

# House Bill 4109

Sponsored by Representatives SKARLATOS, ELMER; Representatives BOICE, EDWARDS, HARBICK, LEVY B, LEWIS, MCLAIN, SCHARF, Senator SMITH DB (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would repeal the law that allows UI benefits to be paid to a person who is unemployed due to an active strike. (Flesch Readability Score: 69.6).

Repeals Enrolled Senate Bill 916 (2025), which authorized unemployment insurance benefits for individuals who are unemployed due to a strike.

## A BILL FOR AN ACT

1 Relating to unemployment insurance benefits; amending ORS 657.010, 657.153, 657.176, 657.200,  
2 657.202, 657.310, 657.317 and 657.400; and repealing ORS 657.203.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 657.200 is amended to read:

5 657.200. [(1) *Notwithstanding the provisions of this chapter relating to availability for work, actively seeking work or refusal to accept suitable work, an individual who is otherwise eligible for benefits is not disqualified for benefits or waiting week credit for any week with respect to which the Director of the Employment Department finds that the unemployment of the individual is due to a lockout that is in active progress at the factory, establishment or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement or otherwise.]*

6 [(2)(a) *An individual is disqualified for benefits for the first week with respect to which the Director of the Employment Department finds that the unemployment of the individual is due to a strike that is in active progress at the factory, establishment or other premises at which the individual is or was last employed or at which the individual claims employment rights by union agreement or otherwise.]*

7 [(b) *Notwithstanding the provisions of this chapter relating to availability for work, actively seeking work or refusal to accept suitable work, after the first week, an individual described in paragraph (a) of this subsection who is otherwise eligible for benefits is not disqualified for benefits or waiting week credit for:]*

8 [(A) *If the tax schedule in effect on the date on which the strike begins is Fund Adequacy Percentage Ratio I, II, III or IV, any of the subsequent 10 weeks of unemployment due to the strike.]*

9 [(B) *If the tax schedule in effect on the date on which the strike begins is Fund Adequacy Percentage Ratio V, VI, VII or VIII, any of the subsequent eight weeks of unemployment due to the strike.]*

10 **(1) An individual is disqualified for benefits for any week with respect to which the Director of the Employment Department finds that the unemployment of the individual is due to a labor dispute that is in active progress at the factory, establishment or other premises**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 at which the individual is or was last employed or at which the individual claims employment  
2 rights by union agreement or otherwise.

3 (2) When an employer operates two or more premises in the conduct of business they  
4 shall be considered one premises for the purposes of this chapter if the labor dispute at one  
5 makes it impossible or impractical to conduct work at the others or in a normal manner.

6 (3) This section does not apply if it is shown to the satisfaction of the director that the  
7 individual:

8 (a) Is unemployed due to a lockout, as defined in ORS 662.205, at the factory, establish-  
9 ment or other premises at which the individual was last employed; or

10 (b)(A) Is not participating in or financing or directly interested in the labor dispute that  
11 caused the unemployment of the individual; and

12 (B) Does not belong to a grade or class of workers of which, immediately before the  
13 commencement of the labor dispute, there were members employed at the premises at which  
14 the labor dispute occurs, any of whom are participating in or financing or directly interested  
15 in the dispute.

16 (4) An individual who meets all other applicable benefit eligibility requirements of this  
17 chapter is not disqualified from receipt of benefits by this section if:

18 (a) The individual was laid off from the employer prior to commencement of the labor  
19 dispute, did not work for the employer more than seven days during the 21 calendar days  
20 immediately prior to the commencement of the labor dispute and meets the requirements  
21 of subsection (3)(b)(A) of this section; or

22 (b) During the labor dispute, the individual's job or position is filled by the employer  
23 hiring a permanent replacement and the following conditions are met:

24 (A) The individual subsequently unilaterally abandons the labor dispute and affirmatively  
25 seeks reemployment with the employer; and

26 (B) The individual meets the requirements of subsection (3)(b)(A) of this section.

