

## **HB 3209 -1 STAFF MEASURE SUMMARY**

### **House Committee On Business and Labor**

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**Meeting Dates:** 4/12

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#### **WHAT THE MEASURE DOES:**

Specifies that member or manager of limited liability company (LLC) is not a subject worker for purposes of workers' compensation requirement if they hold direct or indirect ownership interest in LLC, including through one or more holding companies, regardless of type of work that member or manager performs for LLC.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-1 (Rep. Sprenger) Clarifies that member or manager may elect to be subject to workers' compensation insurance coverage requirements.

#### **BACKGROUND:**

In Oregon, every employer who employs one or more workers who are subject to the workers' compensation law must provide workers' compensation coverage for those subject workers either by purchasing insurance or certifying as a self-insured employer. Under most circumstances, a member of a limited liability company (LLC) is not a subject worker. However, there are exceptions, such as when an LLC is licensed by the Construction Contractors Board or the Landscaping Contractors Board, there may be restrictions on the number of member who are not subject to coverage requirements. Another exception is for LLCs not licensed by either board and having more than one member, as their members are considered subject workers if they perform construction or landscaping work. LLC members are otherwise exempt from workers' compensation requirements may choose to be a subject worker by making a written application to an insurer.