

SENATE COMMITTEE ON BUSINESS AND LABOR

May 14, 2003
1:00 P.M.

Hearing Room C
Tapes 75-77

MEMBERS PRESENT: **Sen. David Nelson, Chair**
 Sen. Vicki Walker, Vice-Chair
 Sen. Roger Beyer
 Sen. Rick Metsger

STAFF PRESENT: **Dennis Dotson, Committee Administrator**
 Heather Gravelle, Committee Assistant

MEASURE/ISSUES HEARD: SB 757 – Work Session
 HB 2389 A – Work Session
 SB 826 – Work Session
 HB 2103 A – Public Hearing and Work Session
 HB 3601 A – Public Hearing and Work Session
 HB 2233 A – Public Hearing and Work Session
 HB 2670 A – Public Hearing and Work Session
 HB 2717 A – Public Hearing and Work Session
 HB 3218 A – Public Hearing and Work Session
 HB 3316 – Public Hearing and Work Session
 HB 3145 A – Public Hearing and Work Session
 HB 2765 A – 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 75, A 005	Chair Nelson	Calls the meeting to order at 1:05 PM. Opens a work session on SB 757. Presents the -4 amendments dated 5/14/03 (EXHIBIT A).
<u>SB 757 – WORK SESSION</u> 015	John Shilts	Administrator, Department of Consumer and Business Services. Testifies in support of SB 757 with the -4 amendments. Submits written testimony (EXHIBIT B). Presents -3 amendments dated 5/2/03 (EXHIBIT C).
020	Shilts	Advises SB 757 with -4 amendments is cost neutral. States as the state average weekly wage adjusts the benefit levels also adjust. Claims the remaining -4 amendments clarify the intent of the bill and have no cost impact.
060	Shilts	Points out it is a fair distribution, considering the workers impairment and earnings as a factor in their loss of earning capacity. Claims an agreement has been reached that this bill represents a better way to compensate workers.
065	Sen. Walker	Asks about the change in the language in the -4 amendments.
070	Shilts	Refers to page 2, line 21-24. Mentions the intent of the -3 amendments. States the change was to represent the compromise that the factor for the worker's weekly wage used for

determination of work disability may be no more than 133% or no less than 50% of the average weekly wage. Adds the 50% is the change, so the compromise raises the floor for calculating the worker's average weekly wage.

085 Shilts States for the very low paid employee, this raises the permanent partial benefit they will receive, if they are qualified for the work disability portion of the benefit.

110 Chair Nelson **MOTION: Moves to ADOPT SB 757-4 amendments dated 5/14/03.**
VOTE: 4-0
Hearing no objection, declares the motion CARRIED.

120 Chair Nelson **MOTION: Moves SB 757 to the floor with a DO PASS AS AMENDED recommendation.**
VOTE: 4-0
Hearing no objection, declares the motion CARRIED.
SEN. BEYER will lead discussion on the floor.

125 Chair Nelson Closes the work session on SB 757 and opens a work session HB 2389 A.

HB 2389 A – WORK SESSION

128 Dennis Dotson Committee Administrator. Provides overview of HB 2389 A. Presents –A4 amendments dated 5/13/03 (**EXHIBIT D**).

130 Scott Barrie Oregon Building Industry Association. Testifies in support of HB 2389 A. Asks to be heard at the end of the meeting so Senator Ringo can review amendments and respond.

135 Chair Nelson Closes the work session on HB 2389 A. Opens the work session on SB 826.

SB 826 – WORK SESSION

150 Chair Nelson **MOTION: Moves SB 826 to the floor with a DO PASS Recommendation and BE REFERRED to the committee on Ways and Means by prior reference.**
VOTE: 3-1
AYE: 3 - Sen. Nelson, Sen. Metsger, Sen. Walker
NAY: 1 - Sen. Beyer
The motion Carries.

