

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

May 7, 2003 Hearing Room E  
8:30 A.M. Tapes 114 – 115

**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  
                                  Mike Reiley, Committee Assistant

**MEASURES HEARD:**        **SB 206A – Public Hearing and Work Session**  
                                  **SB 515A – Public Hearing and Work Session**  
                                  **SB 588A – Public Hearing and Work Session**  
                                  **SB 711A – Public Hearing and Work Session**  
                                  **SB 713A – Public Hearing and Work Session**  
                                  **SB 714A – Public Hearing and Work Session**  
                                  **SB 715A – Public Hearing and Work Session**  
                                  **SB 285 – Public Hearing**

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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 114, A</b>		
003	Chair Close	Calls meeting to order at 8:37 a.m. Opens public hearing on SB 206A.
<b><u>SB 206A – PUBLIC HEARING</u></b>		
015	Megan Palau	Committee Administrator. Summarizes SB 206A.
020	Scott Taylor	Oregon Real Estate Commissioner. Submits and summarizes prepared testimony in support of SB 206A ( <b>EXHIBIT A</b> ).
065	Chair Close	Asks about definition of “professional”.
070	Taylor	Offers clarification of language in bill.
074	Christine Chute	Assistant Attorney General. Submits and summarizes prepared testimony in support of SB 206A ( <b>EXHIBIT B</b> ).
115	Rep. Rosenbaum	Asks about ability to enforce regulations.
120	Chute	Explains ability to enforce regulations
130	Rep. Merkley	Asks about retroactivity of bill.
133	Chute	Explains retroactivity.
136	Taylor	Offers clarification.
142	Rep. Merkley	Asks for further clarification.
150	Taylor	Offers further clarification.
170	Robin White	Building Owners and Managers Association (BOMA). Testifies in support of SB 206A.
180	Chair Close	Closes public hearing on SB 206A. Opens work session on SB 206A.

**SB 206A – WORK SESSION**

185 Rep. Kitts **MOTION: Moves to ADOPT SB 206A-A3 amendments dated 5/7/03 (EXHIBIT C).**

**VOTE: 7-0**

Chair Close

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

190 Rep. Kitts **MOTION: Moves SB 206A to the floor with a DO PASS AS AMENDED recommendation.**

**VOTE: 7-0**

Chair Close

**AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.**

**REP. MERKLEY will lead discussion on the floor.**

200 Chair Close Closes work session on SB 206A. Opens public hearing on SB 515A.

**SB 515A – PUBLIC HEARING**

207 Megan Palau Committee Administrator. Summarizes SB 515A.

210 Jana Jarvis Oregon Association of Realtors. Testifies in support of SB 515A.

245 Matt Farmer Associate General Counsel, Oregon Association of Realtors. Submits and summarizes prepared testimony in support of SB 515A (**EXHIBIT D**).

352 Rep. Garrard Asks for clarification of language.

360 Farmer Offers clarification of disclosure.

384 Rep. Schaufler Asks about issue of mold in building.

395 Farmer Addresses issue of mold.

**TAPE 115, A**

015 Rep. Kitts Asks for clarification of language.

022 Farmer Offers clarification.

028 Rep. Kitts Further clarifies.

032 Rep. Garrard Asks about potential for abuse of disclosure provisions.

035 Farmer Explains issue of disclosure.

054 Rep. Kitts Clarifies nature of mold issues.

063 Rep. Schaufler Asks about disclosure of mold issues.

070 Farmer Offers further clarification of mold issues.

080 Rep. Schaufler Asks about nature of mold issue.

085 Farmer Explains nature of mold issue.

092 Chair Close Asks about “as-is” clause in contracts.

100 Farmer Clarifies “as-is” clauses.

111 Rep. Garrard Asks about determining difference between mold and mildew.

118 Farmer Explains efforts to get to nature of issue.

124 Rep. Garrard Asks for further clarification.

126 Farmer Offers further clarification.

132 Rep. Gallegos Asks about potential for deceit in home selling.

136 Farmer Explains potential for deceit.

145 Steve Lucas Chair, Sellers Disclosure Task Force, Oregon Association of Realtors. Submits and summarizes prepared testimony in support of SB 515A (**EXHIBIT E**).

