

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

April 20, 2005 Hearing Room B

8:30 A.M. Tapes 100 - 101

Corrected 09/29/05

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 2180 – Work Session

HB 2181 – Work Session

HB 2717 – Work Session

HB 2200 – Public Hearing

HB 3257 – Public Hearing

HB 3091 – Public Hearing and Work Session

HB 3459 – Public Hearing and Work Session

HB 2389 – 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
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TAPE 100, A

003	Chair Brown	Calls the meeting to order at 8:35 a.m. Opens the work session on HB 2180.
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HB 2180 – WORK SESSION

006	Janet Adkins	Committee Administrator. Explains HB 2180.
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018	Mark Long	Building Codes Division. Thanks the staff for their hard work.
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023	Rep. Holvey	States that HB 2180 is not controversial.
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027	Rep. Shields	MOTION: Moves to ADOPT HB 2180-1 amendments dated 3/17/05.
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028		VOTE: 6-0-1
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EXCUSED: 1 - Kitts

	Chair Brown	Hearing no objection, declares the motion CARRIED.
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030	Rep. Shields	MOTION: Moves HB 2180 with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
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034		VOTE: 7-0-0
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AYE: In a roll call vote, all members present vote Aye.

	Chair Brown	The motion CARRIES.
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HB 2717 – WORK SESSION

090 Janet Adkins Committee Administrator. Explains HB 2717.

105 Rep. Esquivel **MOTION: Moves HB 2717 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.**

(NOTE: For the vote on the adoption of the -4 amendments, please see the work session on HB 2717 in the March 30, 2005 tape log.)

115 **VOTE: 7-0-0**

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

Chair Brown The motion CARRIES.

121 Chair Brown Closes the work session on HB 2717 and opens the public hearing on HB 2200.

HB 2200 – PUBLIC HEARING

123 Janet Adkins Committee Administrator. Explains HB 2200 and the -2 amendments **(EXHIBIT B)**.

144 Craig Smith Construction Contractors Board (CCB). Submits written testimony in support of HB 2200 **(EXHIBIT C)**. Talks about how an individual will have to solve the problems of their past businesses before forming a new business. Talks about small policy changes in the board. States that they will adopt rules for multiple year licenses.

240 Smith States that they will administer the national test for home inspectors. Explains the -2 amendments and says that the -2 amendments change the name of the fee from licensing fee to application fee.

262 Rep. Schaufler Asks if HB 2200 changes the fee structure.

263 Smith Says that it does not change the fee structure.

266 Chair Brown Asks if the industry was involved with the changes and provisions.

268	Smith	States that the industry has not been as involved as the CCB would have liked. States that the exemption for developers needs to be changed in HB 2200.
300	Rep. Esquivel	Asks what types of developers are being discussed as candidates for the exemption.
308	Smith	Responds that dirt developers who divide the lots and build the streets do not have to have a license as long as they hire out the work to those that have a license.
337	William J Boyd	States that he is only present to answer questions.
348	Tom Gallagher	Urban Developers Coalition. States that they are neutral on HB 2200. Wants to make amendments to HB 2200. Indicates that they want to add a section on page two on the end of section four that exists in ORS 701.075, which exempts developers from the CCB testing process.
390	Rep. Schaufler	Asks whether they wanted to add the exemption or take it out.
396	Gallagher	References the -2 amendments and talks about the disconnect between the exemption for developers and the statutes.
420	Rep. Schaufler	Asks if the fixes can be made to HB 2200.
425	Smith	Affirms that the changes will be made.

TAPE 101, A

001	Rep. Holvey	Asks if there are any ongoing requirements for continuing education.
005	Smith	States that a continuing education requirement exists for certified home inspectors only.
022	Rep. Holvey	Speaks in support of creating a continuing education for contractors.
028	Chair Brown	States that they will bring the bill back to committee.
034	Jessica Adamson	

Associated General Contractors. Appreciates the work that the CCB has done with them. Speaks in support of HB 2200.

043 Chair Brown Closes the public hearing on HB 2200 and opens the public hearing on HB 3257

HB 3257 – PUBLIC HEARING

046 Janet Adkins Committee Administrator. Explains HB 3257. Submits the -1 amendments **(EXHIBIT D)**.

073 Pat Egan Port of Portland. Submits written testimony in support of HB 3257 **(EXHIBIT E)**. Talks about how shippers would be allowed to serve on the board of maritime pilots as public members. Explains the -1 amendments and says that they are making headway with the discussion. States that the Port of Portland would be happy to work to refine HB 3257. Wants ports to be represented on the Board of Maritime Pilots (BMP).

116 Chair Brown Asks who the BMP represents.

120 Egan Says that there are three separate license groups that the board represents.

124 Sam Ruda Port Director, Port of Portland. Talks about the makeup of the BMP. Says that the river system is a network and the Port of Portland offers safe passage. Believes that having the Port of Portland represented on the BMP is very important.

160 Egan Wants pilots to have work and for the work to continue.

169 Rep. Schaufler Asks about the efforts are going to form jobs for Port of Portland employees.

172 Egan Mentions the Columbia Containers Service Committee. Says that they have been very active in pursuing shippers around the globe.

