

Senate Bill 1580

Sponsored by Senator TAYLOR, Representatives HOLVEY, ANDERSEN; Senators CAMPOS, DEMBROW, FREDERICK, GELSER BLOUIN, GORSEK, JAMA, LIEBER, MANNING JR, MEEK, PATTERSON, PROZANSKI, SOLLMAN, WOODS, Representatives CHAICHI, GAMBA, HELM, LIVELY, NATHANSON, NELSON, NOSSE, OSBORNE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would make it a crime for an employer to report false data in order to lower its workers' comp premium. (Flesch Readability Score: 65.2).

Creates the crime of fraudulent misrepresentation by an employer to an insurer of certain employee-related data with the intent to decrease the employer's workers' compensation insurance premium. Punishes by a maximum fine of \$125,000 plus specified forms of restitution.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to fraudulent misrepresentation by employers to reduce workers' compensation premiums;
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2024 Act is added to and made a part of ORS chapter 656.**

6 **SECTION 2. (1)(a) An employer commits the crime of fraudulent misrepresentation if the**
7 **employer, with the intent to decrease the employer's premium for coverage under this**
8 **chapter:**

9 (A) **Knowingly misrepresents to an insurer the amount of the employer's payroll or em-**
10 **ployee hours worked; or**

11 (B) **Knowingly misclassifies for an insurer the occupation or industry in which an em-**
12 **ployee is employed.**

13 (b) **Fraudulent misrepresentation does not include an employer's good faith misrepre-**
14 **sentation to an insurer of the amount of the employer's payroll or employee hours worked,**
15 **or the good faith misclassification to an insurer of the occupation or industry in which an**
16 **employee is employed.**

17 (2) **Fraudulent misrepresentation is a felony punishable by:**

18 (a) **A fine of not more than \$125,000; and**

19 (b) **Notwithstanding ORS 137.101 to 137.109, restitution that equals:**

20 (A) **The difference between the amount of premium the employer would have paid absent**
21 **the fraudulent misrepresentation and the amount of premium the employer actually paid;**
22 **and**

23 (B) **The reasonable costs of administrative investigation of the employer's conduct re-**
24 **lated to the charge of fraudulent misrepresentation.**

25 **SECTION 3. Section 2 of this 2024 Act applies to employer conduct occurring on or after**
26 **the effective date of this 2024 Act.**

27 **SECTION 4. This 2024 Act being necessary for the immediate preservation of the public**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect**
2 **on its passage.**

3
