

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

May 11, 2005 Hearing Room B

8:30 A.M. Tapes 124 - 125

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 2525 – Work Session

HB 2596 – Work Session

SB 433A – Public Hearing and Work Session

SB 81 – Public Hearing

SB 84 – 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 124, A		
003	Chair Brown	Calls the meeting to order at 8:35 a.m. Opens the work session on HB 2525.
<u>HB 2525 – WORK SESSION</u>		
008	Janet Adkins	Committee Administrator. Explains HB 2525 and submits the -3 amendments (EXHIBIT A).
017	Scott Barrie	Home Builders Association. Speaks in support of HB 2525 and the -3 amendments. References SB 909 (2003) and says that the offers to repair were often rejected by the homeowner. Wants to put in place a more specific process for contractors and home owners to make appeals. States that insurance prices have driven some contractors out of business and hopes that this will help encourage the arbitration process instead of having the complaints sent to court. Outlines the arbitration process that HB 2525 would put into place.
068	Barrie	Concludes by explaining the four options the homeowner has.
072	Rep. Esquivel	Asks how HB 2525 works with SB 909 (2003).
076	Barrie	Explains that the process, in HB 2525, couples very well with SB 909 (2003). States that HB 2525 will give the contractor more of a chance to fix the problem.
087	Rep. Shields	Asks if the contractor has to fix the problem by a certain time.
091	Barrie	States that if a contractor does not meet the deadlines then the process is terminated and the consumer can move the process into the court system.
102	Kevin Neely	Department of Justice. Believes that HB 2525 places an excessive burden on the consumer. Says that the consumer may be required to pay for the arbitration process if they leave the process. Indicates that

it seems as though a consumer cannot bring a court case against the contractor.

- 141 Rep. Schaufler States that he believes that HB 2525 is addressing the good faith effort of contractors to meet the needs of the consumer. Believes that HB 2525 is fair for everyone.
- 174 Kristin Leanord Oregon Trial Lawyers Association. Wants to continue to work on HB 2525 in the senate and submits written testimony addressing the concerns of the OTLA (**EXHIBIT B**). States that the OTLA has been working very hard with the Home Builders Association.
- 186 Rep. Holvey Asks if the homeowner can seek a remedy through the courts without going through the process in HB 2525.
- 196 Neely States that HB 2525 seems to preclude a consumer from gaining remedy in the court system if the consumer does not go through the process outlined in HB 2525.
- 210 Leanord Adds that one of the other issues is that the relationship may be beyond repair between the contractor and the homeowner.
- 222 Chair Brown States that all the people that have testified want to get to the same place and are very close to being there.
- 225 Neely States that the Attorney General realizes the tremendous burden contractors are under and would like to remedy the situation. Says that they do not want to remedy the problem on the backs of the consumers.
- 230 Leanord Asserts that the groups are close to reaching an agreement and would like to continue to work together.
- 235 Chair Brown States that he would like to move HB 2525 to the floor.
- 244 Rep. Schaufler **MOTION: Moves to ADOPT HB 2525-3 amendments dated 05/10/05.**
- 247 Rep. Holvey States that he will vote to move it to the floor as a courtesy, but that he may vote against it on the floor.

250 **VOTE: 7-0-0**

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

252 **Rep. Schaufler** **MOTION: Moves HB 2525 to the floor with a DO PASS AS AMENDED recommendation.**

256 Rep. Shields Shares concerns about the disagreements on HB 2525. Notes that he will have to consider HB 2525 before it gets to the floor.

259 Rep. Kitts States that the -3 amendments do not entirely alleviate his concerns.

275 **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.

286 Chair Brown Closes the work session on HB 2525. Opens the work session on HB 2596.

HB 2596 – WORK SESSION

290 Janet Adkins Committee Administrator. Explains HB 2596 and submits the -4 amendments (**EXHIBIT C**).

315 Jerod Broadfoot National Electrical Contractors Association. States that a compromise was reached with the engineers. Urges the committee to adopt the -4 amendments and move HB 2596 to the floor.

322 **Rep. Schaufler** **MOTION: Moves to ADOPT HB 2596-4 amendments dated 05/11/05.**

324 **VOTE: 6-0-1**

EXCUSED: 1 - Kitts

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

327 Rep. Schaufler **MOTION: Moves HB 2596 to the floor with a DO PASS AS AMENDED recommendation.**

332 **VOTE: 6-0-1**

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

EXCUSED: 1 – Kitts

(NOTE: Please see page 4, tape 125 A, of this tape log for Rep. Kitts' vote.)

