

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

March 30, 2005 Hearing Room B

8:00 A.M. Tapes 73 - 74

Corrected 09/28/05

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3440 – Work Session

HB 2056 – Work Session

HB 2604 – Work Session

HB 2096 – Public Hearing and Work Session

HB 2294 – Public Hearing

HB 2717 – Public Hearing and Work Session

HB 3015 – Public Hearing and Work Session

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 73, A		
003	Chair Brown	Calls the meeting to order at 8:13 a.m. Opens the work session on HB 3440.
<u>HB 3440 – WORK SESSION</u>		
007	Janet Adkins	Committee Administrator. Explains HB 3440. Submits the -1 amendments (EXHIBIT A).
016	Rep. Schaufler	Wants to put a \$30,000 income limit for joint filings and \$20,000 income limit for all other filings.
021	Adkins	Explains where the changes would be made in the -1 amendments.
024	Rep. Schaufler	MOTION: Moves to ADOPT HB 3440-1 amendments dated 03/22/05 and that the measure be FURTHER AMENDED on page 1, line 12, by inserting "30,000" after "\$" and on page 1, line 14, by inserting "20,000" after "\$".
030	Rep. Holvey	Speaks in support of HB 3440, but says that he would rather see \$35,000 for joint filings and \$25,000 for all other filings.
035		VOTE: 7-0-0
	Chair Brown	Hearing no objection, declares the motion CARRIED.
037	Rep. Schaufler	MOTION: Moves HB 3440 with a DO PASS AS AMENDED recommendation BE REFERRED to the committee on Revenue by prior reference.
041	Rep. Kitts	Asks how many people will be reached by HB 3440.

042 Rep. Schaufler States that it will reach about 70,000 individuals and HB 3440 will decrease revenue to the state by \$6 million to \$10 million.

055 VOTE: 7-0-0

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

Chair Brown The motion CARRIES.

058 Chair Brown Closes the work session on HB 3440. Opens a work session on HB 2056.

HB 2056 – WORK SESSION

060 Janet Adkins Committee Administrator. Explains HB 2056. Mentions the -2 amendments (**EXHIBIT J**).

092 Rep. Esquivel MOTION: Moves to ADOPT HB 2056-2 amendments dated 03/17/05.

097 VOTE: 7-0-0

Chair Brown Hearing no objection, declares the motion CARRIED.

101 Rep. Esquivel MOTION: Moves HB 2056 with a DO PASS AS AMENDED recommendation BE REFERRED to the committee on Ways and Means by prior reference.

107 Rep. Schaufler Points out that the industry has asked for the fee increase.

112 Rep. Kitts Asks if it is a new fee.

115 Rep. Schaufler States that he supports the new fee since the industry asked for the new fee.

117 VOTE: 7-0-0

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

Chair Brown

The motion CARRIES.

127 Chair Brown Closes the work session on HB 2056 and opens the work session on HB 2604.

HB 2604 – WORK SESSION

129 Janet Adkins Committee Administrator. Explains HB 2604. Submits the -2 amendments (**EXHIBIT B**).

149 Rep. Kitts Speaks highly of the workgroup. Says that he will ask for a conceptual amendment in committee today.

160 Matt Farmer General Counsel, Oregon Association of Realtors. Says that the language in the -2 amendments came for the Real Estate Agency (REA) and explains the -2 amendments. Says that on line 15 of page 1 after “facts” insert “without conclusions of violations or grounds for discipline”.

186 Rep. Schaufler Asks if everyone in the room is in agreement about the conceptual amendment in the -2 amendments.

188 Farmer Says that everyone is in agreement and that the language was proposed by Scott Taylor of the REA.

190 Becky Osborne Regulation Division Manager, REA. States that the agency supports the -2 amendments.

198 Rep. Schaufler Asks if the unions at the workgroup were concerned with the language.

203 Farmer States that to the best of his knowledge the unions did not express concern with the language.

202 Osborne Adds that the language was sent to Mr. Pfau and he indicated that he was fine with the -2 amendments.

207 Rep. Kitts States that the language was brought to the workgroup and agreed upon. Explains that, during the drafting of the amendments, the language was left out.

