

SENATE COMMITTEE ON LABOR

June 3, 1991 Hearing Room 50 3:00 p.m. Tapes 130 - 131
MEMBERS PRESENT: SEN. GRATTAN KERANS, CHAIR SEN. LARRY HILL,
VICE-CHAIR SEN. PETER BROCKMAN SEN. BOB KINTIGH MEMBER EXCUSED: SEN.
BOB SHOEMAKER STAFF PRESENT: ANNETTE TALBOTT, COMMITTEE COUNSEL
ROBERTA WHITE, COMMITTEE ASSISTANT MEASURES CONSIDERED: HB 2081 -
REVISES PROCEDURE TO FILE CLAIM NOTICE AGAINST PUBLIC WORK CONTRACTOR'S
BOND HB 2116 - SPECIFIES WHEN PARTICIPATION IN SCHOOL DIRECTED
VOCATIONAL EDUCATION PROJECT IS TO BE COVERED BY WORKERS' COMPENSATION
HB 2487 - CHANGES NUMBER OF CORPORATE OFFICERS IN CERTAIN FAMILY
CORPORATIONS WHO MAY ELECT TO BE EXEMPT FROM COVERAGE UNDER WORKERS'
COMPENSATION LAW HB 2724 - INCREASES BENEFITS TO SURVIVING CHILDREN OF
WORKER WHO DIES OF INJURY COVERED BY WORKERS' COMPENSATION LAW HB 3040 -
PRESCRIBES ELIGIBILITY OF INJURED WORKERS FOR PARTICIPATION IN PROGRAM
FUNDED BY REEMPLOYMENT ASSISTANCE RESERVE - These minutes contain
materials which paraphrase and/or summarize statements made during this
session. Only text enclosed in quotation marks report a speaker's exact
words. For complete contents of the proceedings, please refer to the
tapes. - TAPE 130, SIDE A

001 CHAIR KERANS: Calls the meeting to order. (3:08 p.m.)

PUBLIC HEARING ON HB 2487 - CHANGES NUMBER OF CORPORATE OFFICERS IN
CERTAIN FAMILY CORPORATIONS WHO MAY ELECT TO BE EXEMPT FROM COVERAGE
UNDER WORKERS' COMPENSATION LAW Witnesses: Representative Bill Dwyer,
House District 42

008 REPRESENTATIVE DWYER, HOUSE DISTRICT 42: Testifies in support of HB
272 4.

· People may form corporations to get around paying workers'
compensation, but they don't create families for that purpose. Senate
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· This is an effort to level the playing field, treating family
corporations the same regardless of what vocation they engage in. WORK
SESSION ON HB 2487 - CHANGES NUMBER OF CORPORATE OFFICERS IN CERTAIN
FAMILY CORPORATIONS WHO MAY ELECT TO BE EXEMPT FROM COVERAGE UNDER
WORKERS' COMPENSATION LAW

090 MOTION: SENATOR HILL MOVES THE BILL TO THE FLOOR WITH A "DO PASS"
RECOMMENDATION. 100 VOTE: HEARING NO OBJECTION, THE MOTION CARRIES.
MEMBERS EXCUSED: SENATOR SHOEMAKER

PUBLIC HEARING ON HB 2081 - REVISES PROCEDURE TO FILE CLAIM NOTICE
AGAINST PUBLIC WORK CONTRACTOR'S BOND Witnesses: Donna Hunter, Tax
Manager, Employment Division Kim Mingo, Associated General Contractors
Jack Kalinoski, Associated General Contractors

110 DONNA HUNTER, TAX MANAGER, EMPLOYMENT DIVISION: Submits written
testimony in support of HB 2081, (EXHIBIT B).

· Details Exhibit B.

171 CHAIR KERANS: Why was this changed from a year to 120 days?

HUNTER: The law says 120 days; it got put back from a year to 180.

195 SENATOR KINTIGH: Does this speak to contractor's having to pay for

subcontractor's debts?

HUNTER: It does make the general contractor continue to be liable for the subcontractors debts; they are in the coordinating position for their subcontractors.

225 KIM MINGO, ASSOCIATED GENERAL CONTRACTORS, (AGC): Testifies in opposition to HB 2081.

· The current law allow 120 days to file a claim against the contractors payment and performance bond on a public contract.