184 Rep. Esquivel Asks why ports were excluded from the BMP.

188 Egan Says that the intent of the language was to exclude members who have a fiscal interest in the fees and licenses set by the BMP. Argues

that people who sit on the board already have a fiscal interest in the job of the BMP.

205	Rep. Holvey	Asks how people become a member of the Port of Portland
209	Egan	Says that the commission members are appointed by the governor and is not certain about other commission members of other boards.
220	Rep. Holvey	Asks about whether the shippers and the pilot groups are represented on the Port of Portland's commission.
225	Ruda	Says that one of the commissioners is a wheat farmer and they do not have to have a cargo interest in the Port of Portland.
235	Adkins	Clarifies the term shipper and the three groups that make up the BMP.
249	Egan	Says that they are trying to take away the preclusion of a shipper or a port employee from serving on the BMP.
266	Chair Brown	Asks what the mix of the BMP is.
270	Egan	Discusses the current board members of BMP.
279	Ruda	Mentions the additional members of the BMP.
289	Chair Brown	Asks if there is any representation of Oregon industries.
291	Egan	States that steamboat operators are on the BMP, but no one else with a financial interest in the shipping prices.
296	Rep. Schaufler	Asks if a person from the grain industry could be on the BMP if HB 3257 passes.
298	Egan	States that the person could be on the BMP.
304	Dave Fiskum	Columbia River Pilots. Takes a neutral position on HB 3257. States that a tentative agreement has been reached on HB 3257.
333	Steve Brown	

Captain, Columbia River Pilots. Takes a neutral position on HB 3257. Talks about the navigation of the Columbia river and the ports on the coast. Notes the differences between ocean pilots and river pilots. Says that pilotage is regulated by the BMP. Believes that the delicate balance of the board should not be upset and says that a compromise has been reached by substituting one of the industry members.

404 Fiskum Asks that one of the current industry seats be reserved for the ports and then one of the public seats be reserved for someone from the agricultural industry.

TAPE 100, B

001 Fiskum Adds that he will be seeking amendments.

025 Tom Gallagher Columbia Bar Pilots. Takes a neutrals stance on HB 3257. Talks about the makeup of the BMP and says that the three public members usually make the decisions. States that changing the membership of the board could have a real impact on day-to-day life. Believes that current law does not preclude an agricultural representative from currently serving on BMP. Asserts that they do not oppose a port member being on BMP's management side.

075 Gallagher Believes that the board is fundamentally flawed because there are six vested members on the BMP.

085 Rep. Schaufler Asks about the liability insurance on the ships that come up the river.

089 Gallagher Explains the costs to the shippers to come up the Columbia River. Says that it costs more to move a ship from Astoria to Portland than on almost any other pilotage ground in the United States. States that the river pilots are paid the least of any other pilotage group in the state.

105 Rep. Schaufler Asks if someone with a vested interest could tip the scale one way or another.

107 Gallagher Believes that every member of the board would act in the best interest of Oregon. States that special interest groups would be suspicious of the BMP and perception is important.

113 Rep. Kitts Asks if the time accounts for the cost of shipping.

125	Gallagher	Says that is one of the elements of the cost. States that the trip can last over eight hours. Mentions the bars in the Columbia River. Believes that there are other costs associated with piloting a ship from Astoria to Portland.
140	Chair Brown	Closes the public hearing on HB 3257. Opens the public hearing on HB 3091. Mentions that the committee will be forming a workgroup on HB 3257.

HB 3091 – PUBLIC HEARING

148	Janet Adkins	Committee Administrator. Explains HB 3091.
176	Tim Martinez	Oregon Bankers Association. Says that HB 3091 would allow banks to go into the title insurance business. Believes that the Gramm-Leach-Whiley Act (1998) tore down the boundaries between insurance and banks. Notes that HB 3091 allows banks to get into one area of insurance which they are not currently allowed to perform.
225	Martinez	Says that HB 3091 is not “a grab” by the bankers to take over the insurance industry. States that consumer protections are in place for title insurance customers on the federal level.
243	Mike Paul	Chair, Oregon Bankers Association. Speaks in support of HB 3091. Notes that many national banks can already offer title insurance and HB 3091 would allow community banks to offer title insurance as well. Says that the financial lines have been blurred in the financial industry.
305	Rep. Holvey	Asks how HB 3091 will affect the current title insurance industry and if the bank will subsidize the title insurance industry with the bank’s fees.
319	Paul	Says that there is tying legislation that prevents a bank from subsidizing a title company and it is a reportable offense. States that there would not be a subsidy by banks. Notes that they would only offer a service if there would be a profit in it.
336	Martinez	Mentions Umpqua Bank purchased a security firm several years ago and asks Mr. Paul if it is self sufficient.
341	Paul	States that the brokerage firm is not as profitable as it could be.