27 (5) An individual who maintains membership in a labor union or who continues to pay  
28 labor union dues does not violate the provisions of subsection (3)(b)(A) of this section for the  
29 purposes of subsection (4) of this section.

30 **SECTION 2.** ORS 657.010 is amended to read:

31 657.010. As used in this chapter, unless the context requires otherwise:

32 (1) "Base year" means the first four of the last five completed calendar quarters preceding the  
33 benefit year.

34 (2) "Benefits" means the money allowances payable to unemployed persons under this chapter.

35 (3) "Benefit year" means a period of 52 consecutive weeks commencing with the first week with  
36 respect to which an individual files an initial valid claim for benefits, and thereafter the 52 consec-  
37 utive weeks period beginning with the first week with respect to which the individual next files an  
38 initial valid claim after the termination of the individual's last preceding benefit year except that  
39 the benefit year shall be 53 weeks if the filing of an initial valid claim would result in overlapping  
40 any quarter of the base year of a previously filed initial valid claim.

41 (4) "Calendar quarter" means the period of three consecutive calendar months ending on March  
42 31, June 30, September 30 or December 31, or the approximate equivalent thereof, as the Director  
43 of the Employment Department may, by rule, prescribe.

44 (5) "Client employer" means an employer that enters into a PEO relationship.

45 (6) "Client worker" means an individual who performs services for compensation for the client

1 of a professional employer organization.

2 (7) "Contribution" or "contributions" means the money payments required by this chapter, or  
3 voluntary payments permitted, to be made to the Unemployment Compensation Trust Fund.

4 (8) "Covered employee" means a client worker for whom a PEO has assumed employer respon-  
5 sibilities under a PEO relationship.

6 (9) "Educational institution," including an institution of higher education, means an institution:

7 (a) In which participants, trainees or students are offered an organized course of study or  
8 training designed to transfer to them knowledge, skills, information, doctrines, attitudes or abilities  
9 from, by or under the guidance of an instructor or teacher;

10 (b) That is accredited, registered, approved, licensed or issued a permit to operate as a school  
11 by the Department of Education or other government agency, or that offers courses for credit that  
12 are transferable to an approved, registered or accredited school;

13 (c) In which the course or courses of study or training that it offers may be academic, technical,  
14 trade or preparation for gainful employment in a recognized occupation; and

15 (d) In which the course or courses of study or training are offered on a regular and continuing  
16 basis.

17 (10) "Employment office" means a free public employment office or branch thereof, operated by  
18 this state or maintained as a part of a state-controlled system of public employment offices.

19 (11) "Hospital" has the meaning given that term in ORS 442.015.

20 (12) "Institution of higher education" means an educational institution that:

21 (a) Admits as regular students only individuals having a certificate of graduation from a high  
22 school, or the recognized equivalent of such a certificate;

23 (b) Is legally authorized in this state to provide a program of education beyond high school;

24 (c) Provides an educational program for which it awards a bachelor's or higher degree, or pro-  
25 vides a program that is acceptable for full credit toward such a degree, a program of post-graduate  
26 or post-doctoral studies, or a program of training to prepare students for gainful employment in a  
27 recognized occupation; and

28 (d) Is a public or other nonprofit institution.

29 (13) "Instructional capacity" does not include services performed as an instructional assistant  
30 as defined in ORS 342.120.

31 (14) "Internal Revenue Code" means the federal Internal Revenue Code, as amended and in ef-  
32 fect on December 31, 2023.

33 [(15) "Labor dispute" means any concerted or deliberate action by two or more individuals or by  
34 an employing unit resulting in either a strike or lockout in which wages, hours, working conditions or  
35 terms of employment of the individuals are involved.]

36 [(16) "Lockout" means any refusal by an employer to permit employees to work as a result of a  
37 dispute with the employees affecting wages, hours or other terms or conditions of their employment.]

38 [(17)] (15) "Nonprofit employing unit" means an organization, or group of organizations, de-  
39 scribed in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under  
40 section 501(a) of the Internal Revenue Code.

