

Senate Bill 704

Sponsored by Senator TAYLOR (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 makes new laws for state agencies to determine the employment status of workers. (Flesch Readability Score: 61.8).

Directs those agencies that administer certain state laws to use specific criteria to determine whether an individual is an employee or independent contractor and to cooperate in adopting rules to facilitate consistency in the application of the statutory provisions concerning independent contractors and the provisions of the Act.

Creates a rebuttable presumption that an individual who performs work for remuneration for a hiring entity is an employee when the employment status of the individual is at issue.

A BILL FOR AN ACT

1 Relating to worker classification; creating new provisions; and amending ORS 670.605.

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

3 **SECTION 1. For purposes of classifying an individual's status as an employee or an in-**
4 **dependent contractor as necessary for those agencies responsible for administering ORS**
5 **671.510 to 671.760, ORS chapters 316, 656, 657 and 701 and the wage and hour laws under ORS**
6 **chapters 652 and 653, each respective agency shall determine the individual's status as fol-**
7 **lows:**

8
9 (1) **For the Bureau of Labor and Industries, the bureau shall determine whether the in-**
10 **dividual meets the criteria of an independent contractor according to criteria prescribed by**
11 **the bureau by rule.**

12 (2) **For agencies other than the Bureau of Labor and Industries, the agency shall deter-**
13 **mine whether the individual meets the criteria of an independent contractor, as defined in**
14 **ORS 670.600.**

15 (3)(a) **If an agency determines that the individual meets the criteria of an independent**
16 **contractor under subsection (1) or (2) of this section, the agency shall then consider and**
17 **weigh the following factors:**

18 (A) **The degree of control that is exercised by the entity for whom the individual per-**
19 **forms work.**

20 (B) **The extent of the relative capital or entrepreneurial investments of the individual and**
21 **the entity for whom the individual performs work.**

22 (C) **The degree to which the individual's opportunity for profit and loss is determined by**
23 **the entity for whom the individual performs work.**

24 (D) **The skill and initiative required of the individual in performing the work.**

25 (E) **The permanence of the relationship between the individual and the entity for whom**
26 **the individual performs work.**

27 (F) **The extent to which the work performed by the individual is an integral part 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 **business of the entity for whom the individual performs work, including whether the work**
 2 **performed is outside the usual course of business of the entity.**

3 **(b) The agency shall find that an employment relationship exists between the individual**
 4 **and the entity for whom the individual performs work when the factors under paragraph (a)**
 5 **of this subsection demonstrate, on balance, that the individual is economically dependent on**
 6 **the entity for work.**

7 **SECTION 2. Notwithstanding any other provision of law, in any proceeding where a**
 8 **question of fact regarding the classification of an individual as an employee or an independ-**
 9 **ent contractor is at issue, there is a rebuttable presumption that the individual is an em-**
 10 **ployee whenever another individual or entity engages the individual to perform work in**
 11 **exchange for remuneration. An individual or entity that engages an individual to perform**
 12 **such work may overcome the presumption by demonstrating by a preponderance of the evi-**
 13 **dence that the factors and criteria described in section 1 of this 2025 Act establish that the**
 14 **individual is an independent contractor.**

15 **SECTION 3.** ORS 670.605 is amended to read:

16 670.605. (1) In accordance with ORS chapter 183, those agencies responsible for [*the adminis-*
 17 *tration of*] **administering** ORS 671.510 to 671.760, [*and*] ORS chapters 316, 656, 657 and 701 **and the**
 18 **wage and hour laws under ORS chapters 652 and 653** jointly shall adopt rules to carry out the
 19 provisions of ORS 670.600 **and section 1 of this 2025 Act.**

20 (2) The agencies responsible for [*the administration of*] **administering** ORS 671.510 to 671.760,
 21 [*and*] ORS chapters 316, 656, 657 and 701 **and the wage and hour laws under ORS chapters 652**
 22 **and 653** shall cooperate as necessary in their compliance and enforcement activities to ensure
 23 among the agencies the consistent interpretation and application of ORS 670.600 **and section 1 of**
 24 **this 2025 Act.**

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