

HB 2039 STAFF MEASURE SUMMARY**Carrier:** Rep. Bonham**House Committee On Business and Labor****Action Date:** 03/10/21**Action:** Do Pass.**Vote:** 11-0-0-0**Yeas:** 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Jan Nordlund, LPRO Analyst**Meeting Dates:** 1/27, 3/10**WHAT THE MEASURE DOES:**

Allows insurers and self-insured employers to keep records of workers' compensation claims in an out-of-state location as long as the records are made available to the Department of Consumer and Business Services at an in-state location. Provides that person who contracts with landscape contracting business licensee or a construction contractor licensee is not responsible for providing workers' compensation coverage to the contractor's employees who are performing work under the contract. Repeals redundant civil penalty statute regarding recordkeeping requirements for self-insured employers.

ISSUES DISCUSSED:

- Modern business practices such as telework and storage of data in the cloud
- Existing exemption for businesses licensed with the Construction Contractors Board
- Requirement that insurers will need to make records available to claimants locally and at no cost
- Processing of worker's claim when employer did not comply with requirement to provide workers' compensation insurance coverage

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under existing law, every workers' compensation insurer or self-insured employer must maintain a place of business in Oregon where claims records are kept. Business practices have evolved to gain efficiencies that include data stored in the cloud and remote work options for employees. House Bill 2039 allows records to be stored outside of Oregon as long as the records are made available at the in-state place of business for examination by the Department of Consumer and Business Services, claimants, and claimant attorneys.

A person who contracts with a person holding a license issued by the Construction Contractors Board is not required to provide workers' compensation coverage to the licensee's employees who are providing labor under the contract because licensed contractors are required to provide workers' compensation coverage to their employees. House Bill 2039 provides the same exemption to persons who contract with licensed landscape contractor businesses.

There are currently two statutes regarding civil penalties for violating recordkeeping requirements relating to workers' compensation: ORS 656.750 is specific to self-insured employers who violate recordkeeping requirements, while ORS 656.745 establishes penalty caps for a broad variety of violations, including those involving recordkeeping. House Bill 2039 repeals the redundant penalty statute specific to recordkeeping by self-insured employers.