223 Rep. Kitts **MOTION: Moves HB 2604-2 amendments dated 03/29/ be FURTHER AMENDED on page 1, line 15, by inserting "without conclusions of violation or grounds for discipline" after "facts".**

239 **VOTE: 7-0-0**

Chair Brown **Hearing no objection, declares the motion CARRIED.**

240 Rep. Kitts **MOTION: Moves to ADOPT HB 2604-1 amendments dated 03/17/05.**

242 **VOTE: 7-0-0**

Chair Brown **Hearing no objection, declares the motion CARRIED.**

248 Rep. Kitts **MOTION: Moves to ADOPT HB 2604-2 amendments dated 03/29/05 as FURTHER AMENDED.**

252 **VOTE: 7-0-0**

Chair Brown **Hearing no objection, declares the motion CARRIED.**

256 Rep. Kitts **MOTION: Moves HB 2604 to the floor with a DO PASS AS AMENDED recommendation.**

260 **VOTE: 7-0-0**

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

Chair Brown **The motion CARRIES.**

265 Rep. Kitts **MOTION: Moves HB 2604 be placed on the CONSENT CALENDAR.**

268 **Rep. Schaufler objects.**

Chair Brown **The motion FAILS.**

REP. KITTS will lead discussion on the floor.

272 Chair Brown Thanks Rep. Kitts for his hard work. Closes the work session on HB 2604 and opens the public hearing on HB 2096.

HB 2096 – PUBLIC HEARING

280 Janet Adkins Explains HB 2096 and mentions the -1 amendments (**EXHIBIT C**).

310 Brian Demarco Manager for Land Development and Policy Coordination, Oregon Real Estate Agency (REA). Submits written testimony on the behalf of Scott Taylor in support of HB 2096 (**EXHIBIT D**). Explains the technical changes that HB 2096 makes. Says that the agency has worked with all stakeholders involved and lists the stakeholders. Mentions the -1 amendments.

341 Rep. Esquivel Asks about the definition of a nonlicensed real estate manager who is an employee of the real estate broker and who discusses financial matters with an owner. Asks for an example.

350 Demarco States that typically it would be the onsite manager. Mentions how people in the industry wanted more flexibility for property managers.

368 Rep. Esquivel Asks if terminology should be included to define the person as a property manager.

372 Demarco Says that the definition already encompasses property managers.

382 Adkins Mentions that the change in HB 2096 being discussed is on page seven, lines 12 and 13. Reads the language.

393 Rep. Esquivel Says that a property manager is completely different than a real estate broker.

402 Chair Brown Closes the public hearing on HB 2096 and opens the work session on HB 2096.

HB 2096 – WORK SESSION

408 Rep. Esquivel **MOTION: Moves to ADOPT HB 2096-1 amendments dated 03/17/05.**

410 VOTE: 7-0-0

Chair Brown Hearing no objection, declares the motion CARRIED.

416 Rep. Esquivel MOTION: Moves HB 2096 to the floor with a DO PASS AS AMENDED recommendation.

420 VOTE: 7-0-0

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

Chair Brown The motion CARRIES.

426 Rep. Esquivel MOTION: Moves HB 2096 be placed on the CONSENT CALENDAR.

428 VOTE: 7-0-0

Chair Brown Hearing no objection, declares the motion CARRIED.

TAPE 74, A

006 Chair Brown Closes the work session on HB 2096 and opens the public hearing on HB 2294.

HB 2294 – PUBLIC HEARING

007 Janet Adkins Committee Administrator. Explains HB 2294.

019 Thad Hettle Workers' Compensation Section, Oregon State Bar. Submits written testimony on behalf of Christopher Moore in support of HB 2294 (EXHIBIT E). Speaks in partial support of HB 2294. Wants to change the way that workers' compensation claims are processed. Outlines the workers' claims process. States that the second provision of HB 2294 permits appeals to the Court of Appeals. Notes that the Oregon State Bar is in partial support because the amendments were never brought before them.

067 Chair Brown Asks where the amendments are. Asks who composed the members of the workgroup.

- 071 Hettle States that the amendments are conceptual and says that defense attorneys and claimants for injured workers formed the workgroup.
- 073 Rep. Schaufler Asks if it has been through the Management-Labor Advisory Committee (MLAC).
- 074 Hettle Says that MLAC is reserving its recommendation about whether the hearings should go through the Court of Appeals.
- 080 Rep. Schaufler Asks clarifying question.
- 081 Hettle States that he thought that it had been approved in MLAC, but he found out today that there are some reservations.
- 088 Chair Brown Closes the public hearing on HB 2294 and opens the work session on HB 2717.

HB 2717 – PUBLIC HEARING

- 092 Janet Adkins Committee Administrator. Explains HB 2717 and mentions the -4 amendments (**EXHIBIT F**).
- 112 Shawn Miller Liberty Northwest. Speaks in support of HB 2717 and the -4 amendments. States that HB 2717 and the -4 amendments have been approved by the Management-Labor Advisory Committee (MLAC).
- 121 Chuck Lundeen Vice-President and General Counsel, Liberty Northwest. Speaks in support of HB 2717. States that currently 500 cases are waiting for hearings and employers can wait up to a year for a hearing. Explains how this creates problems and ties up economic resources. Notes that HB 2717 will correct this problem by putting 120 day limit on the postponement of hearings. References the -4 amendments and multi-party hearings. Mentions the concern about the ten day notice provision and that the notice time is currently too short of a time period for notification. Says the -4 amendments will create a 60 day notice provision.
- 193 Rep. Esquivel Asks if the notice is on or before 60 days.
- 198 Lundeen Says that someone has to appeal within 90 days, but that a notice has to come out within 60 days.