41 [(18)] (16) "PEO relationship" means an agreement between a PEO and a client employer under  
42 which certain employer responsibilities for some or all of the client employer's workers are allo-  
43 cated.

44 [(19)(a)] (17)(a) "Professional employer organization" or "PEO" means a person required to be  
45 licensed under ORS 656.855 that enters into a PEO relationship with a client employer.

1       (b) "Professional employer organization" or "PEO" does not mean a person that solely provides  
 2 workers to a client on a temporary basis or a person that provides payroll processing or similar  
 3 administrative services without assuming employer responsibilities for client workers.

4       [(20)] (18) "State" includes, in addition to the states of the United States of America, the District  
 5 of Columbia and Puerto Rico. However, for all purposes of this chapter the Virgin Islands shall be  
 6 considered a state on and after the day on which the United States Secretary of Labor first approves  
 7 the Virgin Islands' law under section 3304(a) of the Federal Unemployment Tax Act as amended by  
 8 Public Law 94-566.

9       [(21) "Strike" means any concerted act of employees in a lawful refusal under applicable state or  
 10 federal law to perform work or services for an employer.]

11       [(22)] (19) "Taxes" means contributions.

12       [(23)] (20) "Temporary basis" means providing workers to a client:

13       (a) For special situations, including but not limited to employee absences, employee leaves,  
 14 professional skill shortages, seasonal workloads and special assignments and projects with the ex-  
 15 pectation that the position will be terminated when the special situation ends.

16       (b) As probationary new hires with a reasonable expectation of transitioning to permanent em-  
 17 ployment with the client, if the client uses a preestablished probationary period in its overall em-  
 18 ployment selection program.

19       [(24)] (21) "Valid claim" means any claim for benefits made in accordance with ORS 657.260 if  
 20 the individual meets the wages-paid-for-employment requirements of ORS 657.150.

21       [(25)] (22) "Week" means any period of seven consecutive calendar days ending at midnight, as  
 22 the director may prescribe by rule.

23       SECTION 3. ORS 657.153 is amended to read:

24       657.153. [(1) *Except as provided in subsection (2) of this section,*] The amount of back pay paid  
 25 by an employer, or awarded by a judge or arbitrator, to an individual may not be reduced to reflect  
 26 the amount of benefits that the individual received for the period for which the back pay was paid  
 27 or awarded.

28       [(2) *Subsection (1) of this section does not apply to back pay paid to resolve a strike by an employer*  
 29 *to an employee who received benefits for the period during which the strike was in active progress.*]

30       SECTION 4. ORS 657.310 is amended to read:

31       657.310. [(1)] (1)(a) [This section applies to an individual who, according to a decision of] If the  
 32 Director of the Employment Department[,] **decides that an individual** received any benefits to  
 33 which the individual is not entitled because the individual, [:]

34       [(a)] regardless of the individual's knowledge or intent, made or caused to be made a false  
 35 statement or misrepresentation of a material fact, or failed to disclose a material fact, [: or]

36       [(b) *Notwithstanding ORS 657.315, received back pay from an employer to resolve a strike.*]

37       [(2)(a)] [An] **the** individual [described in subsection (1) of this section] is liable:

38       (A) To repay the amount of the benefits to the director for the Unemployment Compensation  
 39 Trust Fund; or

40       (B) To have the amount of the benefits deducted from any future benefits otherwise payable to  
 41 the individual under this chapter.

42       (b) For purposes of paragraph (a)(B) of this subsection, the director may deduct all or any part  
 43 of the individual's future weekly benefits.

44       (c) Except as provided in subsection [(3)(b)] (2)(b) of this section, [an overpayment of] benefits  
 45 described in **paragraph (a) of this** subsection [(1) of this section] may be collected for any week or

1 weeks within five years following the week in which the decision establishing the erroneous pay-  
2 ment became final.

