

HB 3188 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 5/6, 5/13

WHAT THE MEASURE DOES:

Modifies definition of "employer" and "worker" for purposes of workers' compensation law. Increases threshold for employment that is "casual" and thus not subject to workers' compensation laws from \$500 in total labor cost over 30 days to \$1,000 and increases threshold annually on July 1 by same percentage as the average weekly wage of covered employees as determined by the Oregon Employment Department.

House vote: Ayes, 56; Excused, Hudson, Leif, Nearman, Noble

Minimal fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Benefits of consistent determination of who is an employee and who is an independent contractor
- "Casual" employment threshold established in the 1990s

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's workers' compensation law provides an exclusive remedy for job-related injuries and occupational diseases. All workers, defined as anyone who provides services for remuneration subject to the direction and control of an employer, are subject to Oregon's workers' compensation law unless statutorily exempt. There are approximately 30 exemptions, including a worker whose employment is "casual" and independent contractors. "Casual" employment is employment where the work in any 30-day period, regardless of the total workers employed, involves a total labor cost of less than \$500.

A worker is an independent contractor if they provide services for remuneration and the worker is:

- free from direction and control over the means and manner of providing the services, subject only to the right of the person for whom the services are provided to specify the desired results;
- customarily engaged in an independently established business;
- licensed as an architect, landscape professional, or construction contractor if providing those services; and
- responsible for obtaining other licenses or certificates necessary to provide the services.

House Bill 3188-A modifies the definition of a worker, for purposes of workers' compensation insurance laws, to include all persons who are paid for their services other than independent contractors and those statutorily exempted. The measure increases the threshold for determining when employment is casual and thus not subject to workers' compensation laws from \$500 to \$1,000 and adjusts the threshold annually on July 1 by the same percentage as the average weekly wage for covered employees.