

HB 2236-A4  
(LC 1061)  
5/1/25 (ASD/ps)

Requested by SENATE COMMITTEE ON LABOR AND BUSINESS

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2236  
(INCLUDING AMENDMENTS TO RESOLVE CONFLICTS)**

On page 3 of the printed A-engrossed bill, after line 6, insert:

**“SECTION 1a.** If House Bill 2800 becomes law, ORS 657.010, as amended by section 28, chapter 75, Oregon Laws 2024, and section 1 of this 2025 Act, is amended to read:

“657.010. As used in this chapter, unless the context requires otherwise:

“(1) ‘Base year’ means the first four of the last five completed calendar quarters preceding the benefit year.

“(2) ‘Benefits’ means the money allowances payable to unemployed persons under this chapter.

“(3) ‘Benefit year’ means a period of 52 consecutive weeks commencing with the first week with respect to which an individual files an initial valid claim for benefits, and thereafter the 52 consecutive weeks period beginning with the first week with respect to which the individual next files an initial valid claim after the termination of the individual’s last preceding benefit year except that the benefit year shall be 53 weeks if the filing of an initial valid claim would result in overlapping any quarter of the base year of a previously filed initial valid claim.

“(4) ‘Calendar quarter’ means the period of three consecutive calendar months ending on March 31, June 30, September 30 or December 31, or the approximate equivalent thereof, as the Director of the Employment Depart-

1 ment may, by rule, prescribe.

2 “(5) ‘Client employer’ means an employer that enters into [*an agreement*  
3 *with a worker leasing company for the furnishing of workers*] **a PEO re-**  
4 **lationship.**

5 “(6) ‘Contribution’ or ‘contributions’ means the money payments required  
6 by this chapter, or voluntary payments permitted, to be made to the Unem-  
7 ployment Compensation Trust Fund.

8 “(7) **‘Covered employee’ has the meaning given that term in section**  
9 **2, chapter \_\_, Oregon Laws 2025 (Enrolled House Bill 2800).**

10 “[~~(7)~~] (8) ‘Educational institution,’ including an institution of higher ed-  
11 ucation, means an institution:

12 “(a) In which participants, trainees or students are offered an organized  
13 course of study or training designed to transfer to them knowledge, skills,  
14 information, doctrines, attitudes or abilities from, by or under the guidance  
15 of an instructor or teacher;

16 “(b) That is accredited, registered, approved, licensed or issued a permit  
17 to operate as a school by the Department of Education or other government  
18 agency, or that offers courses for credit that are transferable to an approved,  
19 registered or accredited school;

20 “(c) In which the course or courses of study or training that it offers may  
21 be academic, technical, trade or preparation for gainful employment in a re-  
22 cognized occupation; and

23 “(d) In which the course or courses of study or training are offered on a  
24 regular and continuing basis.

25 “[~~(8)~~] (9) ‘Employment office’ means a free public employment office or  
26 branch thereof, operated by this state or maintained as a part of a state-  
27 controlled system of public employment offices.

28 “[~~(9)~~] ‘Furnished employee’ means a worker who is furnished to a client  
29 employer under an agreement entered into with a worker leasing company.]

30 “(10) ‘Hospital’ has the meaning given that term in ORS 442.015.

1 “(11) ‘Institution of higher education’ means an educational institution  
2 that:

3 “(a) Admits as regular students only individuals having a certificate of  
4 graduation from a high school, or the recognized equivalent of such a cer-  
5 tificate;

6 “(b) Is legally authorized in this state to provide a program of education  
7 beyond high school;

8 “(c) Provides an educational program for which it awards a bachelor’s or  
9 higher degree, or provides a program that is acceptable for full credit toward  
10 such a degree, a program of post-graduate or post-doctoral studies, or a pro-  
11 gram of training to prepare students for gainful employment in a recognized  
12 occupation; and

13 “(d) Is a public or other nonprofit institution.

14 “(12) ‘Instructional capacity’ does not include services performed as an  
15 instructional assistant as defined in ORS 342.120.

16 “(13) ‘Internal Revenue Code’ means the federal Internal Revenue Code,  
17 as amended and in effect on December 31, 2023.

18 “(14) ‘Nonprofit employing unit’ means an organization, or group of or-  
19 ganizations, described in section 501(c)(3) of the Internal Revenue Code that  
20 is exempt from income tax under section 501(a) of the Internal Revenue Code.