3 (d) Notice provided to an individual of the individual's liability for recovery of benefits under  
4 this section must include a description of:

5 (A) The basis for the director's decision that benefits have been overpaid; and  
6 (B) The consequences of the overpayment, including the methods of recovery of the overpaid  
7 amount, with interest and penalties, and the possibility of waiver under ORS 657.317.

8 [(3)(a)] (2)(a) In addition to the liability described in subsection [(2)] (1) of this section, an in-  
9 dividual who has been disqualified for benefits under ORS 657.215 is liable for a penalty imposed at  
10 a rate prescribed by the director of at least 15, but not greater than 30, percent of the amount of  
11 benefits the individual received to which the individual was not entitled.

12 (b) Notwithstanding subsection [(2)(c)] (1)(c) of this section, overpaid benefits that are subject  
13 to the penalty imposed under this subsection may be collected at any time.

14 [(4)] (3) A decision of the director under this section does not authorize the recovery of the  
15 amount of any benefits paid to an individual until the decision is final and the decision specifies [*the*  
16 *week or weeks for which the benefits were paid and*]:

17 [(a)(A)] (a) That the individual, by reason of the false statement, misrepresentation or  
18 nondisclosure, is liable to repay the amount to the Unemployment Compensation Trust Fund; [*and*]

19 [(B)] (b) The nature of the false statement, misrepresentation or nondisclosure; [*or*] **and**

20 [(b) *That the individual, by reason of the receipt of back pay as described in subsection (1)(b) of*  
21 *this section, is liable to repay the amount to the Unemployment Compensation Trust Fund.*]

22 **(c) The week or weeks for which the benefits were paid.**

23 [(5)(a)] (4)(a) The director may bring a civil action against an individual to collect any amount  
24 subject to recovery and any penalty due under this section.

25 (b) Judgment rendered shall bear interest at the rate provided in subsection [(6)] (5) of this  
26 section.

27 [(6)] (5) Interest on any amount liable to be repaid under this section shall be paid and collected  
28 at the same time repayment of benefits is made by the individual, at the rate of one percent per  
29 month or fraction of a month, beginning on the first day of the month following 60 days after the  
30 finality of the administrative decision establishing the overpayment.

31 [(7)(a)] (6)(a) Deductions from unemployment insurance benefits pursuant to subsection  
32 [(2)(a)(B)] (1)(a)(B) of this section shall be applied solely to the amount of the benefits liable to be  
33 repaid under this section.

34 (b) All other payments shall be applied first to court costs, then to penalties, then to interest,  
35 then to the amount liable to be repaid.

36 [(8)(a)] (7)(a) The following amounts collected under this section shall be paid into the Unem-  
37 ployment Compensation Trust Fund:

38 (A) Amounts in repayment of benefits; and

39 (B) The portion of penalties imposed under subsection [(3)] (2) of this section that is 15 percent  
40 of the amount of benefits received.

41 (b) The following amounts collected under this section shall be paid into the Employment De-  
42 partment Special Fraud Control Fund in accordance with the provisions of ORS 657.400:

43 (A) Interest other than interest described in paragraph (c) of this subsection; and

44 (B) The portion of penalties imposed under subsection (3) of this section that remains after  
45 subtraction of the portion of penalties described in paragraph (a)(B) of this subsection.

1       (c) Interest payable on any portion of benefits that were funded by the federal government shall  
2 be paid to the United States Department of Labor.

3       [(9)] (8) The director shall adopt rules establishing standards and procedures for the repayment  
4 of benefits and payment of penalties and interest under this section.

5       **SECTION 5.** ORS 657.317 is amended to read:

6       657.317. (1) The Director of the Employment Department shall waive recovery of overpaid ben-  
7 efits under ORS 657.315 if the director finds that the benefits are recoverable due to a change in  
8 federal or state law, the application of which has caused the disqualification of benefits previously  
9 paid.

10      (2)(a) Except as provided in paragraph (b) of this subsection, the director may waive recovery  
11 of all or any part of overpaid benefits subject to repayment or deduction under ORS 657.310 [(2)] (1)  
12 or 657.315 (1) if the director finds that recovery of the benefits would be against equity and good  
13 conscience.

