



March 15, 2023

TO: Members of the House Committee on Business and Labor

FR: Derek Sangston, Oregon Business & Industry

RE: Opposition to HB 3471

Chair Holvey, Vice-Chair Elmer, Vice-Chair Sosa, members of the House Committee on Business and Labor. For the record, I'm Derek Sangston, policy director and counsel for Oregon Business and Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in opposition to HB 3471. Before commenting on the substance of HB 3471, OBI would like to provide a little overview on how HB 3471 has come before this committee. HB 3471 was first considered by the Management Labor Advisory Committee (MLAC) during its February 17 and March 3 meetings. During its discussion of the bill, MLAC determined HB 3471 should be amended to move it from the workers' compensation system to Oregon's law covering employment practices. As a result, MLAC did not take a position on HB 3471 because it would no longer fall within MLAC's purview. OBI appreciates the discussion MLAC held on HB 3471 and supports the MLAC process.

However, OBI opposes HB 3471 because the bill would extend Oregon's ban on no-rehire clauses to settlements involving workers' compensation injuries. While they serve an important role in ensuring transparency in the resolution of discrimination or harassment claims, banning no-rehire clauses in settlements involving workers' compensation claims would not serve that purpose and could make it harder for the parties to reach settlement agreements of those claims.

HB 3471 would broadly ban no-rehire agreements in every settlement over workers' compensation claims, even those cases where the employee is represented by an attorney and each party has equal bargaining power. In those situations, the attorneys, who are required to provide competent representation to their clients, should be able to request specific terms to get to fair settlement agreement.

OBI also worries that HB 3471 would make employers hesitant to settle workers' compensation claims involving occupational disease issues. Occupational diseases are those injuries and illnesses that result from the presence of biological, chemical, physical, or psychological factors in the workplace. In those types of claims, the employee's presence in the workplace is the likely cause of the occupational disease. In these situations, HB 3471 would allow an employee who returns to work with a settled disease claim to file another claim for the same condition. This

could have a chilling effect on settlements and whether employers see sufficient value in them given the risk.

OBI urges this committee to reject HB 3471 so that it does not have a chilling effect on settlement practices for workers' compensation claims. Thank you for your consideration.

Contact: dereksangston@oregonbusinessindustry.com