



February 8, 2024

TO: Members of the Senate Committee on Labor and Business

FR: Derek Sangston, Oregon Business & Industry

RE: Support for SB 1580

Chair Taylor, Vice-chair Bonham, members of the committee. For the record, I'm Derek Sangston, policy director and counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. 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 support of SB 1580, assuming the Management Labor Advisory Committee gives the bill its stamp of approval. OBI supports the bill because, as it would be amended by the -6 amendment, it would protect against potential abuse of the workers' compensation system by making a minimal change to current Oregon law. SB 1580 accomplishes this by clarifying current law to ensure it can be enforced against bad actors and does not impose overly aggressive penalties to address the purportedly rare abuse of the system.

OBI opposed other drafts of SB 1580 because they likely would have imposed harsh penalties on companies operating in good faith for inadvertent misclassifications and errors in an effort to address the small number of bad actors allegedly abusing Oregon's workers' compensation system. As amended by the -6, SB 1580 would avoid this by:

- Maintaining the current Class A misdemeanor liability imposed by ORS 656.990(1);
- Ensuring the current provisions of ORS 656.990 apply to both employers and workers; and
- Imposing liability on employers only when they *knowingly submit a false payroll report with the intent to decrease the employer's premium.*

With these changes, SB 1580 would take a measured approach to protecting Oregon's workers' compensation system against bad actors.

Thank you for your consideration.

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