

HB 4005-3  
(LC 232)  
2/2/24 (ASD/JAS/ps)

Requested by HOUSE COMMITTEE ON BUSINESS AND LABOR (at the request of Representative Paul Holvey)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 4005**

1 On page 1 of the printed bill, line 3, after “ORS” insert “ORS 656.018,  
2 656.850.”.

3 Delete lines 5 through 27 and delete pages 2 through 5 and insert:

4 **“SECTION 1.** ORS 657.020 is amended to read:

5 “657.020. (1) As used in this chapter, unless the context requires other-  
6 wise, ‘employing unit’ means:

7 “(a) Any individual or type of organization, including any partnership,  
8 association, limited liability company, limited liability partnership, trust,  
9 estate, joint stock company, insurance company or corporation, whether do-  
10 mestic or foreign, or the receiver, trustee in bankruptcy, trustee, or successor  
11 thereof, or the legal representative of a deceased person, [*who*] **that** has or  
12 had in its employ one or more individuals performing services for it within  
13 this state.

14 “(b) This state, including every state officer, board, commission, depart-  
15 ment, institution, branch and agency of the state government.

16 “(c) Any people’s utility district.

17 “(d) Any political subdivision.

18 “(e) Any Indian tribe or subdivision, subsidiary or business enterprise  
19 wholly owned by an Indian tribe.

20 “(2) All individuals performing services within this state for any employ-  
21 ing unit that maintains two or more separate establishments within this

1 state are deemed to be employed by a single employing unit for all [the]  
2 purposes of this chapter, except that for the purposes of this chapter each  
3 of the various agencies, boards, commissions, departments, institutions and  
4 political subdivisions of this state shall be deemed separate employing units.

5 **“(3) For all purposes of this chapter, for any hour of work, an in-**  
6 **dividual:**

7 **“(a) Shall be considered to be employed solely by the employing**  
8 **unit:**

9 **“(A) For which the individual performs services; and**

10 **“(B) That has the right to direct and control the individual’s per-**  
11 **formance of the services; and**

12 **“(b) May not be considered to be employed by more than one em-**  
13 **ploying unit.**

14 **“SECTION 2.** ORS 657B.010 is amended to read:

15 “657B.010. As used in this chapter:

16 “(1) ‘Alternate base year’ means the last four completed calendar quarters  
17 preceding the benefit year.

18 “(2) ‘Average weekly wage’ means the amount calculated by the Employ-  
19 ment Department as the state average weekly covered wage under ORS  
20 657.150 (4)(e) as determined not more than once per year.

21 “(3) ‘Base year’ means the first four of the last five completed calendar  
22 quarters preceding the benefit year.

23 “(4) ‘Benefits’ means family and medical leave insurance benefits.

24 “(5)(a) ‘Benefit year’ means, except as provided in paragraph (b) of this  
25 subsection, a period of 52 consecutive weeks beginning on the Sunday im-  
26 mediately preceding the date on which family leave, medical leave or safe  
27 leave commences.

28 “(b) ‘Benefit year’ means, in the event that the 52-week period described  
29 in paragraph (a) of this subsection would result in an overlap of any quarter  
30 of the base year of a previously filed valid claim, a period of 53 consecutive

1 weeks beginning on the Sunday immediately preceding the date on which  
2 family leave, medical leave or safe leave commences.

3 “(6) ‘Child’ means:

4 “(a) A biological child, adopted child, stepchild or foster child of a cov-  
5 ered individual or of the covered individual’s spouse or domestic partner;

6 “(b) A person who is or was a legal ward of a covered individual or of  
7 the covered individual’s spouse or domestic partner; or

8 “(c) A person who is or was in a relationship of in loco parentis with a  
9 covered individual or with the covered individual’s spouse or domestic part-  
10 ner.

11 “(7) ‘Claimant’ means an individual who has submitted an application or  
12 established a claim for benefits.

13 “(8) ‘Contribution’ or ‘contributions’ means the money payments made by  
14 any of the following under ORS 657B.150:

15 “(a) An employer;

16 “(b) An employee;

17 “(c) A self-employed individual;

18 “(d) A tribal government; or

19 “(e) An employee of a tribal government.