202 Rep. Rosenbaum Asks about visual home inspections to determine potential problems.

205 Lucas Explains home inspections.

228 Scott Taylor Oregon Real Estate Commissioner. Testifies in support of SB 515A.

288 Rich Vial Northwest HOA Law Center, Condo Working Group. Testifies in support of SB 515A.

315	Chair Close	Closes public hearing on SB 515A. Opens work session on SB 515A.
<b><u>SB 515A – WORK SESSION</u></b>		
<b>320</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 515A to the floor with a DO PASS recommendation.</b>
325	Rep. Garrard	Notes concerns regarding SB 515A.
335	Rep. Merkley	Notes support for SB 515A.
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
	<b>Chair Close</b>	<b>REP. MERKLEY will lead discussion on the floor.</b>
365	Chair Close	Closes work session on SB 515A. Opens public hearing on SB 588A.
<b><u>SB 588A – PUBLIC HEARING</u></b>		
370	Darrell Fuller	Oregon Auto Dealers Association. Submits and summarizes prepared testimony in support of SB 588A ( <b>EXHIBIT F</b> ).
440	Chair Close	Closes public hearing on SB 588A. Opens work session on SB 588A.
<b><u>SB 588A – WORK SESSION</u></b>		
<b>450</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 588A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
	<b>Chair Close</b>	
<b>460</b>	<b>Rep. Rosenbaum</b>	<b>MOTION: Moves SB 588A be placed on the CONSENT CALENDAR.</b>
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
	<b>Chair Close</b>	
465	Chair Close	Closes work session on SB 588A. Opens public hearing on SB 711A, SB 713A, SB 714A, SB 715A.
<b>TAPE 114, B</b>		
<b><u>SB 711A, SB 713A, SB 714A, SB 715A – PUBLIC HEARING</u></b>		
020	Mark Long	Administrator, Building Codes Division. Testifies in support of bills.
075	Rep. Schaufler	Asks about obtaining electronic permits.
078	Long	Explains intentions for electronic permits.
080	Chair Close	Asks why concepts were not placed in one bill.
085	Long	Explains the different concepts and why they were placed in separate bills.
090	Rep. Kitts	States support for bills.
104	Bob Shiprack	Executive Secretary, Oregon Building Trades Council. Explains history of bills.
145	Chair Close	Closes public hearing on SB 711A, SB 713A, SB 714A, SB 715A. Opens work session on SB 711A.
<b><u>SB 711A – WORK SESSION</u></b>		
<b>150</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves to ADOPT SB 711A-A3 amendments dated 4/28/03 (EXHIBIT G).</b>
		<b>VOTE: 7-0</b>
	<b>Chair Close</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>155</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 711A to the floor with a DO PASS AS</b>

		<b>AMENDED recommendation.</b>
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Close</b>	<b>The motion CARRIES.</b>
		<b>REP. KITTS will lead discussion on the floor.</b>
165	Chair Close	Closes work session on SB 711A. Opens work session on SB 713A.
<b><u>SB 713A – WORK SESSION</u></b>		
<b>170</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 713A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Close</b>	<b>The motion CARRIES.</b>
		<b>REP. SCHAUFLER will lead discussion on the floor.</b>
175	Chair Close	Closes work session on SB 713A. Opens work session on SB 714A.
<b><u>SB 714A – WORK SESSION</u></b>		
<b>180</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 714A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Close</b>	<b>The motion CARRIES.</b>
		<b>REP. GARRARD will lead discussion on the floor.</b>
185	Chair Close	Closes work session on SB 714A. Opens work session on SB 715A.
<b><u>SB 715A – WORK SESSION</u></b>		
<b>190</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves to ADOPT SB 715A-A3 amendments dated 4/28/03 (EXHIBIT H).</b>
<b>192</b>		<b>VOTE: 7-0</b>
	<b>Chair Close</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>195</b>	<b>Rep. Kitts</b>	<b>MOTION: Moves SB 715A to the floor with a DO PASS AS AMENDED recommendation.</b>
<b>198</b>		<b>VOTE: 7-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Close</b>	<b>The motion CARRIES.</b>
		<b>REP. GALLEGOS will lead discussion on the floor.</b>
200	Chair Close	Closes work session on SB 715A. Opens public hearing on SB 285.
<b><u>SB 285 – PUBLIC HEARING</u></b>		
209	Lisa Trussell	Associated Oregon Industries (AOI). Testifies in support of SB 285. Speaks on worker's compensation claims and the division. Explains the bill regarding notice of closure. Notes intent of the forthcoming amendments.
260	Chair Close	Clarifies the amendments have been submitted.
261	Lisa Trussell	Affirms.
264	Rep. Rosenbaum	Requests why insurers would request reconsideration of their own closure.
268	Trussell	Responds regarding the closure of claims.
282	Rep. Rosenbaum	Asks about dissent in the working process.
286	Trussell	Replies that it was not a labor issue, and estimates reasoning behind dissent.
290	Chair Close	Closes public hearing on SB 285. Adjourns meeting at 9:53 a.m.

## **EXHIBIT SUMMARY**

- A – SB 206A, written testimony, Scott Taylor, 2 pp**
- B – SB 206A, written testimony, Christine Chute, 4 pp**
- C – SB 206A, -A3 amendment, staff, 1 p**
- D – SB 515A, written testimony, Matt Farmer, 2 pp**
- E – SB 515A, written testimony, Steve Lucas, 2 pp**
- F – SB 588A, written testimony, Darrell Fuller, 1 p**
- G – SB 711A, -A3 amendment, staff, 1 p**
- H – SB 715A, -A3 amendment, staff, 1 p**