

A-Engrossed House Bill 3021

Ordered by the House February 6
Including House Amendments dated February 6

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Employment Department)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act would make changes to the laws of the unemployment and paid leave programs run by the Employment Department. (Flesch Readability Score: 63.8).

Makes changes to statutes related to unemployment insurance law and paid family and medical leave insurance law.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to laws administered by the Employment Department; creating new provisions; amending
3 ORS 657.015, 657.601, 657.608, 657.610, 657.695 and 657B.430; repealing section 5, chapter 43,
4 Oregon Laws 2021, and section 4, chapter 180, Oregon Laws 2023; and prescribing an effective
5 date.

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

7 **SECTION 1.** ORS 657.610 is amended to read:

8 657.610. The Director of the Employment Department may:

9 (1) For purposes of administration and control, and with the approval of the Governor, organize
10 and reorganize the department in whatever manner the director considers appropriate to carry out
11 the duties, functions and powers of the department.

12 (2) Appoint all subordinate officers and employees of the department, whether classified or un-
13 classified, and prescribe their duties and compensation, subject to applicable provisions of the State
14 Personnel Relations Law.

15 (3) Delegate to departmental officers and employees such responsibility and authority as the
16 director determines necessary.

17 [(4)(a) *Determine all questions of general policy for this chapter;*]

18 [(b) *Adopt rules for this chapter; and*]

19 [(c) *Administer and enforce this chapter.*]

20 (4)(a) **Determine all questions of general policy for this chapter and for the provisions**
21 **of ORS chapter 657B that are administered by the director;**

22 (b) **Adopt rules for this chapter and for the provisions of ORS chapter 657B that are ad-**
23 **ministered by the director; and**

24 (c) **Administer and enforce this chapter and the provisions of ORS chapter 657B that are**
25 **administered by the director.**

26 (5) Sue and be sued in the name of the director, and shall have a seal bearing the name of the

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 Employment Department.

2 (6) Adopt proper rules to regulate the mode and manner of all investigations.

3 (7) Prescribe the time, place and manner of making claims for benefits under this chapter **and**
4 **ORS chapter 657B**, the kind and character of notices required thereunder and the procedure for
5 investigating and deciding claims.

6 (8) Enter into contracts relating to the federal Workforce Innovation and Opportunity Act
7 deemed necessary by the director to fulfill the mission of the department. The director may enter
8 into contracts with other states or governments, public bodies or persons to provide or receive
9 services. Contracts entered into by the director shall be executed in the name of the state, by and
10 through the Employment Department.

11 **SECTION 2.** ORS 657.601 is amended to read:

12 657.601. There is established an Employment Department. The department shall:

13 (1) Administer the unemployment insurance laws of this state to support Oregonians during pe-
14 riods of unemployment;

15 (2) Provide for the operation of a statewide employment service, including the establishment and
16 maintenance of a system of public employment offices to promote employment of Oregonians;

17 (3) Provide oversight, operation and management of a statewide comprehensive workforce and
18 labor market information system; and

19 (4) *[Provide child care advocacy, coordination of child care policy and planning, technical assist-*
20 *ance to child care providers and certification of child care facilities to assist the employment of*
21 *Oregonians and insure the health and well-being of the future workforce.] Administer the paid family*
22 **and medical leave insurance laws of this state to support Oregonians during periods of leave.**

23 **SECTION 3.** ORS 657.695 is amended to read:

24 657.695. (1) To assist the Director of the Employment Department in the effective development
25 of policies and programs with respect to unemployment insurance and employment service and in
26 securing to this state the benefits of the Wagner-Peyser Act, and particularly with respect to car-
27 rying out ORS 657.615, there hereby is created an advisory council within the Employment Depart-
28 ment to be known as the Employment Department Advisory Council.

29 (2)(a) The members of the council shall be appointed by the Governor and shall be composed
30 of *[men and women]* **people** representing employers and employees in equal numbers, and represen-
31 tatives of the public who shall elect their chairperson.

