

A-Engrossed
Senate Bill 1571

Ordered by the Senate February 7
Including Senate Amendments dated February 7

Sponsored by Senator GIROD (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Provides state-funded unemployment insurance benefits to individuals who are unemployed due to bankruptcy filed in calendar year 2019 by agricultural cooperative doing business in Oregon. Caps extended bankruptcy benefits at 26 times weekly benefit amount of individual's most recent unemployment benefit claim. **Provides for repayment of overpaid benefits.** Provides that employer shall be charged for extended bankruptcy benefits in manner provided for charging employers for regular benefits. Provides for retroactive payment of extended bankruptcy benefits to individuals unemployed due to employer's bankruptcy at time of passage of Act. Appropriates moneys to Employment Department for purposes of paying benefits and costs incurred by department to administer benefit program.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to extended bankruptcy unemployment insurance benefits; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 and 5 of this 2020 Act are added to and made a part of ORS**
5 **chapter 657.**

6 **SECTION 2. (1) This section applies to an individual whose most recent employing unit**
7 **is an agricultural cooperative doing business in Oregon that filed a voluntary petition for**
8 **relief under the United States Bankruptcy Code (11 U.S.C. 101 et seq.) in calendar year 2019.**

9 **(2) An individual is eligible to receive extended bankruptcy benefits for a week in an**
10 **amount equal to the weekly benefit amount of the individual's most recent unemployment**
11 **benefit claim if:**

12 **(a) Prior to the week, the individual has received all of the regular benefits that were**
13 **available to the individual under this chapter;**

14 **(b) The individual is not eligible for any other benefits, including benefits provided under**
15 **any federal law extending benefits beyond those provided for as regular benefits; and**

16 **(c) At the time of filing an initial or additional claim, the individual is unemployed due**
17 **to the bankruptcy of an agricultural cooperative described in subsection (1) of this section.**

18 **(3) The maximum extended bankruptcy benefits amount an individual may receive under**
19 **this section is 26 times the weekly benefit amount of the individual's most recent unem-**
20 **ployment benefit claim.**

21 **(4) An individual who is entitled to benefits under this section shall continue to be so**
22 **entitled until the earlier of the date on which:**

23 **(a) The individual is no longer deemed "unemployed" as provided in ORS 657.100; or**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (b) The individual exhausts the individual's eligibility for extended bankruptcy benefits
2 under subsection (3) of this section.

3 (5) Benefits are payable under this section only to the extent that funds are available in
4 the State Extended Bankruptcy Benefits Fund established under section 5 of this 2020 Act.

5 (6)(a) If the Director of the Employment Department determines that an individual has
6 been paid extended bankruptcy benefits under this section to which the individual is not en-
7 titled, the individual is liable for repayment of the overpayment in the same amount and
8 under the same terms as if the individual had been overpaid regular benefits.

9 (b) If the Employment Department recovers any overpayments of benefits paid under this
10 section, the department shall deposit the recovered amounts in the State Extended Bank-
11 ruptcy Benefits Fund.

12 (7) The director may adopt such rules as the director considers necessary to the admin-
13 istration of extended bankruptcy benefits payable under this section.

14 (8) An employer shall be charged for extended bankruptcy benefits in the manner pro-
15 vided in this chapter for charging employers for regular benefits.

16 **SECTION 3.** (1) Section 2 of this 2020 Act applies to weeks that begin on or after the ef-
17 fective date of this 2020 Act.

18 (2)(a) Notwithstanding subsection (1) of this section, with respect to individuals who are
19 unemployed due to the bankruptcy of an agricultural cooperative described in section 2 (1)
20 of this 2020 Act on the effective date of this 2020 Act and who are otherwise eligible to re-
21 ceive extended bankruptcy benefits, section 2 of this 2020 Act applies to weeks that begin
22 before, on or after the effective date of this 2020 Act.

23 (b) Extended bankruptcy benefits that are retroactively payable by operation of this
24 subsection must be claimed by the eligible individual, in the manner prescribed in ORS
25 chapter 657 for claiming regular benefits, within 60 days following the effective date of this
26 2020 Act.

27 **SECTION 4.** (1) If the United States Secretary of Labor serves notice that the provisions
28 of section 2 of this 2020 Act fail to meet the requirements of the Social Security Act or the
29 Federal Unemployment Tax Act, section 2 of this 2020 Act shall no longer be of any force or
30 effect.

31 (2) The Director of the Employment Department shall notify the Legislative Counsel as
32 soon as practicable after receipt of the notice described in subsection (1) of this section.

33 **SECTION 5.** (1) The State Extended Bankruptcy Benefits Fund is established in the State
34 Treasury, separate and distinct from the General Fund. Notwithstanding ORS 657.815, all
35 moneys in the State Extended Bankruptcy Benefits Fund are continuously appropriated to
36 the Employment Department for the purposes set forth in subsection (3) of this section.

37 (2) The State Extended Bankruptcy Benefits Fund consists of:

38 (a) Moneys appropriated to the fund by the Legislative Assembly; and

39 (b) Recovered amounts deposited in the fund by the department under section 2 (6) of this
40 2020 Act.

41 (3) Moneys in the fund may be used solely to pay:

42 (a) Extended bankruptcy benefits under section 2 of this 2020 Act and under rules pre-
43 scribed by the Director of the Employment Department pursuant to section 2 of this 2020
44 Act; and

45 (b) The actual costs incurred by the department in administering section 2 of this 2020

1 **Act and rules prescribed by the director pursuant to section 2 of this 2020 Act.**

2 **SECTION 6. There is appropriated to the Employment Department, for the biennium**
3 **ending June 30, 2021, out of the General Fund, the amount of \$_____ for the purposes of**
4 **paying extended bankruptcy benefits authorized under section 2 of this 2020 Act.**

5 **SECTION 7. This 2020 Act being necessary for the immediate preservation of the public**
6 **peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect**
7 **on its passage.**

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