14      (b) The director may not waive recovery under this subsection of overpaid benefits that are[.]

15       [(A) *Described in ORS 657.310 (1)(b); or*]

16       [(B)] subject to the penalty imposed under ORS 657.310 [(3)] (2).

17      (3) The director may waive establishment and recovery of overpaid benefits when no decision  
18 has been issued under ORS 657.310 or 657.315 and the amount of the overpayment is less than one-  
19 half of the maximum weekly benefit amount in effect at the time the overpayment is discovered.

20      (4) Any waiver granted under this section extinguishes all liability of the debtor for the waived  
21 amounts.

22       **SECTION 6. ORS 657.203 is repealed.**

23       **SECTION 7.** ORS 657.176 is amended to read:

24       657.176. (1) An authorized representative designated by the Director of the Employment De-  
25 partment shall promptly examine each claim to determine whether an individual is subject to dis-  
26 qualification as a result of a separation, termination, leaving, resignation or disciplinary suspension  
27 from work, or as a result of failure to apply for or accept work, and shall promptly enter a director's  
28 decision if required by ORS 657.267. The authorized representative may address issues raised by  
29 information before the authorized representative, including but not limited to the nature of the  
30 separation, notwithstanding the way the parties characterize those issues.

31      (2) An individual shall be disqualified from the receipt of benefits until the individual has per-  
32 formed service in employment subject to this chapter or the equivalent law of another state or  
33 Canada or as defined in ORS 657.030 (2) or as an employee of the federal government, for which  
34 remuneration is received that equals or exceeds four times the individual's weekly benefit amount  
35 subsequent to the week in which the act causing the disqualification occurred, if the authorized  
36 representative designated by the director finds that the individual:

37       (a) Has been discharged for misconduct connected with work;

38       (b) Has been suspended from work for misconduct connected with work;

39       (c) Voluntarily left work without good cause;

40       (d) Failed without good cause to apply for available suitable work when referred by the em-  
41 ployment office or the director;

42       (e) Failed without good cause to accept suitable work when offered;

43       (f) Has been discharged or suspended for being absent or tardy in reporting to work and the  
44 absence or tardiness occurred as a result of the unlawful use of any drug unless the person was  
45 participating in a recognized drug rehabilitation program at the time of the absence or tardiness,

1 or is so participating within 10 days after the date of the discharge or suspension, and the person  
2 provides to the Employment Department documentation of program participation. As used in this  
3 paragraph, "unlawful use" does not include the use of a drug taken under the supervision of a li-  
4 censed health care professional and in accordance with the prescribed directions for consumption,  
5 or other uses authorized by the laws of this state;

6 (g) Has been discharged or suspended for being absent or tardy in reporting to work and the  
7 absence or tardiness occurred as the result of the use of alcohol or cannabis on a second or any  
8 subsequent occasion within a period of 12 months unless the person was participating in a recog-  
9 nized alcohol or cannabis rehabilitation program at the time of the absence or tardiness, or is so  
10 participating within 10 days after the date of the discharge or suspension, and the person provides  
11 to the department documentation of program participation; or

12 (h) Has committed a disqualifying act described in subsection (8) or (9) of this section.

13 (3) If the authorized representative designated by the director finds that an individual was dis-  
14 charged for misconduct because of the individual's commission of a felony or theft in connection  
15 with the individual's work, all benefit rights based on wages earned prior to the date of the dis-  
16 charge shall be canceled if the individual's employer notifies the director of the discharge within  
17 10 days following issuance of the notice provided for in ORS 657.265 or 30 days following issuance  
18 of the notice provided for in ORS 657.266, and:

19 (a) The individual has admitted commission of the felony or theft to an authorized representative  
20 of the director;

21 (b) The individual has signed a written admission of the felony or theft and the written admis-  
22 sion has been presented to an authorized representative of the director; or

23 (c) The felony or theft has resulted in a conviction by a court of competent jurisdiction.