32 (b) The director shall serve as an ex officio member of the council.

33 (3)(a) The members of the council shall be appointed for a term of two years and are entitled
34 to compensation and expenses as provided in ORS 292.495.

35 (b) Members of the council or other committees appointed pursuant to this section and ORS
36 657.700 shall be reimbursed from the Unemployment Compensation Administration Fund.

37 **SECTION 4.** ORS 657.608 is amended to read:

38 657.608. (1)(a) The Employment Department shall be under the supervision and control of a di-
39 rector appointed by the Governor.

40 (b) The term of office of the Director of the Employment Department is four years, but the di-
41 rector may be removed at any time during a term at the pleasure of the Governor.

42 (c) The appointment of the director is subject to confirmation by the Senate in the manner
43 provided in ORS 171.562 and 171.565.

44 (2) The director is responsible for providing for programs to deliver to the public services as-
45 signed to the department and for undertaking long-range planning necessary for the effective deliv-

1 ery of those services.

2 (3)(a) The director shall receive such salary as may be provided by law or, if not so provided,
3 as may be fixed by the Governor, and shall be reimbursed for all expenses actually and necessarily
4 incurred in the performance of official duties.

5 (b) [Such] **The director's** compensation shall be paid out of the Unemployment Compensation
6 Administration Fund or the [Child Care Fund] **Paid Family and Medical Leave Insurance Fund**
7 **established under ORS 657B.430**, as appropriate.

8 **SECTION 5.** ORS 657B.430 is amended to read:

9 657B.430. (1) The Paid Family and Medical Leave Insurance Fund is established in the State
10 Treasury, separate and distinct from the General Fund. The Paid Family and Medical Leave Insur-
11 ance Fund is declared to be a trust fund.

12 (2) The fund consists of moneys deposited in the fund from contributions made under ORS
13 657B.150 and from penalties, fees, revenues and all other amounts deposited in or credited to the
14 fund. Interest earned by the fund shall be credited to the fund.

15 (3) Moneys in the fund are continuously appropriated to the Director of the Employment De-
16 partment and may be used solely to:

17 (a) Carry out the purposes set forth in this chapter, including the payment of administrative
18 costs and expenses that the director incurs in carrying out the provisions of this chapter[.]; **and**

19 (b) **Pay the compensation of the Director of the Employment Department in accordance**
20 **with ORS 657.608.**

21 **SECTION 6.** ORS 657.015 is amended to read:

22 657.015. As used in this chapter, unless the context requires otherwise[.]:

23 (1) "Employee" means any person, including [*aliens*] **noncitizens** and minors, employed for
24 remuneration or under any contract of hire, written or oral, express or implied, by an employer
25 subject to this chapter in an employment subject to this chapter.

26 (2) "Employee" does not include a person who volunteers or donates services performed for no
27 remuneration or without expectation or contemplation of remuneration as the adequate consider-
28 ation for the services performed for a religious or charitable institution or a governmental entity.

29 **SECTION 7.** Section 8 of this 2025 Act is added to and made a part of ORS chapter 657.

30 **SECTION 8.** (1) **If the United States Secretary of Labor serves notice that the provisions**
31 **of any section of this chapter, any amendment to any section of this chapter or rules adopted**
32 **under any section of this chapter fail to meet the requirements of the Social Security Act**
33 **or the Federal Unemployment Tax Act, the nonconforming provisions or rules shall no longer**
34 **be of any force or effect.**

35 (2) **The Director of the Employment Department shall notify the Legislative Counsel as**
36 **soon as practicable after receipt of the notice described in subsection (1) of this section.**

37 **SECTION 9.** Section 5, chapter 43, Oregon Laws 2021, and section 4, chapter 180, Oregon
38 Laws 2023, are repealed.

39 **SECTION 10.** The amendments to ORS 657.610 by section 1 of this 2025 Act become op-
40 erative on January 1, 2026.

41 **SECTION 11.** This 2025 Act takes effect on the 91st day after the date on which the 2025
42 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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