20 “(9) ‘Covered individual’ means any one of the following who qualifies  
21 under ORS 657B.015 to receive family and medical leave insurance benefits:

22 “(a) An eligible employee;

23 “(b) A self-employed individual; or

24 “(c) An employee of a tribal government.

25 “(10) ‘Domestic partner’ means an individual joined in a domestic part-  
26 nership.

27 “(11) ‘Domestic partnership’ has the meaning given that term in ORS  
28 106.310.

29 “(12) ‘Eligible employee’ means:

30 “(a)(A) An employee who has earned at least \$1,000 in wages during the

1 base year; or

2 “(B) If an employee has not earned at least \$1,000 in wages during the  
3 base year, an employee who has earned at least \$1,000 in wages during the  
4 alternate base year; and

5 “(b) An employee to whom paid family and medical leave insurance ben-  
6 efits may be available under ORS 657B.015.

7 “(13) ‘Eligible employee’s average weekly wage’ means an amount calcu-  
8 lated by the Director of the Employment Department by dividing the total  
9 wages earned by an eligible employee during the base year by the number  
10 of weeks in the base year.

11 “(14)(a) ‘Employee’ means:

12 “(A) An individual performing services for an employer for remuneration  
13 or under any contract of hire, written or oral, express or implied, **under the**  
14 **employer’s direction and control.**

15 “(B) A home care worker as defined in ORS 410.600.

16 “(b) ‘Employee’ does not include:

17 “(A) An independent contractor as defined in ORS 670.600.

18 “(B) A participant in a work training program administered under a state  
19 or federal assistance program.

20 “(C) A participant in a work-study program that provides students in  
21 secondary or postsecondary educational institutions with employment op-  
22 portunities for financial assistance or vocational training.

23 “(D) A railroad worker exempted under the federal Railroad Unemploy-  
24 ment Insurance Act.

25 “(E) A volunteer.

26 “(F) A judge as defined in ORS 260.005.

27 “(G) A member of the Legislative Assembly.

28 “(H) A holder of public office as defined in ORS 260.005.

29 “(15)(a) ‘Employer’ means any person that employs one or more employees  
30 working anywhere in this state or any agent or employee of such person to

1 whom the duties of the person under this chapter have been delegated.

2 “(b) ‘Employer’ includes:

3 “(A) A political subdivision of this state or any county, city, district,  
4 authority or public corporation, or any instrumentality of a county, city,  
5 district, authority or public corporation, organized and existing under law  
6 or charter;

7 “(B) An individual;

8 “(C) Any type of organization, corporation, partnership, limited liability  
9 company, association, trust, estate, joint stock company or insurance com-  
10 pany;

11 “(D) Any successor in interest to an entity described in subparagraph (C)  
12 of this paragraph;

13 “(E) A trustee, trustee in bankruptcy or receiver; or

14 “(F) A trustee or legal representative of a deceased person.

15 “(c) ‘Employer’ does not include the federal government or a tribal gov-  
16 ernment.

17 “(16) ‘Employment agency’ has the meaning given that term in ORS  
18 658.005.

19 “(17) ‘Family and medical leave insurance benefits’ means the wage re-  
20 placement benefits that are available to a covered individual under ORS  
21 657B.050 or under the terms of an employer plan approved under ORS  
22 657B.210, for family leave, medical leave or safe leave.

23 “(18)(a) ‘Family leave’ means leave from work taken by a covered indi-  
24 vidual:

25 “(A) To care for and bond with a child during the first year after the  
26 child’s birth or during the first year after the placement of the child through  
27 foster care or adoption; or

28 “(B) To care for a family member with a serious health condition.