346	Adkins	Asks about the retaining of the prohibition on a banking institution actually transacting title insurance.
352	Martinez	Says that the title insurance would not be in the bank but in the holding company.
357	Chair Brown	Asks if the title insurance industry's competition is based on services rather than on fees.
360	Martinez	Believes that title insurance, especially in smaller communities, is based both on service and fees.
372	Rep. Esquivel	Says that the title insurance industry is a highly regulated industry. Talks about how Oregon has a higher net profit than California because Oregon's title insurance industry is very highly regulated. Shares concern about steering.
407	Martinez	Talks about how it is called anti-tying in the banking industry. States the federal regulators look for anti-tying.

TAPE 101, B

004	Paul	Mentions Sarbanes-Oxley Act and how the compliance committees will review banks closely.
014	Rep. Esquivel	Asks if banks will have to disclose that they will make a monetary gain if the customer uses their title insurance company.
015	Paul	Affirms that the bank will have to disclose the monetary gain.
020	Jack Monroe	Oregon Land Title Association. Takes a neutral position on HB 3091. Says that getting into the title insurance business is not easy.
047	Rep. Esquivel	Asks if a bank would have to purchase a title insurance company.
051	Monroe	Believes that the bank would most likely have to purchase a title insurance company.
061	Ed Simpsons	Department of Consumer and Business Services (DCBS). States that DCBS is neutral on HB 3091.

064 Chair Brown Closes the public hearing on HB 3091 and opens the work session on HB 3091.

HB 3091 – WORK SESSION

067 Rep. Kitts **MOTION: Moves HB 3091 to the floor with a DO PASS recommendation.**

070 **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.

077 Chair Brown Closes the work session on HB 3091 and opens the public hearing on HB 3459.

HB 3459 – PUBLIC HEARING

080 Janet Adkins Committee Administrator. Explains HB 3459 and the -1 amendments **(EXHIBIT F)**.

093 Tim Martinez Halton Company. Talks about the history of the issues dealt with in HB 3459. Says that the change was not found until after the legislation had passed. Believes that HB 3459 will put back into statute the laws that were there prior to 2003.

133 Jeff Simonson President, Oregon Machinery Dealers Association. Speaks in support of HB 3459. States that the amendments will protect their business.

144 Darrell Fuller Oregon Auto Dealers Association. Offers to answer question about the Franchise Law.

157 Chair Brown Asks if the relationship addressed in HB 3459 is between the dealer and the manufacturer.

158 Fuller Affirms that is the relationship.

159	Rep. Schaufler	Asks if Monaco Dealers is leaving Oregon.
160	Fuller	States that he has not heard.
162	Rep. Schaufler	Hopes that Mr. Simonson's business does well.
165	Rep. Holvey	Says that Monaco Coach was moving from Bend to Coburg. Asks whether the motor vehicle definition covers agricultural vehicles.
174	Fuller	States that some of the larger vehicles may not be covered under the definition.
182	Chair Brown	Closes the public hearing on HB 3459 and opens the work session on HB 3459.

HB 3459 – WORK SESSION

185	Rep. Kitts	MOTION: Moves to ADOPT HB 3459-1 amendments dated 04/18/05.
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187		VOTE: 7-0-0
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	Chair Brown	Hearing no objection, declares the motion CARRIED.
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200	Rep. Kitts	MOTION: Moves HB 3459 to the floor with a DO PASS AS AMENDED recommendation.
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203		VOTE: 7-0-0
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		AYE: In a roll call vote, all members present vote Aye.
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	Chair Brown	The motion CARRIES.
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209	Rep. Kitts	MOTION: Moves HB 3459 be placed on the CONSENT CALENDAR.
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211		VOTE: 7-0-0
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	Chair Brown	Hearing no objection, declares the motion CARRIED.
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215	Chair Brown	Closes the work session on HB 3459 and opens the public hearing on HB 2389.
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HB 2389 – PUBLIC HEARING

220	Janet Adkins	Committee Administrator. Explains HB 2389 and submits the -1 amendments (EXHIBIT G) .
231	Mark Long	Administrator, Building Codes Division. Speaks in support of HB 2389. Says that HB 2389 will clarify issues that came up after SB 468 (2003) passed into law. Talks about the timing issue and wants to put the language in the bill.
257	Rep. Schaufler	Asks if any industry groups would object to the -1 amendments
263	Long	Says that he does not anticipate any opposition to the -1 amendments.
274	Chair Brown	Closes the public hearing on HB 2389 and opens the work session on HB 2389.

HB 2389 – WORK SESSION

275 Rep. Kitts MOTION: Moves to ADOPT HB 2389-1 amendments dated 4/14/05.

277 **VOTE: 7-0-0**

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

279 Rep. Kitts **MOTION: Moves HB 2389 to the floor with a DO PASS AS AMENDED recommendation.**

283 **VOTE: 7-0-0**

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

Chair Brown The motion CARRIES.

REP. KITTS will lead discussion on the floor.

EXHIBIT SUMMARY

- A. HB 2181, -2 amendments, staff, 50 pp
- B. HB 2200, -2 amendments, staff, 27 pp
- C. HB 2200, -2 written testimony, Craig Smith, 87 pp
- D. HB 3257, -2 amendments, staff, 2 pp
- E. HB 3257, written testimony, Pat Egan, 2 pp
- F. HB 3459, - 1 amendments, staff, 4 pp
- G. HB 2389, -1 amendments, staff, 16 pp