24 (4) An individual may not be disqualified from receiving benefits under subsection (2)(c) or (e)  
25 of this section **or ORS 657.200** if the individual ceases work or fails to accept work when a collec-  
26 tive bargaining agreement between the individual's bargaining unit and the individual's employer is  
27 in effect and the employer unilaterally modifies the amount of wages payable under the agreement,  
28 in breach of the agreement.

29 (5)(a) For purposes of subsection (2) of this section, a separation from work shall be adjudicated  
30 as if an actual voluntary leaving had not occurred and a planned voluntary leaving had occurred  
31 if an individual has notified an employer that the individual will leave work on a specific date and  
32 it is determined that:

33 (A) The separation would be for reasons that constitute good cause;

34 (B) The individual voluntarily left work without good cause prior to the date of the impending  
35 good cause voluntary leaving date; and

36 (C) The actual voluntary leaving of work occurred no more than 15 days prior to the planned  
37 date of voluntary leaving.

38 (b) Notwithstanding paragraph (a) of this subsection, the individual shall be ineligible for bene-  
39 fits for the period including the week in which the actual voluntary leaving occurred through the  
40 week prior to the week of the planned good cause voluntary leaving date.

41 (6)(a) For purposes of subsection (2) of this section, a separation from work shall be adjudicated  
42 as if a voluntary leaving had not occurred and a discharge had occurred if an employer has notified  
43 an individual that the individual will be discharged on a specific date and it is determined that:

44 (A) The discharge would not be for reasons that constitute misconduct connected with the work;  
45 (B) The individual voluntarily left work without good cause prior to the date of the impending

1 discharge; and

2 (C) The voluntary leaving of work occurred no more than 15 days prior to the date of the im-  
3 pending discharge.

4 (b) Notwithstanding paragraph (a) of this subsection, the individual shall be ineligible for bene-  
5 fits for the period including the week in which the voluntary leaving occurred through the week  
6 prior to the week in which the individual would have been discharged.

7 (7)(a) For purposes of subsection (2) of this section, a separation from work shall be adjudicated  
8 as if a discharge had not occurred and a planned voluntary leaving had occurred if an individual  
9 has notified an employer that the individual will leave work on a specific date and it is determined  
10 that:

11 (A) The voluntary leaving would be for reasons that do not constitute good cause;

12 (B) The employer discharged the individual, but not for misconduct connected with work, prior  
13 to the date of the planned voluntary leaving; and

14 (C) The actual discharge occurred no more than 15 days prior to the planned voluntary leaving.

15 (b) Notwithstanding paragraph (a) of this subsection, the individual shall be eligible for benefits  
16 for the period including the week in which the actual discharge occurred through the week prior  
17 to the week of the planned voluntary leaving date.

18 (8)(a) For the purposes of subsection (2) of this section, an individual is considered to have  
19 committed a disqualifying act when the individual:

20 (A) Fails to comply with the terms and conditions of a reasonable written policy established by  
21 the employer or through collective bargaining, which may include blanket, random, periodic and  
22 probable cause testing, that governs the use, sale, possession or effects of drugs, cannabis or alcohol  
23 in the workplace;

24 (B) Fails or refuses to take a drug, cannabis or alcohol test as required by the employer's rea-  
25 sonable written policy;

26 (C) Refuses to cooperate with or subverts or attempts to subvert a drug, cannabis or alcohol  
27 testing process in any employment-related test required by the employer's reasonable written policy,  
28 including but not limited to:

29 (i) Refusal or failure to complete proper documentation that authorizes the test;

30 (ii) Refusal or failure to sign a chain of custody form;

31 (iii) Presentation of false identification;

32 (iv) Placement of an adulterant in the individual's specimen for testing, when the adulterant is  
33 identified by a testing facility; or

34 (v) Interference with the accuracy of the test results by conduct that includes dilution or  
35 adulteration of a test specimen;

36 (D) Is under the influence of intoxicants while performing services for the employer;

37 (E) Possesses cannabis or a drug unlawfully or in violation of the employer's reasonable written  
38 policy during work;

39 (F) Tests positive for alcohol, cannabis or an unlawful drug in connection with employment; or

40 (G) Refuses to enter into or violates the terms of a last chance agreement with the employer.