· The current statute is a delicate balance between assuring public agencies and others that they will get paid; 60 additional days could put contractors out of business.

285 JACK KALINOSKI, ASSOCIATED GENERAL CONTRACTORS, (AGC): Responds to a question from Senator Hill concerning length of time to collect money.

· I find the existing statute to be extremely strange; why should the general contractor be responsible for the workers' compensation premiums payable to SAIF?

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· It should be "any carrier", not just SAIF.

· Testifies in opposition to HB 2081.

CHAIR KERANS: I don't oppose changes to the bill if there is language.

402 ANNETTE TALBOTT, COMMITTEE COUNSEL: Distributes memo from the Department of Justice to Donna Hunter for amendments to the bill; see (Exhibit B).

465 KALINOSKI: We've never argued that the 120 day period wasn't correct; we are trying to find a way for contractors to get their money while not making someone who doesn't owe them money pay.

· If the claim is made against the subcontractors registration bond, the bond is no longer in effect and that person is out of business.

TAPE 131, SIDE A

080 SENATOR HILL: Your amendments would restrict the three agencies recovery rights to the \$10,000 dollar bonds.

KALINOSKI: If the company isn't going to pay, why should we?

SENATOR HILL: I will declare a potential conflict of interest as I am a subcontractor. PUBLIC HEARING ON HB 2116 - SPECIFICIES WHEN PARTICIPATION IN SCHOOL DIRECTED VOCATIONAL EDUCATION PROJECT IS TO BE COVERED BY WORKERS' COMPENSATION Witnesses: Greg McMurdo, Department of Education George Kurtz, Vice-President, Linn-Benton Community Colleges Jim Markee, Oregon Private Schools Association Larry Young, Administrator, Workers' Compensation Division, Department of Insurance and finance, (DIF)

206 GREG McMURDO, DEPARTMENT OF EDUCATION: Testifies in support of HB 2116.

· The bill clarifies which participants in a school directed vocational education project must be covered by workers' compensation coverage.

· There is one additional change beginning on line 29 on page 2, adding a new subsection 8 which would allow, at a school districts option, the inclusion of trainees in school vocational education project being covered in areas not enumerated in the language in sub section 7.

235 GEORGE KURTZ, VICE PRESIDENT, LINN-BENTON COMMUNITY COLLEGE: Testifies in support of HB 2116. TALBOTT: In regards to colleges, they are considered subject workers, see line 40 & 41 page 2.

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SENATOR HILL: How did you come up with a list?

285 KURTZ: The list was in the old law; we simply incorporated it in the section applicable to us.

· The list is the most dangerous of the working conditions, but we would expect to cover others as well; line 15 on page 3 allows election of other conditions.

325 JIM MARKEE, OREGON PRIVATE SCHOOLS ASSOCIATION & OREGON BARBER AND BEAUTY SCHOOL ASSOCIATION: Testifies in support of HB 2116. · Outlines amendment to the bill (EXHIBIT C). · The amendment would allow the department to embark upon a self insurance program; the original language was too vague. MCMURDO: We don't object; the board had proposed rules to implement this. TALBOTT: There is an LC drafting error on page 3 line 6. CHAIR KERANS: Why the second citation? 435 LARRY YOUNG, ADMINISTRATOR, WORKERS' COMPENSATION DIVISION: That is current law; I'm not sure why. WORK SESSION ON HB 2116 - SPECIFIES WHEN PARTICIPATION IN SCHOOL DIRECTED VOCATIONAL EDUCATION PROJECT IS TO BE COVERED BY WORKERS' COMPENSATION

455 MOTION: CHAIR KERANS MOVES THE ADOPTION OF THE AMENDMENT FROM THE PRIVATE SCHOOLS ASSOCIATION. 457VOTE: HEARING NO OBJECTION, THE MOTION CARRIES.

CHAIR KERANS: We will include the editorial change on line 6, page 3, giving the second cite if necessary.