29 “(b) ‘Family leave’ does not mean:

30 “(A) Leave described in ORS 659A.159 (1)(d);

1 “(B) Leave described in ORS 659A.159 (1)(e); or  
2 “(C) Leave authorized under ORS 659A.093.  
3 “(19) ‘Family member’ means:  
4 “(a) The spouse of a covered individual;  
5 “(b) A child of a covered individual or the child’s spouse or domestic  
6 partner;  
7 “(c) A parent of a covered individual or the parent’s spouse or domestic  
8 partner;  
9 “(d) A sibling or stepsibling of a covered individual or the sibling’s or  
10 stepsibling’s spouse or domestic partner;  
11 “(e) A grandparent of a covered individual or the grandparent’s spouse  
12 or domestic partner;  
13 “(f) A grandchild of a covered individual or the grandchild’s spouse or  
14 domestic partner;  
15 “(g) The domestic partner of a covered individual; or  
16 “(h) Any individual related by blood or affinity whose close association  
17 with a covered individual is the equivalent of a family relationship.  
18 “(20) ‘Medical leave’ means leave from work taken by a covered individual  
19 that is made necessary by the individual’s own serious health condition.  
20 “(21) ‘Parent’ means:  
21 “(a) A biological parent, adoptive parent, stepparent or foster parent of  
22 a covered individual;  
23 “(b) A person who was a foster parent of a covered individual when the  
24 covered individual was a minor;  
25 “(c) A person designated as the legal guardian of a covered individual at  
26 the time the covered individual was a minor or required a legal guardian;  
27 “(d) A person with whom a covered individual was or is in a relationship  
28 of in loco parentis; or  
29 “(e) A parent of a covered individual’s spouse or domestic partner who  
30 meets a description under paragraphs (a) to (d) of this subsection.

1 “(22) ‘Safe leave’ means leave taken for any purpose described in ORS  
2 659A.272.

3 “(23) ‘Self-employed individual’ means:

4 “(a) An individual who has self-employment income as defined in section  
5 1402(b) of the Internal Revenue Code as amended and in effect on December  
6 31, 2022; or

7 “(b) An independent contractor as defined in ORS 670.600.

8 “(24) ‘Serious health condition’ has the meaning given that term in ORS  
9 659A.150.

10 “(25) ‘Third party administrator’ means a third party that enters into an  
11 agreement with the Director of the Employment Department to implement  
12 and administer the paid family and medical leave program established under  
13 this chapter.

14 “(26) ‘Tribal government’ has the meaning given that term in ORS  
15 181A.940.

16 “(27)(a) ‘Wages’ has the meaning given that term in ORS 657.105.

17 “(b) ‘Wages’ does not mean contribution amounts paid to the Paid Family  
18 and Medical Leave Insurance Fund by an employer on behalf of an employee  
19 under ORS 657B.150 (5).

20 **“SECTION 3.** ORS 657B.175 is amended to read:

21 “657B.175. (1) An employee’s wages shall be used to make determinations  
22 under this chapter if the wages are earned for service that is:

23 “(a) Localized within this state; or

24 “(b) Not localized within any state, but some of the service is performed  
25 within this state and:

26 “(A) The base of operations is in this state or, if there is no base of op-  
27 erations, the place from which the service is directed or controlled is in this  
28 state; or

29 “(B) The base of operations or place from which the service is directed  
30 or controlled is not in any state in which some part of the service is per-

1 formed, but the individual’s residence is in this state.

2 “(2) Service is localized within this state if it is:

3 “(a) Performed entirely within this state; or

4 “(b) Performed both within and outside this state, but the service per-  
5 formed outside this state is incidental to the employee’s service within this  
6 state.

7 **“(3) For all purposes of this chapter, for any hour of work, an em-  
8 ployee may not be considered to be employed by more than one em-  
9 ployer.**

10 **“SECTION 4. (1) The amendments to ORS 657.020, 657B.010 and  
11 657B.175 by sections 1 to 3 of this 2024 Act become operative on Janu-  
12 ary 1, 2025.**

13 **“(2) The Employment Department may take any action before the  
14 operative date specified in subsection (1) of this section that is neces-  
15 sary to enable the department to implement, on and after the opera-  
16 tive date specified in subsection (1) of this section, the amendments  
17 to ORS 657.020, 657B.010 and 657B.175 by sections 1 to 3 of this 2024 Act.**