41 (b)(A) Except as provided in subparagraph (B) of this paragraph, an individual is not considered  
42 to have committed a disqualifying act under this subsection if the individual, on the date of sepa-  
43 ration or within 10 days after the date of separation, is participating in a recognized drug, cannabis  
44 or alcohol rehabilitation program and provides documentation of participation in the program to the  
45 department.

1       (B) This paragraph does not apply to an individual who has refused to enter into or has violated  
2 the terms of a last chance agreement with the employer.

3       (c) It is no defense or excuse under this section that the individual's separation resulted from  
4 alcohol use, cannabis use, unlawful drug use, alcoholism or addiction to cannabis or drugs.

5       (d) The department shall adopt rules to carry out the provisions of this subsection.

6       (9) For the purposes of subsection (2) of this section, an individual is considered to have com-  
7 mitted a disqualifying act when the individual voluntarily leaves work, fails to apply for available  
8 suitable work when referred by the employment office or the director or fails to accept suitable  
9 work when offered:

10      (a) Because the employer has or introduces a reasonable written cannabis-free or drug-free  
11 workplace policy that is consistent with subsection (8)(a)(A) of this section;

12      (b) Because the employer requires the employee to consent to present or future drug, cannabis  
13 or alcohol tests under a reasonable written policy that is consistent with subsection (8)(a)(A) of this  
14 section;

15      (c) To avoid taking a drug, cannabis or alcohol test under a reasonable written policy that is  
16 consistent with subsection (8)(a)(A) of this section; or

17      (d) To avoid meeting the requirements of a last chance agreement.

18      (10) An individual may not be disqualified from receiving benefits under subsection (2)(c) of this  
19 section and shall be deemed laid off if the individual:

20      (a) Works under a collective bargaining agreement;

21      (b) Elects to be laid off when the employer has decided to lay off employees; and

22      (c) Is placed on the referral list under the collective bargaining agreement.

23      (11) An individual may not be disqualified from receiving benefits under subsection (2)(c), (d) or  
24 (e) of this section or be considered unavailable for purposes of ORS 657.155 if:

25      (a) The individual or a member of the individual's immediate family is a victim of domestic vi-  
26 olence, stalking, sexual assault or a bias crime, or the individual believes that the individual or a  
27 member of the individual's immediate family could become a victim of domestic violence, stalking,  
28 sexual assault or a bias crime; and

29      (b) The individual leaves work, fails to apply for available suitable work or fails to accept suit-  
30 able work when offered in order to protect the individual or a member of the individual's immediate  
31 family from domestic violence, stalking, sexual assault or a bias crime that the individual reasonably  
32 believes will occur as a result of the individual's continued employment or acceptance of work.

33      (12) For purposes of this section:

34      (a) "Adulterant" means a substance that does not occur naturally in urine, or that occurs na-  
35 turally in urine but not at the concentrations detected. "Adulterant" includes but is not limited to  
36 glutaraldehyde, nitrite concentrations above physiological levels, hypochlorite or soap.

37      (b) "Bias crime" means:

38      (A) Conduct that, in the determination of the director, more likely than not constitutes a bias  
39 crime in the first degree described in ORS 166.165 or a bias crime in the second degree described  
40 in ORS 166.155; or

41      (B) Similar conduct, as defined by the director by rule.

42      (c) "Drug" means a controlled substance as defined in ORS 475.005.

