

Senate Bill 748

Sponsored by Senator SMITH DB (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 allow drug testing for an initial claim for unemployment in certain cases. The Act would make the Employment Department pay for the tests, not the claimant. The Act would disqualify a claimant who fails a drug test until the claimant requalifies and passes another drug test. (Flesch Readability Score: 60.7).

Authorizes the Employment Department to require drug testing for an initial claim for unemployment benefits if the claimant was fired by the claimant's most recent employer for unlawful drug use or suitable work is available for the claimant only in an occupation that regularly conducts drug testing. Provides that the cost of the tests must be paid by the department and not by the claimant. Disqualifies a claimant who fails a drug test from benefits until the claimant requalifies and passes another drug test.

A BILL FOR AN ACT

1
2 Relating to unemployment insurance; creating new provisions; amending section 4, chapter 180,
3 Oregon Laws 2023; and repealing section 5, chapter 43, Oregon Laws 2021.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 657.**

6 **SECTION 2. (1)(a) The Director of the Employment Department may require an individ-**
7 **ual filing an initial claim for benefits under this chapter to submit to a drug test for the**
8 **unlawful use of controlled substances, as defined under federal law, if:**

9 **(A) The individual was terminated from employment by the individual's most recent em-**
10 **ployer for the unlawful use of controlled substances, as defined in 20 C.F.R. 620.2; or**

11 **(B) Suitable work, as determined under ORS 657.190 and 657.195, is available for the in-**
12 **dividual only in an occupation that regularly conducts drug testing listed in 20 C.F.R. 620.3.**

13 **(b) An individual making a continued claim for benefits may not be required to submit**
14 **to a drug test under this section.**

15 **(c) The cost of administering drug tests shall be paid by the Employment Department**
16 **and may not be charged to an individual directly or deducted from the individual's benefits.**

17 **(2)(a) An individual described in subsection (1) of this section may be disqualified from**
18 **the receipt of benefits if the individual fails a drug test administered under this section.**

19 **(b) Disqualification from the receipt of benefits because of a drug test administered under**
20 **this section shall last until the individual meets the requirements of ORS 657.176 (2) and**
21 **passes another drug test administered under this section.**

22 **SECTION 3. Section 4, chapter 180, Oregon Laws 2023, is amended to read:**

23 **Sec. 4.** (1) If the United States Secretary of Labor serves notice that any provisions of [*ORS*
24 *657.221, as amended by section 1 of this 2023 Act, or rules adopted under ORS 657.221, as amended*
25 *by section 1 of this 2023 Act,*] **the statutes listed in subsection (2) of this section, or rules**
26 **adopted under the statutes, fail to meet the requirements of the Social Security Act or the Federal**

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 Unemployment Tax Act, the nonconforming provisions or rules shall no longer be of any force or
2 effect.

3 **(2) The statutes referred to in subsection (1) of this section are:**

4 **(a) ORS 657.010, as amended by section 1, chapter 43, Oregon Laws 2021.**

5 **(b) ORS 657.221, as amended by section 1, chapter 180, Oregon Laws 2023.**

6 **(c) Section 2 of this 2025 Act.**

7 [(2)] **(3)** The Director of the Employment Department shall notify the Legislative Counsel as
8 soon as practicable after receipt of the notice described in subsection (1) of this section.

9 **SECTION 4. Section 5, chapter 43, Oregon Laws 2021, is repealed.**

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