

Requested by Senator TAYLOR

**PROPOSED AMENDMENTS TO
SENATE BILL 1580**

1 On page 1 of the printed bill, line 2, after the semicolon insert “creating
2 new provisions; amending ORS 656.605;”.

3 Delete lines 6 through 26 and insert:

4 **“SECTION 2. (1) The Director of the Department of Consumer and
5 Business Services shall assess a civil penalty against an employer that
6 knowingly and with the intent to decrease the employer’s premium for
7 coverage under this chapter:**

8 **“(a) Misrepresents to an insurer the amount of the employer’s
9 payroll or employee hours worked; or**

10 **“(b) Misclassifies for an insurer the occupation or industry in which
11 an employee is employed.**

12 **“(2) The civil penalty for each violation shall be assessed in an
13 amount equal to:**

14 **“(a) Restitution in an amount equal to the difference between the
15 amount of premium the employer would have paid absent the fraudu-
16 lent misrepresentation or fraudulent misclassification and the amount
17 of premium the employer actually paid;**

18 **“(b) A fine in an amount not greater than 200 percent of the
19 amount of restitution imposed under paragraph (a) of this subsection;
20 and**

21 **“(c) The reasonable costs of the administrative investigation of the**

1 **employer’s conduct in claims of fraudulent misrepresentation or**
2 **fraudulent misclassification that are determined to be subject to the**
3 **civil penalty.**

4 **“(3) This section does not apply to an employer’s erroneous repre-**
5 **sentation to an insurer of the amount of the employer’s payroll or**
6 **employee hours worked, or misclassification for an insurer of the oc-**
7 **cupation or industry in which an employee is employed, that is due to**
8 **a good faith or negligent mistake.**

9 **“(4)(a) All moneys collected under this section shall be paid into the**
10 **Workers’ Benefit Fund created under ORS 656.605.**

11 **“(b) The restitution imposed under subsection (2)(a) of this section**
12 **shall be transferred to the insurer to whom the employer made the**
13 **fraudulent misrepresentation or fraudulent misclassification.**

14 **“(c) The fine imposed under subsection (2)(b) of this section may**
15 **be used for any purpose for which moneys in the Workers’ Benefit**
16 **Fund may be used.**

17 **“(d) The costs imposed under subsection (2)(c) of this section shall**
18 **be withheld by the Department of Consumer and Business Services to**
19 **compensate the department for the reasonable costs of investigation**
20 **incurred under this section.**

21 **“SECTION 3. ORS 656.605 is amended to read:**

22 **“656.605. (1) The Workers’ Benefit Fund is created in the State Treasury,**
23 **separate and distinct from the General Fund. Moneys in the fund shall be**
24 **invested in the same manner as other state moneys and investment earnings**
25 **shall be credited to the fund. The fund shall consist of the following:**

26 **“(a) Moneys received pursuant to ORS 656.506.**

27 **“(b) Moneys recovered under ORS 656.054.**

28 **“(c) Penalties recovered under ORS 656.735.**

29 **“(d) Penalties recovered under section 2 of this 2024 Act.**

30 **“[(d)] (e) All moneys received by the Director of the Department of Con-**

1 sumer and Business Services pursuant to law or from any other source for
2 purposes for which the fund may be expended.

3 “(2) Moneys in the Workers’ Benefit Fund may be expended for the fol-
4 lowing purposes:

5 “(a) Expenses of programs under ORS 656.445, 656.506, 656.622, 656.625,
6 656.628 and 656.630.

7 “(b) Proceedings against noncomplying employers pursuant to ORS 656.054
8 and 656.735.

9 “(c) Expenses of vocational assistance on claims, the cost of which was
10 imposed pursuant to section 15, chapter 600, Oregon Laws 1985.

11 “(d) Payment of supplemental temporary disability benefits for workers
12 employed in more than one job at the time of injury and reimbursement of
13 the costs of administering payments resulting from elections by insurers and
14 self-insured employers as provided by ORS 656.210 (5).

15 “(e) Payments made to injured workers pursuant to section 6a, chapter
16 865, Oregon Laws 2001.

17 “(f) Expenses of the Bureau of Labor and Industries for enforcing ORS
18 659A.040, 659A.043, 659A.046, 659A.049 and 659A.052, subject to an agreement
19 between the Director of the Department of Consumer and Business Services
20 and the Commissioner of the Bureau of Labor and Industries. The agreement
21 must include, but is not limited to, the amount of funds to be transferred to
22 the bureau for enforcing ORS 659A.040, 659A.043, 659A.046, 659A.049 and
23 659A.052 and the information relating to the enforcement of ORS 659A.040,
24 659A.043, 659A.046, 659A.049 and 659A.052 that the bureau must report to the
25 director.

26 “(g) Reimbursement to the insurer or self-insured employer for the amount
27 of permanent total disability benefits paid after the date of the notice of
28 closure that was upheld pursuant to ORS 656.206.

29 “(h) Reimbursement of vocational benefit expenses as provided in ORS
30 656.313.

1 **“(i) The uses set forth under section 2 (4) of this 2024 Act.**

2 “(3) Subject to the following provisions, all moneys in the fund are ap-
3 propriated continuously to the Director of the Department of Consumer and
4 Business Services to carry out the activities for which the fund may be ex-
5 pended:

6 “(a) Moneys received pursuant to ORS 656.054 and 656.735 and transfers
7 made pursuant to ORS 705.148 may be expended only to carry out the pro-
8 visions of ORS 656.054 and 656.735 and section 15, chapter 600, Oregon Laws
9 1985.

10 “(b) Moneys received pursuant to ORS 656.506 and the transfers of unex-
11 pended and unobligated moneys in the Retroactive Reserve, Reemployment
12 Assistance Reserve, Reopened Claims Reserve and Handicapped Workers
13 Reserve referred to in ORS 656.506, 656.622, 656.625 and 656.628 (All 1993
14 Edition) may be expended only to carry out the programs referred to in ORS
15 656.506, 656.622, 656.625, 656.628 and 656.630.

16 **“(c)(A) Moneys received pursuant to section 2 (2)(a) of this 2024 Act
17 may be expended only to carry out the provisions of section 2 (4)(b)
18 of this 2024 Act.**

19 **“(B) Moneys received pursuant to section 2 (2)(c) of this 2024 Act
20 may be expended only to carry out the provisions of section 2 (4)(d)
21 of this 2024 Act.**

22 “(4) Notwithstanding any other provision of this chapter, if the director
23 determines at any time that there are insufficient moneys in the Workers’
24 Benefit Fund to pay the expenses of programs for which expenditure of the
25 fund is authorized, the director may reduce the level of benefits payable ac-
26 cordingly.

27 **“SECTION 4. Section 2 of this 2024 Act and the amendments to ORS
28 656.605 by section 3 of this 2024 Act apply to employer conduct occur-
29 ring on or after the effective date of this 2024 Act.”.**

30 In line 27, delete “4” and insert “5”.