43      (d) "Last chance agreement" means a reasonable agreement:

44      (A) Between an employer and an employee who has violated the employer's reasonable written  
45 policy, has engaged in drug, cannabis or alcohol use connected with work or has admitted to alcohol

1 abuse, cannabis abuse or unlawful drug use; and  
2 (B) That permits the employee to return to work under conditions that may require the em-  
3 ployee to:  
4 (i) Abstain from alcohol use, cannabis use and unlawful drug use; and  
5 (ii) Attend and comply with the requirements of a rehabilitation or education program accepta-  
6 ble to the employer.  
7 (e) "Under the influence of intoxicants" means the level of alcohol, cannabis or unlawful drugs  
8 present in an individual's body exceeds the amount prescribed in a collective bargaining agreement  
9 or the amount prescribed in the employer's reasonable written policy if there is no applicable col-  
10 lective bargaining agreement provision.

11 **SECTION 8.** ORS 657.202 is amended to read:

12 657.202. (1) As used in this section, "temporary lockout benefits" means benefits payable as  
13 provided in this section to individuals who are unemployed due to a lockout, **as defined in ORS**  
14 **662.205.**

15 (2) An individual is eligible to receive temporary lockout benefits for a week in an amount equal  
16 to the weekly benefit amount of the individual's most recent unemployment benefit claim if:

17 (a) Prior to the week, the individual has received all of the regular benefits that were available  
18 to the individual under this chapter;

19 (b) The individual is not eligible for any other benefits, including benefits provided under any  
20 federal law extending benefits beyond those provided for as regular benefits; and

21 (c) At the time of filing an initial or additional claim, the individual is unemployed due to a  
22 lockout at the individual's place of employment.

23 (3) The maximum temporary lockout benefit amount an individual may receive under this section  
24 is 26 times the weekly benefit amount of the individual's most recent unemployment benefit claim.

25 (4) Notwithstanding subsections (2) and (3) of this section, temporary lockout benefits otherwise  
26 payable to an individual under this section may not be paid for weeks that begin after the week in  
27 which the lockout ends.

28 (5) An employer shall be charged for temporary lockout benefits in the manner provided in this  
29 chapter for charging employers for regular benefits.

30 **SECTION 9.** ORS 657.400 is amended to read:

31 657.400. (1) There is established in the State Treasury, separate and distinct from the General  
32 Fund, the Employment Department Special Fraud Control Fund. The Employment Department Spe-  
33 cial Fraud Control Fund shall consist of moneys collected or received by the Employment Depart-  
34 ment as follows:

35 (a) Interest and penalties described under ORS 657.310 [(8)(b)] **(7)(b)**.

36 (b) All gifts to, interest on or profits earned by the Employment Department Special Fraud  
37 Control Fund.

38 (2) The moneys in the Employment Department Special Fraud Control Fund are continuously  
39 appropriated to the Employment Department and may not be appropriated, transferred or otherwise  
40 made available to any other state agency.

41 (3) All amounts in the Employment Department Special Fraud Control Fund shall be used for  
42 the following purposes, as included in the biennial budget of the Employment Department and ap-  
43 proved by the Legislative Assembly:

44 (a) Administrative costs associated with the prevention, discovery and collection of unemploy-  
45 ment benefit overpayments;

1       (b) Costs associated with the Lost Wages Assistance program administered by the department  
2 pursuant to a grant agreement with the Federal Emergency Management Agency under authority  
3 established by the presidential memorandum issued on August 8, 2020, on the subject of Authorizing  
4 the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Dis-  
5 ease 2019; and

6       (c) Administrative costs associated with other benefit programs administered by the department.

7       (4) If, under subsection (3)(b) of this section, the Employment Department uses any amounts for  
8 the purpose of reimbursing the Federal Emergency Management Agency for overpayments of bene-  
9 fits under the Lost Wages Assistance program:

10       (a) Any amounts of overpayments collected from the debtor by the department shall be deposited  
11 in the Employment Department Special Fraud Control Fund.

12       (b)(A) The department may collect such overpayments under the provisions of this chapter as  
13 if the amounts were overpayments of regular benefits; or

14       (B) The Director of the Employment Department may waive collection of such overpayments if  
15 the director determines that it is administratively impracticable to pursue collection.

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