

SENATE COMMITTEE ON JUDICIARY

August 19, 2003
8:00 a.m.

Hearing Room 357
Tapes 197 - 198

MEMBERS PRESENT: **Sen. John Minnis, Chair**
 Sen. Ginny Burdick, Vice-Chair
 Sen. Ted Ferrioli
 Sen. Charlie Ringo
 Sen. Charles Starr
 Sen. Vicki Walker

STAFF PRESENT: **Craig Prins, Counsel**
 Ann Martin, Committee Assistant

MEASURE/ISSUES HEARD: **HB 3539A Public Hearing and Work Session**
 HB 2278B Work Session
 HB 2658A Work Session
 HB 3544A 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 197, A		
002	Chair Minnis	Calls the meeting to order at 8:25 a.m. Opens a public hearing on HB 3539A.
<u>HB 3539A PUBLIC HEARING</u>		
012	Representative Jeff Merkley	House District 47. Testifies in support of HB 3539A which directs seller of certain residential property to provide protection for purchaser of property regarding construction liens perfected after sale of property is completed.
016	Vynette Arnell	Gresham. Testifies in support of HB 3539A.
049	Rep. Merkley	Talks about history of bill and six protections the bill creates to protect buyers.
070	Chair Minnis	Asks what happens if we don't fix this.
072	Rep. Merkley	Says that the original bill comes into effect in January and may be unworkable.
097	Sen. Walker	Says she has letter from Mr. Schultz that was sent to Rep. Merkley (EXHIBIT A). Wonders if Mr. Schultz's concerns have been addressed.
104	Rep. Merkley	Answers that he has taken care of Mr. Schultz's concerns in the bill (EXHIBIT B).
116	Sen. Ferrioli	Asks about the amount of the bond.
117	Rep. Merkley	Says that the bond is one of the six options.
132	Sen. Ferrioli	Asks again about the amount of the bond and if it would protect the buyer.
141	Rep. Merkley	Answers that the bond will not provide full protection.
160	Sen. Ferrioli	Says that he would like to hear from the folks that issue title insurance regarding liens.
172	Rep. Merkley	Discusses the consensus of the work group.

202	Sen. Walker	Asks how many people are caught in this problem.
212	Rep. Merkley	Answers that the statistics are weak, but there are a significant number of buyers that have run into this problem.
252	Sen. Ringo	Asks who was involved in the work group.
251	Rep. Merkley	Answers that the collected stakeholders included the Oregon Mortgage Lenders Association, the Oregon Bankers Association, the title insurance company, the real estate lobby, homebuilders, and Scott Barrie and Jessica Harris (representing the contractors).
274	Sen. Ringo	Asks if they are all okay with this bill.
275	Rep. Merkley	Answers that he believes there is consensus on the bill.
284	Scott Barrie	Oregon Building Association. Testifies in support of HB 3539A.
307	Harlan Levy	Staff Attorney, Oregon Association of Realtors. Testifies in support of HB 3539A and the A4 amendments (EXHIBIT C).
321	Chair Minnis	Asks what happens if they don't move the bill.
324	Barrie	Emphasizes that HB 3840 (2001 session) would go back into effect in January.
338	Levy	Adds that there were some criminal sanctions attached to that bill as well.
349	Chair Minnis	Closes the public hearing on HB 3539A and opens a work session.

HB 3539A WORK SESSION

352	Vice Chair Burdick	MOTION: Moves to ADOPT HB 3539A-4 amendments dated 06/19/03.
		VOTE: 6-0
355	Chair Minnis	Hearing no objection, declares the motion CARRIED.
366	Vice Chair Burdick	MOTION: Moves HB 3539A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-0
371	Chair Minnis	Hearing no objection, declares the motion CARRIED. SEN. STARR will lead discussion on the floor.
380	Chair Minnis	Closes the work session on HB 3539A and opens a work session on HB 2278B.

HB 2278B WORK SESSION

395	Sen. Ferrioli	Introduces HB 2278B which provides consistent terminology for public bodies in laws relating to districts. Discusses bill and work of work group.
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TAPE, 198A

003	Sen. Ferrioli	Continues his discussion on HB 2278B.
062	Chair Minnis	Asks if Sen. Ferrioli has amendments.
067	Sen. Ferrioli	Answers, no.
069	Chair Minnis	Refers to PERS memos (EXHIBIT D).
075	Sen. Walker	Discusses the bill.
095	Sen. Ferrioli	Explains that there should be no possibility of orphaned unfunded actuarial liabilities.
117	Marge Kafoury	City of Portland. Testifies on HB 2278B. Talks about the proposal of the work group.
138	Steve Manton	Office of Management and Finance, City of Portland. Testifies on HB 2278B.
158	Sen. Ferrioli	Talks about the bill and says that they are looking for a logical solution.
188	Leslie Robertson	Attorney, Fire District 10. Testifies on HB 2278B.