18 **“SECTION 5. Sections 6 and 7 of this 2024 Act are added to and  
19 made a part of ORS chapter 656.**

20 **“SECTION 6. (1) As used in this section and section 7 of this 2024  
21 Act:**

22 **“(a) ‘Client employer’ means a subject employer that contracts to  
23 pay a fee for specified administrative services provided by a profes-  
24 sional employer organization, including, but not limited to, workers’  
25 compensation coverage.**

26 **“(b)(A) ‘Professional employer organization’ means a person that  
27 enters into a contract with a subject employer to provide specified  
28 administrative services on behalf of the subject employer, including,  
29 but not limited to, workers’ compensation coverage.**

30 **“(B) ‘Professional employer organization’ does not mean a worker**



1 leasing company.

2 “(2) A professional employer organization may not provide workers’  
3 compensation coverage in this state without first obtaining a license  
4 from the Director of the Department of Consumer and Business Ser-  
5 vices. A professional employer organization providing workers’ com-  
6 pensation coverage shall comply with section 7 of this 2024 Act and  
7 rules adopted pursuant to this section and section 7 of this 2024 Act.

8 “(3)(a) A professional employer organization that contracts to pro-  
9 vide workers’ compensation coverage for a client employer must sat-  
10 isfy the requirements of ORS 656.017 and 656.407 on the client  
11 employer’s behalf.

12 “(b) Paragraph (a) of this subsection does not apply if the client  
13 employer has proof of coverage on file with the director during the  
14 term of the professional employer organization’s contract with the  
15 client employer.

16 “(c) If the client employer allows the coverage to expire and con-  
17 tinues to employ subject workers, the client employer shall be con-  
18 sidered a noncomplying employer unless the professional employer  
19 organization has complied with subsection (4) of this section.

20 “(4) When a professional employer organization contracts with a  
21 client employer to provide workers’ compensation coverage, the pro-  
22 fessional employer organization shall notify the director in writing in  
23 such manner and at such time as the director may prescribe.

24 “(5) A contract to provide workers’ compensation coverage to a  
25 client employer must provide that the professional employer organ-  
26 ization shall continue to provide the coverage, without qualification  
27 or condition, until the earliest of the date on which:

28 “(a) The professional employer organization terminates the contract  
29 in accordance with subsection (6) of this section;

30 “(b) The contract expires;

- 1       “(c) The client employer terminates the contract;  
2       “(d) The client employer obtains other coverage from an insurer;  
3       “(e) The client employer has workers’ compensation coverage pro-  
4       vided for it by another professional employer organization or a worker  
5       leasing company; or  
6       “(f) The client employer becomes a self-insured employer.

7       “(6)(a) A professional employer organization may terminate its  
8       contractual obligation to provide workers’ compensation coverage by  
9       giving to the client employer and the director written notice of the  
10      termination.

11      “(b) A notice of termination shall state the effective date and hour  
12      of the termination, which may not be less than 30 days following the  
13      date on which the notice is received by the director.

14      “(c) The notice to the client employer required under this sub-  
15      section shall be given by mail, addressed to the client employer at the  
16      client employer’s last-known address. If the client employer is a part-  
17      nership, notice may be given to any of the partners. If the client em-  
18      ployer is a corporation, notice may be given to any agent or officer  
19      of the corporation upon whom legal process may be served.

20      “(7) When a professional employer organization contracts to provide  
21      workers’ compensation coverage to a client employer, the professional  
22      employer organization must ensure that the client employer provides  
23      adequate training, supervision and instruction for the client  
24      employer’s workers to meet the requirements of ORS chapter 654.

25      “(8) An entity that is a professional employer organization is not  
26      subject to ORS 656.850 except to the extent that the entity meets the  
27      definition of ‘worker leasing company’ under ORS 656.850 (1)(a)(A).

