

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

January 21, 2005 Hearing Room B

8:30 A.M. Tapes 9 - 10

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. George Gilman

Rep. Paul Holvey

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2093 – Public Hearing and Work Session

HB 2085 – Public Hearing and Work Session

HB 2075 – Public Hearing and Work Session

HB 2076 – Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 9, A		
010	Chair Brown	Calls the meeting to order at 9:02 a.m. Opens the public hearing on HB 2093.

HB 2093 - PUBLIC HEARING

013	Janet Adkins	Committee Administrator. Summarizes HB 2093. Corrects staff measure summary by pointing out that the savings would be 4,000 dollars a year and it has been given a “no fiscal impact”.
032	Patrick Allen	Manager, Office of Regulatory Streamlining. Speaks in support of HB 2093 and HB 2085.
049	Peter De Luca	Administrator, Oregon Occupational Safety and Health Division. Submits and summarizes prepared testimony in support of HB 2093 (EXHIBIT A). Believes that this bill will allow them to target the employers that are the most unsafe. States that management and labor who he has spoken with do not have issues with the bill.
080	Rep. Schaufler	Asks how the guidelines are made to determine what employers are unsafe.
086	De Luca	Explains that the current statute says that if they are in the bottom half of their classification they will get a letter. The proposal would allow the division to examine it on a yearly basis and target the employers that are unsafe.
101	Chair Brown	Closes the public hearing on HB 2093. Opens the work session on HB 2093.

HB 2093 - WORK SESSION

105	Rep. Kitts	MOTION: Moves HB 2093 to the floor with a DO PASS recommendation.
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VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Brown The motion CARRIES.

REP. HOLVEY will lead discussion on the floor.

130 Chair Brown Closes the work session on HB 2093. Opens the public hearing on HB 2085.

HB 2085 - PUBLIC HEARING

135 Janet Adkins Committee Administrator. Explains HB 2085.

151 Carol Rives Administrator, Board of Accountancy. Board licenses Certified Public Accountants (CPA) and Public Accountants. Submits prepared testimony in support of HB 2085 (**EXHIBIT B**). Explains peer review between CPAs. Outlines duties of CPAs. Speaks in favor of HB 2085. Believes that this bill changes the law to its original intent and removes a burden from Oregon.

243 Rob Douglas Advocate, Oregon's Society of Certified Public Accountants. Speaks in support of HB 2085. Believes that it will allow peer review to be performed in an efficient, economical manner.

257 Chair Brown Closes the public hearing on HB 2085. Opens the work session on HB 2085.

HB 2085 - WORK SESSION

265 Rep. Kitts **MOTION: Moves HB 2085 to the floor with a DO PASS recommendation.**

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Brown The motion CARRIES.

REP. SHIELDS will lead discussion on the floor.

294 Chair Brown Closes the work session on HB 2085. Opens the public hearing on HB 2075.

HB 2075 - PUBLIC HEARING

315 Craig P Smith Administrator, Construction Contractors Board (CCB). Submits informational packet for the CCB, which includes the submission of written testimony on the behalf of James Fairchild, Chair of the CCB, and Dennis Schad, Member of the CCB and testifies in support HB 2075 (**EXHIBIT C**). Explains HB 2075 and states that the CCB is in support of these recommendations. Asks for a do pass recommendation from the committee.

341 Rep. Holvey Asks if home inspectors standards of practice require a test to qualify home inspectors.

343 Smith States that there is a test that is fairly exhaustive with an 80 percent pass rate.

354 Rep. Gilman Asks if this bill is being put before the legislature in order to ensure that the board has the authority in statute to enforce rules that they are already using.

358 Smith Affirms that that is exactly what the bill is doing.

367 Steve Telfer Oregon Real Estate Inspectors Association. States that they are in support of HB 2075. Answers Rep. Holvey's question about the process of certification of home inspectors. Explains that there are 200 questions in five separate divisions, and that it is a substantial test.

389 Chair Brown Asks whether he is satisfied with the bill.

395 Telfer Requests that they move ahead with HB 2075. Asks that HB 2076 be amended.

400 Chair Brown Closes the public hearing for HB 2075 and opens the work session for HB 2075.

HB 2075 - WORK SESSION

405 Rep. Kitts **MOTION: Moves HB 2075 to the floor with a DO PASS recommendation.**

VOTE: 7-0-0

AYE: In a roll call vote, all members present vote Aye.

Chair Brown The motion CARRIES.