155 Chair Nelson Closes the work session on SB 826 and opens a public hearing on HB 2103.

HB 2103 – PUBLIC HEARING

190 Dennis Dotson Committee Administrator. Provides an overview of HB 2103.

195 Cheryl Pellegrini Assistant Attorney General, Oregon Department of Justice. Testifies in favor of HB 2103. Submits written testimony (**EXHIBIT E**). Explains the intent of HB 2103. Provides statistics of identity theft in Oregon.

200 Pellegrini States the Federal Trade Commission estimates identity thefts cost victims a lot of money and several years to rectify. Claims the damage done to the persons credit may never be restored. Explains how identity thieves gather information.

220 Pellegrini Advises the committee on the different types of groups that will identify gaps in the current laws to develop new practices and educational materials for consumers and businesses. States identity theft is a felony offense and prosecution of thieves is very difficult. Claims it is a mobile crime.

230 Pellegrini States personal information may be stolen in Oregon and may be

		sold several times and used across the United States. Claims it is hard to track who the thief is. Notes identity theft is a Class C felony so there is little chance of extradition.
245	Pellegrini	States one of the best methods is to adopt and enact preventative measures such as HB 2103. Claims the most effective means of prevention was to limit amount of personal information and accessibility to thieves.
255	Pellegrini	Describes the intent of HB 2103: <ul style="list-style-type: none"> • Requires all merchants to obliterate personal information on a customer copy of debit or credit card receipt, with few exceptions. • Prohibits processing equipment manufacturers and distributors from selling, renting or leasing equipment that produces a customer receipt showing more than the name and last five digits. • Merchant copy can contain more information than the customer copy and at one point the hard copy must be shredded.
280	Sen. Beyer	Asks for clarification on the availability and cost of equipment.
285	Pellegrini	Responds the equipment is available, but unsure on the cost. Claims it is a matter of reprogramming the equipment. States may need to upgrade if they don't have appropriate equipment but law will require them to provide the equipment.
300	Sen. Beyer	Asks what small retail outfits who own their own machines would do.
315	Pellegrini	Responds with a really old machine you could obliterate the information from the customer copy and still comply with the law.
348	Chair Nelson	Refers to section 3, line 10. Asks if it is too broad.
355	Pellegrini	Mentions fish and wildlife producing the customer receipt. Notes the preventative measures private sector and government agencies will be taking.
370	Sen. Metsger	Clarifies what the intent is. Claims to ensure the public bodies fit the definition used, and if not the bill should be amended.
375	Sen. Walker	Asks who the Legislative Counsel drafter is.
380	Pellegrini	Responds she will find out.
390	Julie Brandis	Associated Oregon Industries. Claims he worked on the House side on the bill. Clarifies the intent of HB 2103. Explains the process with the older machines. States it is important especially to the retail community that the customer copy has limited information on it.
TAPE 76, A		
005	Sen. Beyer	Claims the intent is to be careful not to punish people who are not perpetrators of the crime.
010	Chair Nelson	Asks if the civil penalty is \$1,000.
020	Pellegrini	Responds yes, not more than \$1,000 per violation. Claims the penalty is already in law because this will be inserted into an existing provision dealing with credit cards.
070	Chair Nelson	Closes the public hearing on HB 2103 and opens a public hearing on HB 3601.

HB 3601 A – PUBLIC HEARING

080 Dennis Dotson Committee Administrator. Provides an overview of HB 3601 A

085	Rep. Patti Smith	Presents –A5 amendments dated 5/14/03 (EXHIBIT F). District 52. Testifies in support of HB 3601 A. Explains the background and intent of HB 3601 A. Mentions she has not seen the –A5 amendments but they were discussed and approved.
115	Mark Landauer	Submits written testimony (EXHIBIT G). City of Portland, Office of Government Relations. Testifies in support of HB 3601 A. Submits written testimony (EXHIBIT H).
125	Landauer	Discusses the –A5 amendments. <ul style="list-style-type: none"> • Creates a technical correction to a bill passed that would extend or require the state to provide health care benefits to employees of the state if on active military duty by extending it to dependents and spouses. • Attempts to create a new benefit by allowing the state and other public bodies to establish a vacation donation program. • Allows state and other public bodies on active duty and on leave to receive vacation time that has been voluntarily donated to them by other employees to supplement their military pay. • Makes it optional for state or local bodies to establish a program
150	Sen. Metsger	Asks if the purpose of donated leave time is to allow them to receive compensation.
155	Landauer	Claims pay is usually less than what they get from public employer. Sta Notes statutory authority is needed to allow that to occur which would be up to the public employer to create.
175	Sen. Metsger	Asks for clarification that they can receive payment in addition to military pay for families left behind while they are serving.
180	Landauer	Answers yes.
185	Chair Nelson	Closes the public hearing on HB 3601 A and opens a work session on HB 3601 A.