28      “SECTION 7. (1) In accordance with any applicable provision of ORS  
29      chapter 183, the Director of the Department of Consumer and Business  
30      Services shall establish by rule a licensing system for professional

1 employer organizations. Such system shall include, but not be limited  
2 to:

3 “(a) Prescribing the form and content of and the times and proce-  
4 dures for submitting applications for license issuance or renewal.

5 “(b) Prescribing the term of the license and the fee for original is-  
6 suance and renewal of the license. The fees shall be set in an amount  
7 necessary to support the administration of this section and section 6  
8 of this 2024 Act.

9 “(c) Prescribing those violations of this section or section 6 of this  
10 2024 Act for which the director may refuse to issue or renew or may  
11 suspend or revoke a license.

12 “(d) Prescribing the form and contents of records a licensee is re-  
13 quired to maintain and specifying the times, places and manner of  
14 audit by the director of those records.

15 “(2) All moneys received by the director pursuant to this section  
16 shall be credited to the Consumer and Business Services Fund and are  
17 appropriated continuously to the director to carry out the provisions  
18 of this section and section 6 of this 2024 Act.

19 “SECTION 8. ORS 656.850 is amended to read:

20 “656.850. (1) As used in this section and ORS 656.018, 656.403, 656.855 and  
21 737.270:

22 “(a)(A) ‘Worker leasing company’ means a person who provides workers,  
23 by contract and for a fee, to work for a client but does not include a person  
24 who provides workers to a client on a temporary basis.

25 “(B) ‘Worker leasing company’ does not mean a professional em-  
26 ployer organization as defined in section 6 of this 2024 Act.

27 “(b) ‘Temporary basis’ means providing workers to a client for special  
28 situations such as to cover employee absences, employee leaves, professional  
29 skill shortages, seasonal workloads and special assignments and projects  
30 with the expectation that the position or positions will be terminated upon

1 completion of the special situation. Workers also are provided on a tempo-  
2 rary basis if they are provided as probationary new hires with a reasonable  
3 expectation of transitioning to permanent employment with the client and  
4 the client uses a preestablished probationary period in its overall employ-  
5 ment selection program.

6 “(c) ‘Temporary service provider’ means a person who provides workers,  
7 by contract and for a fee, to a client on a temporary basis.

8 “(2) No person shall perform services as a worker leasing company in this  
9 state without first having obtained a license therefor from the Director of  
10 the Department of Consumer and Business Services. No person required by  
11 this section to obtain a license shall fail to comply with this section or ORS  
12 656.855, or any rule adopted pursuant thereto.

13 “(3) When a worker leasing company provides workers to a client, the  
14 worker leasing company shall satisfy the requirements of ORS 656.017 and  
15 656.407 and provide workers’ compensation coverage for those workers and  
16 any subject workers employed by the client unless during the term of the  
17 lease arrangement the client has proof of coverage on file with the director  
18 that extends coverage to subject workers employed by the client and any  
19 workers leased by the client. If the client allows the coverage to expire and  
20 continues to employ subject workers or has leased workers, the client shall  
21 be considered a noncomplying employer unless the worker leasing company  
22 has complied with subsection (5) of this section.

23 “(4) When a worker leasing company provides workers for a client, the  
24 worker leasing company shall assure that the client provides adequate  
25 training, supervision and instruction for those workers to meet the require-  
26 ments of ORS chapter 654.

27 “(5) When a worker leasing company provides subject workers to work for  
28 a client and also provides workers’ compensation coverage for those workers,  
29 the worker leasing company shall notify the director in writing. The notifi-  
30 cation shall be given in such manner as the director may prescribe. A worker

1 leasing company may terminate its obligation to provide workers' compen-  
2 sation coverage for workers provided to a client by giving to the client and  
3 the director written notice of the termination. A notice of termination shall  
4 state the effective date and hour of the termination, but the termination  
5 shall be effective not less than 30 days after the notice is received by the  
6 director. Notice to the client under this section shall be given by mail, ad-  
7 dressed to the client at the client's last-known address. If the client is a  
8 partnership, notice may be given to any of the partners. If the client is a  
9 corporation, notice may be given to any agent or officer of the corporation  
10 upon whom legal process may be served.

