

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

February 28, 2003 Hearing Room E  
9:00 A.M. Tapes 42 - 43

**MEMBERS PRESENT:**       Rep. Betsy Close, Chair  
                                  Rep. Derrick Kitts, Vice-Chair  
                                  Rep. Diane Rosenbaum, Vice-Chair  
                                  Rep. Mary Gallegos  
                                  Rep. Bill Garrard  
                                  Rep. Jeff Merkley  
                                  Rep. Mike Schaufler

**STAFF PRESENT:**       Megan Palau, Committee Administrator  
                                  Pam Cox, Committee Assistant

**MEASURE/ISSUES HEARD:**       **HB 2389 – Work Session**  
                                  **HB 2130 – Work Session**  
                                  **HB 2767 – Public Hearing**  
                                  **Introduction of Committee Bills – 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.

---

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 42, A</b>		
003	Chair Close	Opens committee meeting at 9:13 a.m. Opens work session on HB 2389.
<b><u>HB 2389 – WORK SESSION</u></b>		
006	Scott Barrie	Oregon Building Industry Association (OBIA). Testifies in favor of HB 2389 and describes amendment changes regarding filing contracting law suits.
079	Rep. Schaufler	Indicates this bill will help innocent parties with regards to contracting damages.
081	Barrie	Notes he has conferred with contractors on amendment language.
090	Rep. Kitts	Asks for clarification on timelines for construction repairs.
093	Barrie	Explains the length of time for the process.
103	Rep. Schaufler	Notes that everything asked of him has been completed.
105	Rep. Rosenbaum	Asks how many inspections are required.
107	Barrie	Explains the need for coordination of all contractors.
125	Rep. Rosenbaum	Asks for guidelines for the inspection process.
126	Barrie	Answers after a visual overview it is possible the repair could be done at that point.
140	Rep. Merkley	Asks for a description of what kind of suits are filed.
141	Barrie	Explains issues that have been problems.
152	Rep. Merkley	Asks about statute of limitations and customer notification.
178	Barrie	Answers they will receive an inspection report.
185	Rep. Merkley	Asks what would happen if issue is not addressed within the timeline.
193	Barrie	Answers the option is a court action if the work has not been done.

201	Chair Close	Explains that the committee needs more time to look over HB 2389 and have another hearing. Closes work session on HB 2389. Opens work session on 2130.
<b><u>HB 2130 – WORK SESSION</u></b>		
216	Megan Palau	Committee Administrator. Summarizes HB 2130 and -2 amendment.
219	<b>Rep. Rosenbaum</b>	<b>MOTION: Moves to ADOPT HB 2130-2 amendments dated 02/17/03 (EXHIBIT A).</b>
		<b>VOTE: 6-0</b>
		<b>EXCUSED: 1 - Rep. Schaufler</b>
220	<b>Rep. Rosenbaum</b>	<b>MOTION: Moves 2130 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 6-0</b>
		<b>EXCUSED: 1 - Rep. Schaufler</b>
221	Chair Close	<b>Hearing no objection, declares the motion CARRIED. REP. BACKLAND will lead discussion on the floor.</b>
222	<b>Rep. Rosenbaum</b>	<b>MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. SCHAUFLEER to BE RECORDED as voting AYE to move HB 2130 to the floor with a DO PASS AS AMENDED recommendation.</b>
223	Chair Close	Closes work session on HB 2130 and opens public hearing on HB 2767.
<b><u>HB 2767 – PUBLIC HEARING</u></b>		
259	Megan Palau	Committee Administrator. Summarizes HB 2767.
261	Rep. Rob Patridge	House District 6. Testifies in favor of HB 2767 and gives an explanation of theft that occurs.
322	Rep. Garrard	Asks if someone could be denied employment and wages withheld without due process.
323	Rep. Patridge	Explains the Bureau of Labor and Industry (BOLI) process.
330	Rep. Schaufler	Comments this gives employer unreasonable power.
363	Rep. Patridge	Explains this covers due process.
393	Rep. Merkley	Asks if there are civil remedies to recover monies from theft.
396	Rep. Patridge	Explains the recourse for taking payment from someone's wages.
<b>TAPE 43, A</b>		
014	Rep. Merkley	Suggests there is no balance for termination and recovering wages.
025	Rep. Patridge	Explains steps for termination.
037	Rep. Rosenbaum	Comments on the lack of clarification on situations of theft.
053	Rep. Patridge	Clarifies reading of the bill regarding explanation of termination.
076	Rep. Rosenbaum	Comments on circumstances of termination.
082	Chair Close	Asks for further clarification.
094	Dan Gardner	Commissioner, BOLI. Submits and summarizes prepared testimony in opposition to HB 2767 ( <b>EXHIBIT B</b> ) and describes their complaint process.
141	Chair Close	Comments that under certain circumstances, employee may need to be terminated.
142	Gardner	Explains bill and states monies do not have to be taken upon termination.
165	Marcia Ohtenmiller	BOLI. Testifies in opposition to HB 2767 and explains the bill and the rights of working people.
180	Chair Close	Asks what are remedies for employers.
182	Ohtenmiller	States that the remedies are well designed in the statute for