469 MOTION: CHAIR KERANS MOVES THE BILL AS AMENDED TO THE FLOOR WITH A "DO PASS" RECOMMENDATION. 471 VOTE: HEARING NO OBJECTION, THE MOTION CARRIES. PUBLIC HEARING ON HB 3040 - PRESCRIBES ELIGIBILITY OF INJURED WORKERS FOR PARTICIPATION IN PROGRAM FUNDED BY REEMPLOYMENT ASSISTANCE RESERVE Witnesses: Chris Davie, State Employees Accident Insurance fund, (SAIF) Larry Young, Administrator, Workers' Compensation Division, Department of Insurance and Finance, (DIF) TAPE 130, SIDE B . These minutes contain material which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings,

042 CHRIS DAVIE, STATE EMPLOYEES ACCIDENT INSURANCE FUND, (SAIF): Explains the purpose of HB 3040. · There was concern that DIF wasn't allowing workers' to achieve preferred worker status if they had entered into an compromise and release agreement. · This bill is designed to allow a worker who entered into a disputed claim settlement, (DCS) to also be a preferred worker if there is evidence that they would have received a permanent disability award had the claim gone to the normal closure. 055 CHAIR KERANS: If I've gone out with a DCO, how do I establish that I would have otherwise been eligible? DAVIE: Medical evidence could show that the person would have received permanent disability. 076 LARRY YOUNG, ADMINISTRATOR, WORKERS' COMPENSATION DIVISION, DEPARTMENT OF INSURANCE AND FINANCE: "Preferred Worker" status is an injured worker who is unable to return to his previous employment. · With that we issue a preferred worker card and if he is hired as a preferred worker if he is injured within the first 3 years the cost of the claim is paid out of the reemployment assistance reserve and the premium isn't charged to the employer. WORK SESSION ON HB 3040 - PRESCRIBES ELIGIBILITY OF INJURED WORKERS FOR PARTICIPATION IN PROGRAM FUNDED BY REEMPLOYMENT ASSISTANCE RESERVE

101 MOTION: CHAIR KERANS MOVES THE BILL TO THE FLOOR WITH A "DO PASS" RECOMMENDATION. 105 VOTE: HEARING NO OBJECTION, THE MOTION CARRIES. MEMBERS EXCUSED: SENATORS HILL AND SHOEMAKER

PUBLIC HEARING ON HB 2724 - INCREASES BENEFITS TO SURVIVING CHILDREN OF WORKER WHO DIES OF INJURY COVERED BY WORKERS' COMPENSATION LAW
Witnesses: Tom Mattis, Manager, Compliance Division, Workers' Compensation Division, Department of Insurance and Finance, (DIF) 115 ANNETTE TALBOTT, COMMITTEE COUNSEL: Explains the bill in the absence of anyone to support the bill.

· Currently children who are orphans are treated as if they were left with the surviving parent yet they have a different set of needs because they don't have a parents income to support them and that is why the measure proposes to increase the amount that they would be paid per month until the child becomes 18 years of age.

140 TOM MATTIS, MANAGER, COMPLIANCE SECTION, WORKERS' COMPENSATION DIVISION, DEPARTMENT OF INSURANCE AND FINANCE, (Dug: This wouldn't change anything that would affect the child who had been adopted.

These notes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speech Senate Committee on Labor June 3, 1991- Page 6

· The only affect I see is the issue of the moving the dollar amount from \$150 to \$400 per month if the spouse dies.

· This is a minimal cost; roughly \$100,000 for a year. WORK SESSION ON HB 2724 - INCREASES BENEFITS TO SURVIVING CHILDREN OF WORKER WHO DIES OF INJURY COVERED BY WORKERS' COMPENSATION LAW

163 MOTION: SENATOR KINTIGH MOVES THE BILL TO THE FLOOR WITH A "DO PASS" RECOMMENDATION. 165 VOTE: HEARING NO OBJECTION, THE MOTION CARRIES. MEMBERS EXCUSED: SENATORS HILL AND SHOEMAKER 167 CHAIR KERANS: The meeting is adjourned. (4:15 p.m.)

Submitted by: Reviewed by: Roberta White Annette Talbott
Assistant Committee Counsel

EXHIBIT LOG:

A - HB 2081: Written testimony submitted by MATTSON, pp 2 B - HB
2081: Written testimony submitted by HUNTER, pp 4 C - HB 2116:
Proposed amendment submitted by MARKEE, pp 1 D -Informational: SMS's
on 2116, 2081, 3040, 2724 & 2487 submitted by staff, pp 5

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