11 **SECTION 9.** ORS 656.018 is amended to read:

12 "656.018. (1)(a) The liability of every employer who satisfies the duty re-  
13 quired by ORS 656.017 (1) is exclusive and in place of all other liability  
14 arising out of injuries, diseases, symptom complexes or similar conditions  
15 arising out of and in the course of employment that are sustained by subject  
16 workers, the workers' beneficiaries and anyone otherwise entitled to recover  
17 damages from the employer on account of such conditions or claims resulting  
18 therefrom, specifically including claims for contribution or indemnity as-  
19 serted by third persons from whom damages are sought on account of such  
20 conditions, except as specifically provided otherwise in this chapter.

21 "(b) This subsection shall not apply to claims for indemnity or contribu-  
22 tion asserted by a railroad, as defined in ORS 824.020, or by a corporation,  
23 individual or association of individuals which is subject to regulation pur-  
24 suant to ORS chapter 757 or 759.

25 "(c) Except as provided in paragraph (b) of this subsection, all agreements  
26 or warranties contrary to the provisions of paragraph (a) of this subsection  
27 entered into after July 19, 1977, are void.

28 "(2) The rights given to a subject worker and the beneficiaries of the  
29 subject worker under this chapter for injuries, diseases, symptom complexes  
30 or similar conditions arising out of and in the course of employment are in

1 lieu of any remedies they might otherwise have for such injuries, diseases,  
2 symptom complexes or similar conditions against the worker's employer un-  
3 der ORS 654.305 to 654.336 or other laws, common law or statute, except to  
4 the extent the worker is expressly given the right under this chapter to bring  
5 suit against the employer of the worker for an injury, disease, symptom  
6 complex or similar condition.

7 “(3) The exemption from liability given an employer under this section is  
8 also extended to the employer's insurer, the self-insured employer's claims  
9 administrator, the Department of Consumer and Business Services, and to  
10 the contracted agents, employees, partners, limited liability company mem-  
11 bers, general partners, limited liability partners, limited partners, officers  
12 and directors of the employer, the employer's insurer, the self-insured  
13 employer's claims administrator and the department, except that the ex-  
14 emption from liability shall not apply:

15 “(a) If the willful and unprovoked aggression by a person otherwise ex-  
16 empt under this subsection is a substantial factor in causing the injury,  
17 disease, symptom complex or similar condition;

18 “(b) If the worker and the person otherwise exempt under this subsection  
19 are not engaged in the furtherance of a common enterprise or the accom-  
20 plishment of the same or related objectives;

21 “(c) If the failure of the employer to comply with a notice posted pursuant  
22 to ORS 654.082 is a substantial factor in causing the injury, disease, symptom  
23 complex or similar condition; or

24 “(d) If the negligence of a person otherwise exempt under this subsection  
25 is a substantial factor in causing the injury, disease, symptom complex or  
26 similar condition and the negligence occurs outside of the capacity that  
27 qualifies the person for exemption under this section.

28 “(4) The exemption from liability given an employer under this section  
29 applies to:

30 “(a) A worker leasing company and the client to whom workers are pro-

1 vided when the worker leasing company and the client comply with ORS  
2 656.850 (3).

3 **“(b) A professional employer organization, as defined in section 6**  
4 **of this 2024 Act, and the client employer, as defined in section 6 of this**  
5 **2024 Act, for whom the professional employer organization has con-**  
6 **tracted to provide workers’ compensation coverage when the profes-**  
7 **sional employer organization and the client employer comply with**  
8 **section 6 (3) of this 2024 Act.**

9 “(5)(a) The exemption from liability given an employer under this section  
10 applies to a temporary service provider, as that term is used in ORS 656.850,  
11 and also extends to the client to whom workers are provided when the tem-  
12 porary service provider complies with ORS 656.017.

