

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 _____