HB 3601 A – WORK SESSION

190	Sen. Walker	MOTION: Moves to ADOPT HB 3601 A–A5 amendments dated 5/14/03.
195	Chair Nelson	VOTE: 4-0 Hearing no objection, declares the motion CARRIED.
200	Sen. Walker	MOTION: Moves HB 3601 to the floor with a DO PASS AS AMENDED recommendation.
205	Chair Nelson	VOTE: 4-0 Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
210	Chair Nelson	Closes the work session on HB 3601 A and opens a public hearing on HB 2233 A.

HB 2233 A – PUBLIC HEARING

215	Dennis Dotson	Committee Administrator. Provides an overview of HB 2233 A.
220	Craig Smith	Administrator, Construction Contractor’s Board. Testifies in support of HB 2233 A. States the intent of the bill. Provides history, background and cost of the bill. Submits written testimony (EXHIBIT I).
225	Scott Bolton	PAC WEST Communications. Represents National Association

		of Credit Managers Business Credit Services (NACM). Testifies in opposition of HB 2233 A.
265	Bolton	Discusses two concerns of NACM: <ul style="list-style-type: none"> • The bill adopts a loser pay motto or has provisions for those with relief of insufficient funds to pay for filing a claim or when the claim prevails. • The 30 day notice requirement.
295	Smith	Believes those are important issues. Mentions those who do not cause problems at all are funding the process. Clarifies what the fee would be utilized for.
300	Sen. Walker	Asks about the notice concern.
315	Bill Boyd	Construction Contractor's Board. Responds all the material supplier has to do, is send a bill by certified mail. Notes in regards to the fee they would have to go to court and pay a filing fee there if the CCB did not exist.
325	Sen. Walker	Asks about the concern with the claimant filing.
330	Bolton	Explains when there is a payment dispute with a contractor's business there can be many claimants to the contractor's bond. Points out \$15,000 is not a lot when it comes to supplies.
350	Sen. Walker	Asks if it is under the discretion of the Board to waive the fees.
355	Smith	Responds the only waiver of the fee would occur only in the case where there was not sufficient funds for the claimant.
370	Sen. Walker	Asks if a contractor's bond is not sufficient to cover all of the claims, what is the recourse for the claimant.
375	Boyd	Provides information as to the process.
TAPE 75, B		
010	Sen. Walker	Asks Mr. Bolton why the members are just now being contacted.
015	Bolton	Responds the two issues were identified that were not addressed in the original version and a membership notification campaign began in the last few days. Claims upon notice of hearing they were unable to get those businesses to send in letters but there are a number of small to medium businesses that share the concerns.
020	Sen. Walker	Asks whether there has been any discussion with raising the bond limits for contractors. Comments it is expensive to purchase bonds.
025	Smith	States the issue of raising the bond comes up every session. Claims there needs to be a balance. Notes it is the credit worthiness of the individual that can cause a problem. Adds it is not worth the risk in some situations. Mentions possible solutions.
040	Scott Barrie	Oregon Building Industry Association. Testifies in support of HB 2233 A. Explains the intent of the bill. Mentions their own fees are rising.
045	Chair Nelson	Asks whether there are any issues with concerns being raised.
050	Barrie	Responds there are no existing issues.
055	Chair Nelson	Closes the public hearing on HB 2233 A and opens a work session on HB 2233 A.