13 “(b) The exemption from liability given a client under paragraph (a) of  
14 this subsection is also extended to the client’s insurer, the self-insured  
15 client’s claims administrator, the department, and the contracted agents,  
16 employees, officers and directors of the client, the client’s insurer, the self-  
17 insured client’s claims administrator and the department, except that the  
18 exemption from liability shall not apply:

19 “(A) If the willful and unprovoked aggression by a person otherwise ex-  
20 empt under this subsection is a substantial factor in causing the injury,  
21 disease, symptom complex or similar condition;

22 “(B) If the worker and the person otherwise exempt under this subsection  
23 are not engaged in the furtherance of a common enterprise or the accom-  
24 plishment of the same or related objectives;

25 “(C) If the failure of the client to comply with a notice posted pursuant  
26 to ORS 654.082 is a substantial factor in causing the injury, disease, symptom  
27 complex or similar condition; or

28 “(D) If the negligence of a person otherwise exempt under this subsection  
29 is a substantial factor in causing the injury, disease, symptom complex or  
30 similar condition and the negligence occurs outside of the capacity that

1 qualifies the person for exemption under this subsection.

2 “(6) Nothing in this chapter shall prohibit payment, voluntarily or oth-  
3 erwise, to injured workers or their beneficiaries in excess of the compen-  
4 sation required to be paid under this chapter.

5 “(7) The exclusive remedy provisions and limitation on liability provisions  
6 of this chapter apply to all injuries and to diseases, symptom complexes or  
7 similar conditions of subject workers arising out of and in the course of  
8 employment whether or not they are determined to be compensable under  
9 this chapter.

10 **“SECTION 10. Section 11 of this 2024 Act is added to and made a  
11 part of ORS 737.235 to 737.340.**

12 **“SECTION 11. (1) When a professional employer organization re-  
13 quired to be licensed under section 6 of this 2024 Act contracts to  
14 provide workers’ compensation coverage for a client employer, the  
15 insurance premium for the client employer’s exposure shall be based  
16 on the client employer’s own experience rating.**

17 **“(2) An insurer that provides workers’ compensation to a profes-  
18 sional employer organization on behalf of a client employer shall  
19 maintain and report to the licensed workers’ compensation rating or-  
20 ganization of which the insurer is a member separate statistical expe-  
21 rience for each client employer of the professional employer  
22 organization according to the uniform statistical plan prescribed by  
23 the Director of the Department of Consumer and Business Services  
24 under ORS 737.225 (4).**

25 **“(3) To reimburse expenses incurred by the insurer in segregating  
26 client employer experience, the insurer shall be permitted to charge  
27 the professional employer organization a reasonable fee as determined  
28 by the director.**

29 **“(4)(a) The professional employer organization shall earn a separate  
30 experience rating for any employees who perform services for the**



1 professional employer organization under the professional employer  
2 organization's direction and control.

3 “(b) For any hour of work, an employee may not be considered to  
4 be employed by both a professional employer organization and the  
5 client employer for whom the professional employer organization has  
6 contracted to provide workers' compensation coverage.

7 **“SECTION 12.** Section 13 of this 2024 Act is added to and made a  
8 part of the Insurance Code.

9 **“SECTION 13.** A professional employer organization as defined in  
10 section 6 of this 2024 Act may offer group health insurance to the  
11 employees of any client employer as defined in section 6 of this 2024  
12 Act.

13 **“SECTION 14.** (1) Sections 6, 7, 11 and 13 of this 2024 Act and the  
14 amendments to ORS 656.018 and 656.850 by sections 8 and 9 of this 2024  
15 Act become operative on January 1, 2025.

16 **“(2)** The Director of the Department of Consumer and Business  
17 Services may take any action before the operative date specified in  
18 subsection (1) of this section that is necessary to enable the director  
19 to implement, on and after the operative date specified in subsection  
20 (1) of this section, the provisions of sections 6, 7, 11 and 13 of this 2024  
21 Act and the amendments to ORS 656.018 and 656.850 by sections 8 and  
22 9 of this 2024 Act.

23 **“SECTION 15.** This 2024 Act takes effect on the 91st day after the  
24 date on which the 2024 regular session of the Eighty-second Legislative  
25 Assembly adjourns sine die.”.

26