if the court determines that the commissioner had no
- 12 objectively reasonable basis for asserting the claim or for appealing an ad-
- 13 verse decision of the trial court.
- (11) In an action under subsection (1) or (9) of this section alleging a vi-
- olation of ORS 659A.145 or 659A.421 or discrimination under federal housing
- 16 law:
- 17 (a) "Aggrieved person" includes a person who believes that the person:
- 18 (A) Has been injured by an unlawful practice or discriminatory housing
- 19 practice; or
- 20 (B) Will be injured by an unlawful practice or discriminatory housing
- 21 practice that is about to occur.
- 22 (b) An aggrieved person in regard to issues to be determined in an action
- 23 may intervene as of right in the action. The Attorney General may intervene
- 24 in the action if the Attorney General certifies that the case is of general
- 25 public importance. The court may allow an intervenor prevailing party costs
- 26 and reasonable attorney fees at trial and on appeal.
- SECTION 23. ORS 659A.885, as amended by sections 9 and 10, chapter
- 28 197, Oregon Laws 2017, and section 13, chapter 691, Oregon Laws 2017, is
- 29 amended to read:
- 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice
- 31 specified in subsection (2) of this section may file a civil action in circuit

- 1 court. In any action under this subsection, the court may order injunctive
- 2 relief and any other equitable relief that may be appropriate, including but
- 3 not limited to reinstatement or the hiring of employees with or without back
- 4 pay. A court may order back pay in an action under this subsection only for
- 5 the two-year period immediately preceding the filing of a complaint under
- 6 ORS 659A.820 with the Commissioner of the Bureau of Labor and Industries,
- 7 or if a complaint was not filed before the action was commenced, the two-
- 8 year period immediately preceding the filing of the action. In any action
- 9 under this subsection, the court may allow the prevailing party costs and
- 10 reasonable attorney fees at trial and on appeal. Except as provided in sub-
- 11 section (3) of this section:
- 12 (a) The judge shall determine the facts in an action under this subsection;
- 13 and
- (b) Upon any appeal of a judgment in an action under this subsection, the
- 15 appellate court shall review the judgment pursuant to the standard estab-
- 16 lished by ORS 19.415 (3).
- 17 (2) An action may be brought under subsection (1) of this section alleging
- 18 a violation of:
- 19 (a) ORS 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 (2), 475B.281,
- 20 476.574, 652.020, 652.220, 652.355, 653.060, 653.263, 653.265, 653.547, 653.549,
- 21 653.601 to 653.661, 659.852, 659A.030, 659A.040, 659A.043, 659A.046, 659A.063,
- 22 659A.069, 659A.082, 659A.088, 659A.103 to 659A.145, 659A.150 to 659A.186,
- 23 659A.194, 659A.199, 659A.203, 659A.218, 659A.228, 659A.230, 659A.233,
- 24 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306,
- 25 659A.309, 659A.315, 659A.318, 659A.320, 659A.355, 659A.357 or 659A.421; or
- 26 (b) ORS 653.470, except an action may not be brought for a claim relating
- 27 to ORS 653.450.
- 28 (3) In any action under subsection (1) of this section alleging a violation
- 29 of ORS 25.337, 25.424, 652.220, 652.355, 653.547, 653.549, 659.852, 659A.030,
- 30 659A.040, 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145,
- 31 659A.199, 659A.203, 659A.228, 659A.230, 659A.250 to 659A.262, 659A.290,

- 1 659A.318, 659A.355, 659A.357 or 659A.421 or section 9 of this 2018 Act:
- 2 (a) The court may award, in addition to the relief authorized under sub-
- 3 section (1) of this section, compensatory damages or \$200, whichever is
- 4 greater, and punitive damages;
- 5 (b) At the request of any party, the action shall be tried to a jury;
- 6 (c) Upon appeal of any judgment finding a violation, the appellate court
- 7 shall review the judgment pursuant to the standard established by ORS
- 8 19.415 (1); and
- 9 (d) Any attorney fee agreement shall be subject to approval by the court.
- 10 (4) Notwithstanding ORS 31.730, in an action under subsection (1) of this
- 11 section alleging a violation of ORS 652.220, the court may award punitive
- 12 damages if:
- 13 (a) It is proved by clear and convincing evidence that an employer has
- 14 engaged in fraud, acted with malice or acted with willful and wanton mis-
- 15 conduct; or
- 16 (b) An employer was previously adjudicated in a proceeding under this
- 17 section or under ORS 659A.850 for a violation of ORS 652.220.
- 18 (5) In any action under subsection (1) of this section alleging a violation
- of ORS 653.060, the court may award, in addition to the relief authorized
- 20 under subsection (1) of this section, compensatory damages or \$200, which-
- 21 ever is greater.
- 22 (6) In any action under subsection (1) of this section alleging a violation
- 23 of ORS 171.120, 476.574 or 659A.218, the court may award, in addition to the
- 24 relief authorized under subsection (1) of this section, compensatory damages
- 25 or \$250, whichever is greater.
- 26 (7) 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 au-
- 28 thorized under subsection (1) of this section, a civil penalty in the amount
- 29 of \$720.
- 30 (8) Any individual against whom any distinction, discrimination or re-
- 31 striction on account of race, color, religion, sex, sexual orientation, national