- 203 Randy Elmer Attorney, Salem and the Oregon Trial Lawyers Association. Submits written testimony in support of HB 2717 with the -4 amendments **(EXHIBIT H)**. Says that HB 2717 and the -4 amendments solve many of the current problems in the workers' compensation claims process.
- 230 Rep. Schaufler Asks if the agency will have to add two administrative law judges and if those judges receive funding from the General Fund.
- 234 Maureen Brock Chair, Workers' Compensation Board. Submits written testimony for HB 2717 **(EXHIBIT G)**. States that the funding source comes from the Premium Assessment Operating Account.
- 254 Chair Brown Closes the public hearing on HB 2717 and opens the work session on HB 2717.

HB 2717 – WORK SESSION

258 Rep. Esquivel **MOTION: Moves to ADOPT HB 2717-4 amendments dated 03/29/05.**

262 **VOTE: 5-0-2**

EXCUSED: 2 - Gilman, Kitts

Chair Brown Hearing no objection, declares the motion CARRIED.

264 Rep. Esquivel **MOTION: Moves HB 2717 to the floor with a DO PASS AS AMENDED recommendation.**

270 **VOTE: 5-0-2**

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

EXCUSED: 2 - Gilman, Kitts

Chair Brown The motion CARRIES.

REP. ESQUIVEL will lead discussion on the floor.

NOTE: See tape 73 B, page seven of this tape log, for Rep. Kitts' vote.

378 Chair Brown Closes the work session on HB 2717 and opens the public hearing on HB 3015.

HB 3015 – PUBLIC HEARING

280 Janet Adkins Committee Administrator. Explains HB 3015. Submits the -1 amendments (**EXHIBIT I**).

299 Rob Douglas Diageo. States that HB 3015 would conform state standards for malt beverages to federal standards. Speaks in support of HB 3015.

307 Paul Romain Attorney, Portland and the Oregon Beer and Wine Distributors Association. Speaks in support of HB 3015. States that HB 3015 would parallel other states' treatment of malt beverages. Says that most of the alcohol comes from distilled spirits. Explains that a malt beverage cannot be sold in Oregon if above 1 percent comes from something other than the fermentation of grains.

353 Romain Explains the -1 amendments (**EXHIBIT I**).

384 Rep. Schaufler Asks why it may have a revenue impact.

389 Romain Says that it probably will not have a revenue impact because the products are already sold in Oregon.

397 Rep. Schaufler Asks if we are increasing any revenue rates for any products.

403 Romain States that HB 3015 does not increase the tax burden on anyone.

404 Chair Brown Asks where the malt products are sold.

406 Douglas Says that it is sold in grocery stores.

407 Romain States that it is sold in both grocery stores and liquor stores.

417 Chair Brown Asks if any liquor that has more than 14 percent alcohol is sold in a liquor store.

419 Romain Notes that it depends on the source of the alcohol. Says that, if alcohol is created through the fermentation of grain or wine, it can be

sold in a grocery store, and if the alcohol is obtained through distillation, it is sold in the liquor store.

430 Chair Brown Asks where alcohol is sold has anything to do with the amount of alcohol in the beverage.

TAPE 73, B

001 Romain Talks about how alcohol percentages affect the flavor.

025 Chair Brown Closes the public hearing on HB 3015 and opens the work session on HB 3015.

HB 3015 – WORK SESSION

027 Rep. Kitts **MOTION: Moves to ADOPT HB 3015-1 amendments dated 03/28/05.**

030 **VOTE: 6-0-1**

EXCUSED: 1 – Gilman

Chair Brown **Hearing no objection, declares the motion CARRIED.**

031 Rep. Kitts **MOTION: Moves HB 3015 to the floor with a DO PASS AS AMENDED recommendation.**

034 **VOTE: 6-0-1**

EXCUSED: 1 – Gilman

Chair Brown **Hearing no objection, declares the motion CARRIED.**

REP. SHIELDS will lead discussion on the floor.

043 Chair Brown Closes the work session on HB 3015 and opens the work session on HB 2717 for the purpose of allowing Rep. Kitts to vote.

HB 2717 – WORK SESSION