		deductions of employee's wages.
238	Rep. Kitts	Asks what would stop an employer from saying they are missing \$500.
254	Gardner	States principally you are innocent until proven guilty.
262	Rep. Schaufler	Notes that business is a risk and notes there is no logic to this bill.
280	Chair Close	Asks if the final check could be held if legal action is pending.
282	Gardner	States that it cannot.
300	Rep. Garrard	Asks if unemployment payments could be delayed.
302	Gardner	States employment payments cannot be withheld by state law.
312	Ohtenmiller	Reads law and explains.
334	Rep. Kitts	Asks if it is against the law currently to withhold payment pending legal action.
343	Gardner	Answers yes and clarifies.
351	Ohtenmiller	Comments that employee's termination is a recourse in itself.
371	Rep. Kitts	Asks how this relates to voluntary deductions such as mandatory union dues.
390	Gardner	States that no one is required to take a job which takes deductions of union dues.
421	Tricia Smith	Oregon School Employee's Association. Testifies in opposition to HB 2767 and explains a new group would be set up.
489	Chair Close	Asks if there is a due process.
<b>TAPE 42, B</b>		
001	Rep. Schaufler	Notes that if HB 2767 was passed, it would be opening Pandora's box.
005	David Nebel	Oregon Law Center. Testifies in favor of HB 2767 and explains this law would provide recompense with farm workers that migrate.
035	Patrick Green	Oregon American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). Testifies in favor of HB 2767 and points out the protections for employees.
088	Chair Close	Expresses concern for employers that cannot recover their losses and may lose their businesses.
093	Green	Explains this a law enforcement issue.
100	Rep. Garrard	Ask for amount of wages being taken upon a garnishment.
113	Nebel	Indicates the amount that can be withheld.
124	Rep. Gallegos	Asks how we would protect seniors.
140	Green	Explains the standards and training of employees in long term care facilities and the elderly.
159	Rep. Gallegos	Asks about restitution for thefts in retirement homes.
170	Green	Comments the courts need to deal with these thefts.
165	Rep. Schaufler	Comments on bonding these employees.
183	Chair Close	Closes public hearing on HB 2767 and opens a work session for the purpose of introduction of committee bills.

**WORK SESSION – INTRODUCTION OF COMMITTEE BILLS**

<b>185</b>	<b>Rep. Rosenbaum</b>	<b>MOTION: Moves LC's: 1774, 1776, 1963, 2615, and 3154 BE INTRODUCED as committee bills.</b>
<b>186</b>		<b>VOTE: 7-0</b>
	<b>Chair Close</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
188	Chair Close	Closes work session on committee bills. Adjourns committee meeting at 10:40 a.m.

**EXHIBIT SUMMARY**

**A – HB 2130, -2 amendment, staff, 1 p**

**B – HB 2767, written testimony, Dan Gardner, 2 pp**