

**REVENUE:** No revenue impact

**FISCAL:** Minimal fiscal impact, no statement issued

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<b>Action:</b>	Do Pass the A-Engrossed Measure
<b>Vote:</b>	4 - 2 - 0
<b>Yeas:</b>	Burdick, Edwards, Girod, Beyer
<b>Nays:</b>	Atkinson, Starr
<b>Exc.:</b>	0
<b>Prepared By:</b>	Richard Berger, Administrator
<b>Meeting Dates:</b>	5/2, 5/17

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**WHAT THE MEASURE DOES:** Requires an applicant for a landscape contracting business license that is registered as a non-exempt independent contractor to provide workers' compensation insurance coverage. Requires an applicant for a landscape contracting business license that is registered as an exempt independent contractor and uses the services or a labor leasing or temporary service provider to provide proof of workers' compensation coverage before employees perform work on a job site. Establishes a violation of the workers' compensation insurance requirement subject to a civil penalty of no more than \$2,000. Establishes a violation of the workers' compensation requirement or proof of coverage requirement as grounds for suspension, revocation or refusal of a license. Changes the required contract for a landscape contracting business license application, submitted by applicants affected by the measure, to reflect the measure's provisions. Changes the requirement for providing the Landscape Contractors Board with requested information during a licensing period.

**ISSUES DISCUSSED:**

- Significant regulatory burden already on landscape contractors
- Leveling the playing field between contractors
- Ability of state to confirm that employers are carrying worker's compensation insurance

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Current statutes that regulate landscaping contracting businesses require such businesses to register with the Landscape Contractors Board (LCB) as either an exempt (having no employees) or non-exempt (having employees) independent contractor. However, because the workers' compensation law does not require every non-exempt employer to carry insurance due to the way that the statutes interpret and uses the term "subject worker," there are employees on job sites that are not covered by workers' compensation insurance. Furthermore, landscape contracting businesses are not required to notify the Board that they have workers' compensation coverage, so the Board has not been able to verify that a licensed non-exempt business is carrying a policy.

House Bill 2157 A requires all licensed and registered landscape contracting businesses to continuously carry workers' compensation insurance regardless whether employees are considered subject workers under workers' compensation law. The measure also requires a registered exempt independent contractor that uses the services or a labor leasing or temporary service provider to provide proof of workers' compensation coverage before these employees work on a job site.

ORS chapter 656, which covers workers' compensation law, defines a "subject worker" as all workers except for those who are specifically exempted under statute (ORS 656.027).

5/23/2011 9:13:00 AM

*This summary has not been adopted or officially endorsed by action of the committee.*