

HB 4004 A STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Whitney Perez, LPRO Analyst

Meeting Dates: 2/19, 2/21

WHAT THE MEASURE DOES:

The measure allows the Bureau of Labor and Industries (BOLI) to impose a civil penalty of up to \$10,000 for child labor law violations even when a penalty is also paid to the U.S. Department of Labor. The measure also provides that BOLI need not give a refund for penalties already paid in a federal case. The measure takes effect on the 91st day following adjournment sine die.

Detailed Summary: Increases from \$1,000 to \$10,000 the maximum civil penalty that may be imposed by BOLI for violation of child labor laws even when a civil penalty has been paid to the U.S. Department of Labor (USDOL) for a violation involving the same facts. Repeals requirement that BOLI refund any assessed civil penalties in cases where civil penalties are paid to USDOL for a violation involving the same facts. Applies to violations occurring before, on, or after effective date of measure. Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Revenue impact from increased civil penalty
- History of child labor laws
- Amount of civil penalty in other jurisdictions
- Application of child labor laws to certain industries

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Employers are generally subject to both state child labor laws and the federal child labor provisions of the Fair Labor Standards Act (FLSA), 29 U.S.C. 212(c), and the FLSA regulations at 29 CFR Part 570. Certain provisions of Oregon state law may be less restrictive than federal law, and employers covered by the FLSA that only follow a less restrictive provision of Oregon state law will be in violation of federal law.

The Bureau of Labor and Industries (BOLI) is prohibited from assessing penalties when a violation of child labor law has been assessed a penalty for a violation similar in fact(s) by the United States Department of Labor (USDOL). Currently, if BOLI substantiates a violation of child labor law and assesses civil penalties, the funds must be refunded if the employer pays the USDOL a penalty related to the same factual circumstances. This type of limitation on enforcement is an outlier amongst the laws that both BOLI and USDOL enforce and assess civil penalties a when a violation is substantiated.

House Bill 4004 A permits BOLI to impose a civil penalty of up to \$10,000 for violation of child labor laws even when a civil penalty has been paid to USDOL for a violation of the same facts. In addition, the measure repeals the requirement that BOLI refund any civil penalties collected by the agency, if civil penalties are paid to USDOL.