

**HOUSE COMMITTEE ON  
BUSINESS, LABOR, AND CONSUMER AFFAIRS**

January 20, 2003 Hearing Room E  
8:30 AM Tape 3 - 4

**MEMBERS PRESENT:**       Rep. Betsy Close  
                                  Rep. Derrick Kitts  
                                  Rep. Dianne Rosenbaum  
                                  Rep. Mary Gallegos  
                                  Rep. Bill Garrard  
                                  Rep. Mike Schaufler

**MEMBER EXCUSED:**       Rep. Jeff Merkley

**STAFF PRESENT:**         Jim Stenbridge, Committee Administrator  
                                  Pam Cox, Committee Assistant

**MEASURE/ISSUES HEARD:** **Informational Meeting** – Invited Testimony  
                                  Operation of Independent Businesses  
                                  Economy of Oregon Businesses  
                                  Developing Oregon Businesses  
                                  Economic Development  
                                  Economic Recovery  
                                  Regulations on Oregon’s Automobile Association

**Public Hearing**  
Remodeling Regulations

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**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.**

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 3, A</b>		
005	Chair Close	Calls meeting to order 8:35 a.m. Opens informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
017	Chair Close	Introduces committee members and staff.
012	Megan Palau	Committee Administrator. Introduces herself.
<b><u>Operation of Independent Businesses</u></b>		
021	J.L. Wilson	State Director of the National Federation of Independent Businesses (NFIB). Testifies about NFIB Oregon Chapter and how small businesses operate ( <b>EXHIBIT A</b> ).
141	Rep. Schaufler	Asks about the standards of small businesses.
160	Wilson	Responds.
169	Rep. Garrard	Comments on how Oregon’s small businesses are faring.
172	Wilson	Explains.
187	Rep. Kitts	Responds regarding small businesses and workers’ compensation.
202	Wilson	Explains that SAIF has a very positive impact.
234	Chair Close	Asks about workers’ compensation and the increase in premiums.

222	Wilson	Gives assessment.
255	Rep. Rosenbaum	Asks about issues of health care for small businesses.
263	Wilson	Gives figures on percentages of health care for employees.
300	Rep. Gallegos	Asks about the source for investment capital for employees.
305	Wilson	Comments on investments for employees.
<u>Economy of Oregon's Businesses</u>		
338	Joe Schweinhart	Associated Oregon Industries (AOI). Describes where Oregon is today as to economy and businesses.
471	Chair Close	Asks about the reduction of the capital gains tax.
443	Schweinhart	Responds.
499	Chair Close	Asks Schweinhart to give a figure on the pollution tax credit.
502	Schweinhart	Answers.
509	Rep. Rosenbaum	Asks about other states image of Oregon nationally as to funding and education.
<b>TAPE 4, A</b>		
039	Schweinhart	Explains taxes are the biggest problem.
047	Rep. Rosenbaum	Asks how his agency prioritizes problems.
050	Schweinhart	Answers that we need more tax revenues.
058	Rep. Garrard	Asks about changes of land cost for small businesses.
063	Schweinhart	Testifies to the availability of land.
<u>Developing Oregon's Businesses</u>		
076	Eric Blackledge	Chairman of Oregon Small Business Council. Testifies on the development of Oregon's small businesses and economic plan. Submits written testimony ( <b>EXHIBIT B,C</b> )
111	Blackledge	Continues.
196	Rep. Garrard	Asks about his relationship with the Governor.
202	Blackledge	Responds.
214	Chair Close	Asks for explanation of unemployment in Oregon.
218	Blackledge	Gives explanation.
<u>Economic Development</u>		
246	Shawn Miller	Associated Business and Contractors. Testifies on economic development.
400	Rep. Garrard	Asks about results of Public Contracting Laws.
406	Miller	Discusses the support of changes on laws and policy.
445	Chair Close	Asks clarification on permit streamlining.
446	Miller	Explains the jurisdiction process.
458	Chair Close	Requests documentation.
460	Rep. Schaufler	Comments on cutting of permits without lowering standards.
462	Miller	Comments about the need to get the state involved with local government.
468	Rep. Schaufler	Asserts that counties are unfriendly to development.
<b>TAPE 3, B</b>		
001	Rep. Rosenbaum	Asks if he suggests moving building codes to economic development.

002	Miller	Responds.
<b><u>Economic Recovery</u></b>		
019	Jessica Harris	Associated General Contractors. Explains economic recovery and investing in transportation.
117	Rep. Garrard	Asks about making prices competitive.
128	Harris	Explains the liability of the contractor in Oregon.
196	Rep. Schaufler	Asks for clarification on suing sub-contractors.
204	Harris	Explains.
209	Chair Close	Asks for explanation of bridges' life span and maintenance.
215	Harris	Explains the cost of maintenance verses the cost of replacing.
264	Rep. Kitts	Asks for clarification of flaws in design of Oregon's bridges.
278	Harris	Responds.

**Regulations on Oregon's Automobile Association**

285	Darrell Fuller	Oregon Small Business Coalition. Describes the Oregon Automobile Association and the State of Oregon's regulation on these businesses.
410	Rep. Garrard	Asks Fuller to explain what determines a small business.
418	Fuller	Discusses regulations for small businesses.
455	Rep. Kitts	Notes that NFIB considers it to be a business of 75 employees.
460	Chair Close	Closes informational meeting. Opens public hearing.

**PUBLIC HEARING**

**Remodeling Regulations**

465	Steven Kafoury	Oregon Remodelers Association. Outlines remodeling regulations.
<b>TAPE 4, B</b>		
015	Kafoury	Continues testimony.
084	Rep. Garrard	Asks for explanation of the streamlining process.
088	Kafoury	Describes.
107	Chair Close	Asks about the statute of repose being lowered from ten to six years.
108	Kafoury	Comments his association would be supportive.
114	Rep. Rosenbaum	Indicates she would like to hear from other agencies on these issues.
124	Chair Close	Closes public hearing. Adjourns committee meeting at 10:14 a.m.

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**EXHIBIT SUMMARY**

- A – Informational, written testimony, J. L. Wilson, 2 pp**
- B – Informational, written testimony, Eric Blackledge, 3 pp**
- C – Informational, brochure, Eric Blackledge, 34 pp**