REP. ESQUIVEL will lead discussion on the floor.

TAPE 10, A

005 Chair Brown Closes the work session on HB 2075. Opens the public hearing for HB 2076.

HB 2076 - PUBLIC HEARING

010 Craig P Smith Administrator, Construction Contractors Board (CCB). Submits Explains HB 2076. Submits informational packet on the CCB, which includes the submission of written testimony on the behalf of James Fairchild, Chair of the CCB, and Dennis Schad, Member of the CCB and testifies in support HB 2075 (**EXHIBIT D**). States that HB 2076 is more controversial. Speaks to the difference between certified home inspectors and exempt home inspectors (**EXHIBIT D, Page 15**). Wants to close loophole between certified and exempt home inspector. Explains the bill. Admits that it is a compromise but believes that it makes sense.

043 Rep. Holvey Asks whether the bill allows for exempt home inspectors, who have not passed the same home inspection test as certified home inspectors, to continue to inspect homes at least to the date specified in the bill. Also, asks what happens beyond that date.

048 Smith Explains that today exempt home inspectors are allowed to do the inspections without being held accountable to the rules and regulations that certified home inspectors are. Clarifies that this will continue if the law is not changed.

058 Rep. Holvey Asks if the bill would allow exempt inspectors to continue to inspect homes.

060 Smith

Says that currently they are allowed to do that and after 2007 the loophole would be closed that allows the exempt home inspectors to examine homes.

- 064 Rep. Holvey Asks if exempt inspectors will be required to take the certification test.
- 065 Smith States that they will not be required to take the test.
- 067 Rep. Schaufler Asks about the difference between the exempt inspectors that fit inside the time frame and the other group that does not in reference to home inspections.
- 072 Smith Explains that only anecdotal information exists.
- 077 Sally Ridenour Manager, CCB Education Program. Points out the differences between certified home inspectors and exempt home inspectors **(EXHIBIT D, Page 15)**. Talks about personal experience with an exempt home inspector and detail how this was a negative experience.
- 107 Rep. Esquivel Talks about history of past legislation regarding the topic of inspectors. Says that are big differences between inspectors and contractors. Expresses the desire to close this gap.
- 127 Rep. Schaufler Asks how this bill will prevent bad inspectors.
- 130 Smith Indicates that it will not be a guarantee, but once a person becomes a certified home inspector, a fairly exhaustive contract requirement and disclosure agreement exists as well as a continuing education requirement.
- 143 Ridenour Says that HB 2076 gives the CCB the power to enforce the home inspectors' standards and people will be able to file complaints with the CCB against the inspector.
- 143 Chair Brown Asks if certified inspectors are bonded or have errors of omission insurance.
- 147 Smith Explains that inspectors can get certification but they must be an employee or be licensed as a construction contractor. The construction contractor has bond and insurance requirements but the rules do not require inspectors to have errors of omission insurance.

151	Rep. Esquivel	Asks if you can attach a \$5,000 or \$10,000 bond.
153	Smith	Explains that it is a \$15,000 bond is required with a general contractor's license and a \$10,000 bond with a special contractor's license.
159	Janet Adkins	Committee Administrator. Asks about the connection between the prohibition on home inspectors doing the subsequent work on the home if they find anything wrong. Asks how it effects an exempt inspector now and then how it would affect these people if the HB 2076 passed.
162	Smith	Explains the current statute indicates that certified home inspectors cannot do the work if they find it, and if the HB 2076 passes, exempt home inspectors would not be able to fix a problem in the house that they had found until a year had passed. Today, exempt inspectors can do the work if they find the problem.
185	Steve Tefler	Oregon Real Estate Inspectors Association. Indicates that the board is meeting tonight and the bill will be part of a significant discussion. Talks about the amendment that he wants to make. Feels strongly that the inspectors need to be certified. Talks about the expertise that contractors may not have. Requests that the bill be held until next week.
215	Chair Brown	Closes the public hearing on HB 2076.
218	Adkins	Talks about the possibility of early floor session on Fridays affecting the committee time.
225	Chair Brown	Adjourns the meeting at 9:45 a.m.

EXHIBIT SUMMARY

- A. **HB 2093, prepared testimony, Peter De Luca, 2 pp**
- B. **HB 2085, prepared testimony, Carol Rives, 2 pp**
- C. **HB 2075, informational packet, Craig P Smith, 14 pp**
- D. **HB 2076, informational packet, Craig P Smith, 15 pp**