Chair Brown The motion CARRIES.

REP. SCHAUFLER will lead discussion on the floor.

347 Chair Brown Closes the work session on HB 2596 and opens the public hearing on SB 433A.

SB 433A – PUBLIC HEARING

350 Janet Adkins Committee Administrator. Explains SB 433A.

378 Bob Russell President, Oregon Trucking Association, Inc. Submits written testimony in support of SB 433A (**EXHIBIT D**). Talks about how an owner-operator leases a truck and driver to another company. Says that some worker's compensation insurers require the independent contractors to be covered while others do not. Notes that many companies do not know until they are audited and this situation has put companies out of business.

TAPE 125, A

001 Russell States that the concept was unanimously passed out of the Management Labor Advisory Committee, the Senate Commerce Committee, and the Senate.

006 Chair Brown Asks why independent truck drivers were left out.

008 Russell States that he does not know.

012 Chair Brown

Closes the public hearing on SB 433A. Opens the work session on SB 433A.

SB 433A – WORK SESSION

015 Rep. Esquivel **MOTION: Moves SB 433A to the floor with a DO PASS recommendation.**

017 **VOTE: 7-0-0**

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

Chair Brown The motion CARRIES.

023 Rep. Esquivel **MOTION: Moves SB 433A be placed on the CONSENT CALENDAR.**

025 **VOTE: 7-0-0**

Chair Brown Hearing no objection, declares the motion CARRIED.

027 Chair Brown Closes the work session on SB 433A and reopens the work session on HB 2596 for the purpose of allowing Rep. Kitts to vote.

HB 2596 – WORK SESSION

028 Rep. Schaufler **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. KITTS to BE RECORDED as voting AYE on the motion to move HB 2596 to the floor with a DO PASS AS AMENDED recommendation.**

(NOTE: Please see page 3, tape 124 A, of this tape log for the original vote.)

030 **VOTE: 7-0-0**

Chair Brown Hearing no objection, declares the motion CARRIED.

037 Chair Brown Closes the work session on HB 2596 for the purpose of allowing Rep. Kitts to vote. Opens the public hearing on SB 81.

SB 81 – PUBLIC HEARING

- 039 Janet Adkins Committee Administrator. Explains SB 81.
- 050 Lee Beyer Oregon Public Utility Commission. Submits written testimony for SB 81 (**EXHIBIT E**). States that SB 81 would allow utilities to go to residential users and give them incentives for cutting their peak time usage. Notes that SB 81 gives the utilities the chance to work with industry to reduce peak usage.
- 072 Rep. Shields Asks if any of the consumer or industrial groups have a problem with SB 81.
- 074 Beyer Says that legislation like SB 81 is usually supported by consumer groups.
- 078 Chair Brown Closes public hearing on SB 81. Opens the public hearing on SB 84.

SB 84 – PUBLIC HEARING

- 079 Janet Adkins Committee Administrator. Explains SB 84.
- 094 Lee Beyer Chairman, Oregon Public Utility Commission. Submits written testimony in support of SB 84 (**EXHIBIT G**). States that it encourages people to generate electricity on site. Talks about how net metering is already in statute. Notes that it adds biomass electrical generation to net metering.
- 118 Scott Bolton Pacific Power. Submits written testimony in support of SB 84 (**EXHIBIT H**). States that net metering is growing across Oregon. Believes that SB 84 will help utilities address these changes.
- 133 Chair Brown Closes the public hearing on SB 84. Opens the work session on SB 84.

SB 84 – WORK SESSION

- 136 Rep. Kitts **MOTION: Moves SB 84 to the floor with a DO PASS recommendation.**

140

VOTE: 7-0-0

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

Chair Brown

The motion CARRIES.

144

Rep. Kitts

MOTION: Moves SB 84 be placed on the CONSENT CALENDAR.

146

VOTE: 7-0-0

Chair Brown

Hearing no objection, declares the motion CARRIED.

160

Chair Brown

Adjourns the meeting at 9:16 a.m.

EXHIBIT SUMMARY

- A. **HB 2525, -3 amendments, staff, 18 pp**
- B. **HB 2525, written testimony, staff, 1 p**
- C. **HB 2596, -4 amendments, staff, 1 p**
- D. **SB 433, written testimony, Bob Russell, 2 pp**
- E. **SB 81, written testimony, Lee Beyer, 1 p**
- F. **SB 84, written testimony, Scott Bolton, 1 p**
- G. **SB 84, written testimony, Lee Beyer, 2 pp**