HB 2233 A – WORK SESSION

060 Sen. Walker

Chair Nelson

MOTION: Moves HB 2233 A to the floor with a DO PASS recommendation.
VOTE: 4-0
Hearing no objection, declares the motion CARRIED.

105	Chair Nelson	SEN. WALKER will lead discussion on the floor. Closes the work session on HB 2233 A and opens a public hearing on HB 2670 A.
<u>HB 2670 A - PUBLIC HEARING</u>		
108	Dennis Dotson	Committee Administrator. Provides an overview of HB 2670 A. Presents the -A6 amendments dated 5/9/03. (EXHIBIT J) .
110	Shawn Miller	Oregon Recreational Vehicle Dealers Association. Testifies in support of HB 2670 A with -A6 amendments. Submits written testimony (EXHIBIT K) .
145	Miller	Explains the purpose of HB 2670 A. Mentions provisions: <ul style="list-style-type: none"> • Requires the manufacturers and dealers to have a written agreement. • Termination or change of ownership process. • Mentions section on how inventory should be handled after termination of agreement has been enforced. • Discusses orderly process for transfer of sales. • Protecting dealers and manufacturers interest if the owner of a dealership dies. • Service work and warranty repairs.
230	John Brenneman	Oregon Recreational Vehicle Industry Association. Testifies in support of HB 2370 A with the -A6 amendment. Provides information on background and history of the bill. Feels Oregon law will be held up nationwide as a good compromise between manufacturers and dealers.
265	Chair Nelson	Closes the public hearing on HB 2370 A and opens a work session on HB 2370 A.
<u>HB 2670 A – WORK SESSION</u>		
275	Sen. Walker	MOTION: Moves to ADOPT HB 2670 A –A6 amendments dated 5/9/03. VOTE: 4-0 Hearing no objection, declares the motion CARRIED.
285	Chair Nelson Sen. Walker	MOTION: Moves HB 2670 A to the floor with a DO PASS AS AMENDED recommendation. VOTE: 4-0 Hearing no objection, declares the motion CARRIED.
295	Chair Nelson	SEN. BEYER will lead discussion on the floor. Closes work session on HB 2670 A and opens a public hearing on HB 2717 A.
<u>HB 2717 A – PUBLIC HEARING</u>		
297	Dennis Dotson	Committee Administrator. Provides an overview of HB 2717 A. Presents -A2 amendments dated 4/23/03 (EXHIBIT L) .
300	Mark Long	Administrator, Building Codes Division. Testifies in support of HB 2717 A. Provides an overview and background of the bill. States the bill with the amendment will make regulation more streamlined for industry and state government.
315	Sen. Metsger	Asks for example of piece of equipment that would not meet certain standards.
320	Long	Provides an example in the high-tech community with industrial equipment in an industrial setting.
325	Jim Craven	American Electronics Association Oregon Counsel. Testifies in support of HB 2717 A. Expresses appreciation to Mr. Long for

his assistance in creating the bill. States it is a very complex inspection and they have been working on dealing with exemptions for two years. Discusses the regulatory reform is saving companies thousands of dollars. Notes the Governor already did a press release as to how important it is.

375 Chair Nelson

Closes the public hearing on HB 2717 A and opens a work session on HB 2717 A.

HB 2717 A – WORK SESSION

385 Sen. Walker

MOTION: Moves to ADOPT HB 2717 A –A2 amendments dated 4/23/03.

VOTE: 4-0

Hearing no objection, declares the motion CARRIED.

395 Chair Nelson
Chair Nelson

MOTION: Moves HB 2717 A to the floor with a DO PASS AS AMENDED recommendation.

VOTE: 4-0

Hearing no objection, declares the motion CARRIED.

CHAIR NELSON will lead discussion on the floor.

Chair Nelson

400 Chair Nelson

Closes the work session on HB 2717 A and opens a public hearing on HB 3218 A.