229	Sen. Ferrioli	Comments on the bill. Says they were looking for a mechanism that would not bankrupt Fire District 10.
241	Robertson	Believes that the district will go out of business.
270	Sen. Ferrioli	Explains that if Fire District 10 cannot remain solvent over the next 24 months then that territory and tax base would be consumed by another district.
298	Robertson	Discusses annexations. Wonders how the district is going to provide fire safety and emergency response for over 2,000 families.
352	Sen. Ferrioli	Comments on the problems of Fire District 10.
386	Terry McCall	Finance Director, City of Gresham. Testifies on HB 2278B. Strongly opposes any assignment of liability.
TAPE 197, B		
001	Sen. Ferrioli	Talks about needing time for all of the jurisdictions to find a solution.
016	Chair Minnis	Comments on the B15 amendments (EXHIBIT E) and the City of Portland.
033	Robertson	Comments on the idea of a regional fire service and inclusion of Fire District 10.
046	Chair Minnis	Says that perhaps other government entities could sue the city of Portland over this issue.
050	Robertson	Says that this has been a common disaster.
058	Sen. Ferrioli	Wants to hear the arguments from the different jurisdictions.
069	Sen. Walker	States that Fire District 10 owes something.
078	Sen. Ferrioli	Emphasizes that the liability stays with the district.
103	Craig Prins	Committee Counsel. Discusses HB 2278B and the B6 and B12 amendments (EXHIBITS F & G).
134	Carl Lundberg	Deputy Insurance Commissioner, Department of Business and Consumer Services. Submits testimony and testifies on HB 2278B and the B12 amendments (EXHIBIT H).
173	Vice Chair Burdick	Asks if the relating clause fits the bill.
180	Lundberg	Says that the relating clause is fine.
187	Sen. Burdick	MOTION: Moves to ADOPT HB 2278B-12 amendments dated 07/28/03.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Ferrioli
190	Chair Minnis	Hearing no objection, declares the motion CARRIED.
194	Sen. Ringo	Asks for an explanation of the B6 amendments.
195	Prins	Explains the B6 amendments.
202	Sen. Burdick	MOTION: Moves to ADOPT HB 2278B-6 amendments dated 06/03/03.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Ferrioli
203	Chair Minnis	Hearing no objection, declares the motion CARRIED.
208	Chair Minnis	Closes the work session on HB 2278B and recesses the meeting at 9:40 a.m.
216	Chair Minnis	Reconvenes the meeting at 9:50 a.m. Opens a work session on HB 2658A.
<u>HB 2658A WORK SESSION</u>		
218	Sen. Walker	Explains the A5 amendments (EXHIBIT I).
243	Sen. Walker	MOTION: Moves to ADOPT HB 2358A-5 amendments dated 08/11/03.
		VOTE: 6-0

245	Chair Minnis	Hearing no objection, declares the motion CARRIED.
249	Sen. Walker	MOTION: Moves HB 2658A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-0
253	Chair Minnis	Hearing no objection, declares the motion CARRIED.
		SEN. WALKER will lead discussion on the floor.
255	Chair Minnis	Closes the work session on HB 2658A and opens a work session on HB 3544A.
<u>HB 3544A WORK SESSION</u>		
261	Craig Prins	Committee Counsel. Introduces HB 3544A which modifies limitations on penalty wages for failure to pay wages on termination. Discusses the A2, A3, A6 and A9 amendments (EXHIBITS J-M) .
337	Christine Hammond	Bureau of Labor and Industries. Testifies in support of HB 3544A.
360	Sen. Ringo	Comments on the hand-engrossed bill with the A9 amendments and how incomprehensible the bill is (EXHIBIT N) .
433	Prins	Discusses the A6 amendments regarding the garnishment.
466	Chair Minnis	Says that he would like the committee to adopt the A2, A3, A6 and A9 amendments.
469	Sen. Walker	Asks about the A8 amendments (EXHIBIT O) .
473	Chair Minnis	Answers that they are not moving those amendments.
482	Sen. Ferrioli	MOTION: Moves to ADOPT HB 3544A -2 dated 5/20/03, -3 dated 5/27/03, -6 dated 6/24/03 and -9 dated 7/25/03 amendments.
		VOTE: 6-0
483	Chair Minnis	Hearing no objection, declares the motion CARRIED.
495	Chair Minnis	Closes the work session on HB 3544A and adjourns the meeting at 10:05 a.m.

EXHIBIT SUMMARY

A – HB 3539A, Letter from Paul D. Schultz to Rep. Merkley, dated May 19, 2003, 2 pgs.
B – HB 3539A, Letter from Rep. Merkley to Paul Schultz, dated 8/19/03, 1 pg.
C – HB 3539A, -4 amendments, dated 6/19/03, submitted by staff, 13 pgs.
D – HB 2278B, 2 memos, from Jim Voytko, submitted by staff, 7 pgs.
E – HB 2278B, -15 amendments, dated 8/18/03, submitted by staff, 8 pgs.
F – HB 2278B, -6 amendments, dated 6/03/03, submitted by staff, 1 pg.
G – HB 2278B, -12 amendments, dated 7/28/03, submitted by staff, 15 pgs.
H – HB 2278B, written testimony, submitted by Carl Lundberg, 3 pgs.
I – HB 2658A, -5 amendments, dated 8/11/03, submitted by staff, 2 pgs.
J – HB 3544A, -2 amendments, dated 5/20/03, submitted by staff, 1 pg.
K – HB 3544A, -3 amendments, dated 5/27/03, submitted by staff, 1 pg.
L – HB 3544A, -6 amendments, dated 8/19/03, submitted by staff, 15 pgs.
M – HB 3544A, -9 amendments, dated 7/25/03, submitted by staff, 1 pg.
N – HB 3544A, hand-engrossed bill with -9 amendments, submitted by staff, 2 pgs.
O – HB 3544A, -8 amendments, dated 7/17/03, submitted by staff, 2 pgs.