

# House Bill 2387

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Commissioner of the Bureau of Labor and Industries Brad Avakian)

## 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**.

Authorizes Commissioner of Bureau of Labor and Industries to administratively compel provision of bond by certain employers.

## A BILL FOR AN ACT

1  
2 Relating to provision of bonds required by Commissioner of the Bureau of Labor and Industries for  
3 certain employers; amending ORS 652.125 and 652.340.

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

5 **SECTION 1.** ORS 652.125 is amended to read:

6 652.125. (1) If, upon complaint by an employee, and after investigation, it appears to the Com-  
7 missioner of the Bureau of Labor and Industries that an employer [*is failing to pay wages within five*  
8 *days of a payday scheduled by the employer,*] **has failed to establish or maintain a regular payday**  
9 **as required by ORS 652.120**, the commissioner may require the employer to [*give a bond in such*  
10 *amount as*] **provide a bond in an amount that** the commissioner determines necessary, with suffi-  
11 cient surety, to assure timely payment of wages due employees for [*such*] **a** future period [*as*] **that**  
12 the commissioner considers appropriate. In lieu of a bond, the commissioner may accept a letter of  
13 credit from an issuer approved by the commissioner, upon [*such*] terms and conditions and for  
14 [*such*] **an** amount [*as*] **that** the commissioner determines necessary to assure timely payment of  
15 wages for [*such*] **a** future period [*as*] **that** the commissioner determines appropriate.

16 (2) If[,] **an employer fails to provide the required bond** within 10 days after demand for [*such*  
17 *bond, the employer fails to provide the same, the commissioner may commence court action against the*  
18 *employer in the circuit court of appropriate jurisdiction*] **the bond, the commissioner may com-**  
19 **mence an administrative action** to compel the employer to [*furnish such*] **provide the** bond or  
20 cease doing business until the employer has done so. The employer shall have the burden of proving  
21 the amount [*thereof*] **of the required bond** to be excessive.

22 (3) If the [*court*] **commissioner** finds that there is just cause for requiring [*such*] **the** bond and  
23 that the [*same*] **bond** is reasonably necessary or appropriate to secure the prompt payment of the  
24 wages of the employees of [*such*] **the** employer, the [*court*] **commissioner** shall enjoin [*such*] **the**  
25 employer from doing business in this state until the requirement is met, or shall make other, and  
26 may make further, orders appropriate to compel compliance with the requirement.

27 (4) **If an employer fails to comply with the requirements of this section, the commis-**  
28 **sioner may commence an action in the circuit court of appropriate jurisdiction to enforce**  
29 **the provisions of subsection (3) of this section.**

30 **SECTION 2.** ORS 652.340 is amended to read:

31 652.340. (1) If upon investigation by the Commissioner of the Bureau of Labor and Industries,

**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 after taking assignments of any wage claims under ORS 652.330, it appears to the commissioner that  
 2 the employer is representing to employees that the employer is able to pay wages for their services  
 3 and that the employees are not being paid for their services, the commissioner may require the  
 4 employer to give a bond in [*such sum as*] **an amount that** the commissioner deems reasonable and  
 5 adequate in the circumstances, with sufficient surety, conditioned that the employer will for a [*def-*  
 6 *inite future period not exceeding six months*] **future period that the commissioner considers ap-**  
 7 **propriate** conduct business and pay employees in accordance with the laws of Oregon.

8 (2) If **an employer fails to provide the required bond** within 10 days after demand for [*such*  
 9 *bond the employer fails to provide the same, the commissioner may commence a suit against the em-*  
 10 *ployer in the circuit court of appropriate jurisdiction*] **the bond, the commissioner may commence**  
 11 **an administrative action** to compel the employer to [*furnish such*] **provide the** bond or cease doing  
 12 business until the employer has done so. The employer shall have the burden of proving the amount  
 13 [*thereof*] **of the required bond** to be excessive.

14 (3) If the [*court*] **commissioner** finds that there is just cause for requiring [*such*] **the** bond and  
 15 that the [*same*] **bond** is reasonably necessary or appropriate to secure the prompt payment of the  
 16 wages of the employees of [*such*] **the** employer and the employer's compliance with ORS 652.310 to  
 17 652.414, the [*court*] **commissioner** shall enjoin [*such*] **the** employer from doing business in this state  
 18 until the requirement is met, or shall make other, and may make further, orders appropriate to  
 19 compel compliance with the requirement.

20 (4) **If an employer fails to comply with the requirements of this section, the commis-**  
 21 **sioner may commence an action in the circuit court of appropriate jurisdiction to enforce**  
 22 **the provisions of subsection (3) of this section.**