

Oppose HB 2489 – A Seismic Shift in Employment Relationships

HB 2489 completely changes Oregon law concerning employment relationships:

- Implied employment contracts would no longer be enforceable in Oregon.
- Employment Agreement is undefined and could apply to any offer of employment.
- Employees must wait two weeks after they sign a contract to start a job. This is unworkable when contracting with temporary or seasonal workers.
- Handbooks outlining employment terms would be in question.
- Contract terms would be limited to two years.
- Expenses would increase because employers would be required to specify employment agreements in contract.
- Attorney fee provisions only apply to prevailing employee.
- Specific performance is listed as a remedy which should not be in statute but left to the courts.

HB 2489 Undermines Long-Standing Law Related to At-Will Employment

HB 2489 eliminates an employer's ability to enforce agreements if they aren't written. Implied employment contracts are recognized in 41 states (including Oregon) and the District of Columbia. It is unclear if the purpose of this bill is to disallow the ability of an employer to automatically maintain at-will status for employees.

HB 2489 Attempts to Eliminate Arbitration Clauses

HB 2489 would eliminate contractual stipulations that disputes be resolved through arbitration rather than costly litigation. This provision is a clear attempt to prohibit arbitration clauses and conflicts with the Federal Arbitration Act (FAA).

HB 2489 Threatens Innovations and Technology

Businesses that develop high tech products or have highly protected trade secrets typically rely on long term contracts to protect themselves. Under this legislation, they would no longer be able to rely on the enforceability of agreements beyond two years. The fear of losing protected information and valuable investment could impact their decisions about operating in Oregon.

With this bill, Oregon would – yet again – be an outlier, making us less competitive with other states.