HB 3218 A – PUBLIC HEARING

TAPE 76, B

005 Dennis Dotson Committee Administrator. Provides an overview of HB 3218 A.
010 Tim Larkin Vice-President and Director of Operations, Summit
Accommodators. Testifies in support of HB 3218 A. Explains
intent of HB 3218 A. Describes construction exchanges.
Submits written testimony (**EXHIBIT M**).
035 Chair Nelson Closes the public hearing on HB 3218 A and opens a work
session on HB 3218 A.

HB 3218 A – WORK SESSION

040 Sen. Walker **MOTION: Moves HB 3218 A to the floor with a DO PASS
recommendation.**
VOTE: 4-0
Hearing no objection, declares the motion CARRIED.
SEN. WALKER will lead discussion on the floor.
Chair Nelson
055 Chair Nelson Closes the work session on HB 3218 A and opens a public
hearing on HB 3316.

HB 3316 – PUBLIC HEARING

060 Tim Martinez Oregon Bankers Association. Testifies in favor of HB 3316.
065 Sen. Walker Inquires if a note can accompany the credit card with a child
giving permission to use the charge card.
070 Martinez Responds it was always a decision the merchant made at the
time so unsure if this bill would impact that decision.
075 Sen. Walker Comments it is permissive.
085 Chair Nelson Closes the public hearing on HB 3316 and opens a work session
on HB 3316.

HB 3316 – WORK SESSION

090 Chair Nelson **MOTION: Moves HB 3316 to the floor with a DO PASS
recommendation.**
VOTE: 4-0
Hearing no objection, declares the motion CARRIED.
SEN. BEYER will lead discussion on the floor.
Chair Nelson
095 Chair Nelson Closes the work session on HB 3316 and opens a public hearing
on HB 3145 A.

HB 3145 A – PUBLIC HEARING

100 Jack Munro Speaks on behalf of American Home Shield Corporation.
Testifies in favor of HB 3145 A. Explains nature of the
Corporation. Provides intent, background and history of the bill.
110 Chair Nelson Asks if still subject to Oregon Unlawful Trade Practices Act.
112 Munro Responds that is correct.
115 Chair Nelson Closes the public hearing on HB 3145 A and opens a work
session on HB 3145 A.

HB 3145 – WORK SESSION

120 Sen. Nelson **MOTION: Moves HB 3145 A to the floor with a DO PASS recommendation.**
VOTE: 4-0
Chair Nelson **Hearing no objection, declares the motion CARRIED.**
CHAIR NELSON will lead discussion on the floor.
130 Chair Nelson Closes the work session on HB 3145 A and opens a public hearing on HB 2765 A.

HB 2765 A – PUBLIC HEARING

145 Dennis Dotson Committee Administrator. Provides and overview of HB 2765 A. Presents the –A3 amendments dated 5/8/03 (**EXHIBIT N**).
150 John VanLandingham Attorney. Testifies in support of HB 2765 A. Discusses the issues in HB 2765 A. Explains background and history. Submits written testimony (**EXHIBIT O**).
195 Sen. Walker Asks for clarification on specific living arrangements in alcohol and drug recovery housing.
200 VanLandingham Responds the four units do not have to be alcohol and drug- free. States what happens if a person possesses drugs or alcohol. Comments the benefit of alcohol and drug- free housing is to create community of people in recovery.
215 Sen. Beyer Refers to page 3, subsection 3. Asks if it would include things such as a cleaning deposit.
220 VanLandingham Responds no. Explains in detail what the process is. Discusses the limitations.
238 VanLandingham Discusses the bill removes the responsibility of the sheriff. States the sheriff’s responsibilities.
260 Sharon Fleming Oregon Rental Housing Association. Claims it is a consensus Barrett bill. States all interested parties had the opportunity to provide their input. Submits written testimony (**EXHIBIT P**).
275 Chair Nelson Closes the public hearing on HB 2765 A and opens a work session on HB 2765 A.