21 **“(15) ‘PEO relationship’ has the meaning given that term in section**  
22 **2, chapter \_\_, Oregon Laws 2025 (Enrolled House Bill 2800).**

23 **“(16) ‘Professional employer organization’ has the meaning given**  
24 **that term in section 2, chapter \_\_, Oregon Laws 2025 (Enrolled House**  
25 **Bill 2800).**

26 “[~~(15)~~] **(17)** ‘State’ includes, in addition to the states of the United States  
27 of America, the District of Columbia and Puerto Rico. However, for all pur-  
28 poses of this chapter the Virgin Islands shall be considered a state on and  
29 after the day on which the United States Secretary of Labor first approves  
30 the Virgin Islands’ law under section 3304(a) of the Federal Unemployment

1 Tax Act as amended by Public Law 94-566.

2 “[~~(16)~~] **(18)** ‘Taxes’ means contributions.

3 “[~~(17)~~] **(19)** ‘Valid claim’ means any claim for benefits made in accordance  
4 with ORS 657.260 if the individual meets the wages-paid-for-employment re-  
5 quirements of ORS 657.150.

6 “[~~(18)~~] **(20)** ‘Week’ means any period of seven consecutive calendar days  
7 ending at midnight, as the director may prescribe by rule.

8 “[~~(19)~~ ‘Worker leasing company’ means a person required to be licensed  
9 under ORS 656.855.]”.

10 After line 42, insert:

11 **“SECTION 3a.** If House Bill 2800 becomes law, section 3 of this 2025 Act  
12 is amended to read:

13 **“Sec. 3.** (1)(a) Notwithstanding any other provision of this chapter, dur-  
14 ing the term of [*the agreement under which a worker leasing company fur-*  
15 *nishes employees to a client employer*] **a PEO relationship**, the [*worker*  
16 *leasing company*] **professional employer organization** shall elect to treat  
17 [*the*] **covered** employees [*so furnished*] as either employees of:

18 “(A) The [*worker leasing company*] **professional employer**  
19 **organization**; or

20 “(B) The client employer.

21 “(b) Notwithstanding any other provision of law, if a [*worker leasing*  
22 *company*] **professional employer organization** elects to treat a [*furnished*]  
23 **covered** employee as its own employee under paragraph (a) of this sub-  
24 section, such treatment shall be limited to the payroll tax reporting pro-  
25 visions of this chapter.

26 “(c)(A) Benefits based on the wages of the [*furnished*] **covered** employees  
27 reported in accordance with paragraph (a)(A) of this subsection shall be  
28 charged, in accordance with ORS 657.471, to the [*worker leasing company*]  
29 **professional employer organization** and not to the client employer.

30 “(B) Benefits based on the wages of the [*furnished*] **covered** employees

1 reported in accordance with paragraph (a)(B) of this subsection shall be  
2 charged, in accordance with ORS 657.471, to each respective client employer  
3 and not to the [worker leasing company] **professional employer organiza-**  
4 **tion.**

5 “(2) For purposes of determining wages in excess of the taxable wage base  
6 under ORS 657.095, any remuneration covered by this chapter that is paid  
7 by a client employer or a [worker leasing company] **professional employer**  
8 **organization** to an individual during a calendar year shall be included in  
9 payroll for both the client employer and the [worker leasing company] **pro-**  
10 **fessional employer organization.**

11 “(3)(a) A [worker leasing company] **professional employer organization**  
12 shall notify the Director of the Employment Department in writing of its  
13 election of a reporting method under subsection (1)(a) of this section.

14 “(b)(A) A [worker leasing company] **professional employer organization**  
15 electing the reporting method under subsection (1)(a)(B) of this section shall  
16 produce all documentation and information requested by the director within  
17 60 days after submitting the written notice.

18 “(B) If the [worker leasing company] **professional employer organiza-**  
19 **tion** has not complied with a request under subparagraph (A) of this para-  
20 graph on or before the end of the 60-day period, the [worker leasing  
21 company] **professional employer organization** shall use the reporting  
22 method described in subsection (1)(a)(A) of this section.

23 “(4)(a) After an initial election of treatment under subsection (1)(a) of this  
24 section, a [worker leasing company] **professional employer organization**  
25 may change its election by written notice to the director.

26 “(b) Such subsequent change of election:

27 “(A) Shall become effective in the calendar year following the year in  
28 which the written notice is received by the director; and

29 “(B) May not be changed again for two calendar years following the ef-  
30 fective date of the change.

1       **“SECTION 3b.** The amendments to section 3 of this 2025 Act by  
2       **section 3a of this 2025 Act and the amendments to ORS 657.010 by**  
3       **section 1a of this 2025 Act become operative on July 1, 2027.”.**

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