- origin, marital status or age, if the individual is 18 years of age or older,
- 2 has been made by any place of public accommodation, as defined in ORS
- 3 659A.400, by any employee or person acting on behalf of the place or by any
- 4 person aiding or abetting the place or person in violation of ORS 659A.406
- 5 may bring an action against the operator or manager of the place, the em-
- 6 ployee or person acting on behalf of the place or the aider or abettor of the
- 7 place or person. Notwithstanding subsection (1) of this section, in an action
- 8 under this subsection:

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- 9 (a) The court may award, in addition to the relief authorized under sub-10 section (1) of this section, compensatory and punitive damages;
 - (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;
- 15 (d) The court shall award reasonable attorney fees to a prevailing 16 plaintiff;
- 17 (e) The court may award reasonable attorney fees and expert witness fees 18 incurred by a defendant who prevails only if the court determines that the 19 plaintiff had no objectively reasonable basis for asserting a claim or no 20 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).
- (9) When the commissioner or the Attorney General has reasonable cause 24 to believe that a person or group of persons is engaged in a pattern or 25 practice of resistance to the rights protected by ORS 659A.145 or 659A.421 26 or federal housing law, or that a group of persons has been denied any of the 27 rights protected by ORS 659A.145 or 659A.421 or federal housing law, the 28 commissioner or the Attorney General may file a civil action on behalf of 29 the aggrieved persons in the same manner as a person or group of persons 30 31 may file a civil action under this section. In a civil action filed under this

- subsection, the court may assess against the respondent, in addition to the relief authorized under subsections (1) and (3) of this section, a civil penalty:
- 3 (a) In an amount not exceeding \$50,000 for a first violation; and
- 4 (b) In an amount not exceeding \$100,000 for any subsequent violation.
- (10) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to the commissioner if the commissioner prevails in the action. The court may award reasonable attorney fees and expert witness fees incurred by a defendant that prevails in the action if the court determines that the commissioner had no
- (11) In an action under subsection (1) or (9) of this section alleging a violation of ORS 659A.145 or 659A.421 or discrimination under federal housing law:

objectively reasonable basis for asserting the claim or for appealing an ad-

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verse decision of the trial court.

- 17 (a) "Aggrieved person" includes a person who believes that the person:
- 18 (A) Has been injured by an unlawful practice or discriminatory housing 19 practice; or
- 20 (B) Will be injured by an unlawful practice or discriminatory housing 21 practice that is about to occur.
- 22 (b) An aggrieved person in regard to issues to be determined in an action 23 may intervene as of right in the action. The Attorney General may intervene 24 in the action if the Attorney General certifies that the case is of general 25 public importance. The court may allow an intervenor prevailing party costs 26 and reasonable attorney fees at trial and on appeal.
- 27 <u>SECTION 24.</u> Operative date. (1)(a) Sections 1 and 3 to 14 of this 2018 28 Act and the amendments to ORS 659A.156 and 659A.885 by sections 21, 29 22 and 23 of this 2018 Act become operative on January 1, 2019.
- 30 (b) Sections 2 and 15 of this 2018 Act become operative on January 31 1, 2021.

1	(2) The Department of Consumer and Business Services, the Bureau
2	of Labor and Industries, the Employment Department and the De-
3	partment of Revenue may take any action before the operative dates
4	specified in subsection (1) of this section that is necessary to enable
5	the bureau and departments to exercise, on or after the operative
6	dates specified in subsection (1) of this section, the duties, functions
7	and powers conferred on the bureau and departments by sections 1 to
8	19 of this 2018 Act and the amendments to ORS 659A.156 and 659A.885
9	by sections 21, 22 and 23 of this 2018 Act.

SECTION 25. Captions. The section captions used in this 2018 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2018 Act.

SECTION 26. Effective date. This 2018 Act takes effect on the 91st day after the date on which the 2018 regular session of the Seventyninth Legislative Assembly adjourns sine die.