HB 2765 A – WORK SESSION

280 Sen. Walker **MOTION: Moves to ADOPT the –A3 amendments to HB 2765 A, dated 5/8/03.**
VOTE: 4-0
Chair Nelson **Hearing no objection, declares the motion CARRIED.**
290 Sen. Walker **MOTION: Moves HB 2765 A to the floor with a DO PASS AS AMENDED recommendation.**
VOTE: 4-0
Chair Nelson **Hearing no objection, declares the motion CARRIED.**
SEN. WALKER will lead discussion on the floor.
325 Chair Nelson Closes the work session on HB 2765 A and re-opens a public hearing on HB 2103 A.

HB 2103 A – PUBLIC HEARING

328 Cheryl Pellegrini Oregon Department of Justice. Testifies in support of HB 2103 A.
330 Sen. Beyer Asks about civil penalties. Comments on businesses who own older machines. Asks why a penalty is needed.
335 Pellegrini Responds people leave Oregon after they steal the identification and it gets bought and sold several times so hard to identify the thief.
TAPE 77, A
005 Pellegrini Claims it is not enough to focus on just penalizing the thief

		because limits are too apparent. Notes information needs to be made less available. Adds Visa and MasterCard have just issued policies.
025	Pellegrini	Comments over next few months merchants will have to lease or rent new equipment to comply with law which may have a cost.
070	Chair Nelson	Asks how the merchants will have knowledge on what is going on.
075	Pellegrini	Responds a lot of merchant associations would be passing information along to their constituents.
080	Julie Brandis	Associated Oregon Industries. States it is not their responsibility to notify all retailers of the change.. States the problem is the smaller retailers. Claims this is a major change and companies that provide the leasing equipment will most likely send out notification.
090	Pellegrini	Claims when they start to enforce a new provision, they have gone out of their way to put businesses on notice first before taking action.
095	Sen. Beyer	Feels they should make it a higher crime to prosecute the thieves.
138	Chair Nelson	Closes the public hearing on HB 2103 and opens a work session on HB 2103.

HB 2103 – WORK SESSION

140 Sen. Walker

MOTION: Moves HB 2103 to the floor with a DO PASS recommendation.

VOTE: 4-0

Hearing no objection, declares the motion CARRIED.

SEN. BEYER will lead discussion on the floor.

Chair Nelson

150 Chair Nelson

Closes work session on HB 2103 and opens a work session on HB 2389.

HB 2389 – WORK SESSION

148 Chair Nelson

Expresses interest in moving the bill forward with the amendments.

150 Lana Butterfield

Professional Insurance Agents. Testifies in support of HB 2389. States there is a technical detail with the amendments. Claims Scott Barrie is discussing it right now. Notes it should be a simple fix.

155 Chair Nelson

Closes the work session on HB 2389 and adjourns the meeting at 3:00 p.m.

EXHIBIT SUMMARY

- A – SB 757, -4 amendments dated 5/14/03, Staff, 54 pp**
- B – SB 757, written testimony, John Shilts, 2 pp**
- C – SB 757, -3 amendments dated 5/2/03, Staff, 54 pp**
- D – HB 2389, -A4 amendments dated 5/13/03, Staff, 2 pp**
- E – HB 2103, written testimony, Cheryl Pellegrini, 7 pp**
- F – HB 3601, -A5 amendments dated 5/14/03, Staff, 5 pp**
- G – HB 3601, written material, Rep. Patti Smith, 2 pp**
- H – HB 3601, written testimony, Mark Landauer, 1 p**
- I – HB 2233, written testimony, Craig Smith, 9 pp**
- J – HB 2670, -A6 amendments dated 5/9/03, Staff, 4 pp**
- K – HB 2670, written testimony, Shawn Miller, 1 p**

L – HB 2717, -A2 amendments dated 4/23/03, Staff, 1 p
M – HB 3218, written testimony, Tim Larkin, 1 p
N – HB 2765, -A3 amendments dated 5/8/03, Staff, 85 pp
O – HB 2765, written testimony, John VanLandingham, 4 pp
P – HB 2765, written testimony, Sharon Fleming-Barrett, 3 pp