

## **SB 184 A STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Prepared By:** Erin Seiler, LPRO Analyst

**Meeting Dates:** 4/26, 5/3

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#### **WHAT THE MEASURE DOES:**

Modifies employer reporting requirements to Division of Child Support of Oregon Department of Justice to include engagement or reengagement of independent contractors. Defines "independent contractor" and "reengage."

Fiscal impact: No

Revenue impact: No

Senate Floor Vote: Ayes, 19; Nays, 10--Bonham, Boquist, Findley, Girod, Hayden, Linthicum, Robinson, Smith DB, Thatcher, Weber; Excused, 1

#### **ISSUES DISCUSSED:**

- Closes gap between income withholding of independent contractor and child support payments
- Permits identification and tracking of consistent wages for independent contractor
- Requires employer report reengagement and engagement with independent contractor in same manner as new employees
- Challenges for Department of Justice (DOJ) to obtain information that person is working as independent contractor
- Timeline for getting funds from individuals to child that is owed support
- Reasons for there is no fiscal impact to agency
- Current authority for DOJ to issue income withholding order
- Other states that have implemented similar reporting requirements
- Different scenarios and timelines for how employers engage independent contractor
- Definition of independent contractor unique for this purpose

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

The Oregon Department of Justice (DOJ) maintains a Division of Child Support (Division). The Division offers several child support services for parents who pay or receive child support. Those services include such things as assistance in establishing paternity, establishing a child support order, and collecting child support payments. The Division has several means to enforce child support obligations including wage withholding, garnishment, and license suspension. Oregon law requires certain employers to notify the Division of the hiring or rehiring of persons in Oregon whom the employer will pay earnings to. The Division maintains an Oregon Employer Services Portal to assist employers in meeting their reporting obligations.

Senate Bill 184 A modifies this employer reporting requirement to include independent contractors.