



March 31, 2025

Re: Support for House Bill 2236 and the -2 amendment

Chair Grayber, Vice Chairs Muñoz and Elmer, and Members of the Committee,

Professional Business Solutions, Inc. (pbsi), is a small PEO (worker leasing company) operating in Portland, Oregon. We have been in business for 25 years and we have been supporting local, small businesses in the areas of HR and government compliance, including payroll, worker policies, workers' compensation, safety and health, benefits, and other administrative functions having to do with employment. We have become an integral partner in the operation and success of hundreds of small clients over the 25 years we have been in business. We love adding to the success of our clients, and we love what we do!

Last year, the Oregon Employment Department proposed a rulemaking that would have reversed decades of precedence for PEOs who operate in Oregon and destabilized the regulatory environment for our clients. Many small businesses rely on PEOs to handle UI reporting to reduce administrative burdens, and the proposed rulemaking would have made it difficult to help our clients manage regulatory complexities.

The current SUTA reporting system has been effective and beneficial for businesses and workers in Oregon since 1989. Today, most PEOs report all Oregon and federal payroll taxes under a consolidated tax return which also affects new hire reporting, multiple worksite reporting, employee garnishment orders and annual reporting of W2s. If there was a reporting change requiring client companies to report UI wages under their account, it would create inconsistencies and would result in administrative and compliance challenges.

Our industry approached the Oregon Employment Department with our concerns about the negative impacts of the proposed rulemaking on small businesses. Representatives from our industry suggested statutory language to provide assurance that we could continue operating and reporting SUTA as PEOs have for the last 30 years in Oregon. Our priority was maintaining a stable regulatory environment for our clients and reducing administrative burdens. After discussions with our trade association (NAPEO) and the Oregon Employment Department, we settled on language that reflects current practice and supports compliance. That agreement is reflected in the -2 amendment.

I appreciate Representative Shelly Boshart Davis for providing a forum for this conversation and the Oregon Employment Department for working with NAPEO on technical language to achieve the desired outcome. The -2 amendment provides statutory clarity that PEOs and their clients can continue reporting SUTA as they have been for decades. It reduces compliance risk, supports business stability and reduces costs.

As a PEO who operates in Oregon, I respectfully request your support of the -2 amendment to HB 2236.

Thank you for the opportunity to comment on this important bill.

Regards,

Anthony S. Kell  
President