

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

April 05, 2001  
1:00 PM

Hearing Room E  
Tapes 67 - 69

**MEMBERS PRESENT:** Rep. Tim Knopp, Chair  
Rep. Diane Rosenbaum, Vice-Chair  
Rep. Cliff Zauner, Vice-Chair  
Rep. Vic Backlund  
Rep. Jeff Merkley  
Rep. Donna Nelson  
Rep. Vicki Walker  
Rep. Carl Wilson

**MEMBER EXCUSED:** Rep. Randy Leonard

**STAFF PRESENT:** Jim Stembridge, Committee Administrator  
Sara Noble, Committee Assistant

**MEASURE/ISSUES HEARD:** HB 2128 – Public Hearing  
HB 2936 – Work Session  
HB 2744 – 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 67, A</b>		
004	Chair Knopp	Calls the committee to order at 1:10 p.m. and opens a public hearing on HB 2128.
<b><u>HB 2128 – PUBLIC HEARING</u></b>		
010	Jim Stembridge	Committee Administrator. Gives background information on HB 2128.
015	Chris Davie	Representing SAIF Corporation. Submits written testimony <b>(EXHIBIT A)</b> and testifies on HB 2128.
085	Davie	Continues with testimony.
104	Chair Knopp	Closes the public hearing on HB 2128 notes that we will not be hearing any testimony on HB 3072 and opens a work session on HB 2936.
<b><u>HB 2936 – WORK SESSION</u></b>		
110	Stembridge	Gives background information on HB 2936.
126	Rep. Zauner	<b>MOTION: Moves HB 2936 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>EXCUSED: 2 - Rep. Leonard, Rep. V. Walker</b>
129	Chair Knopp	<b>The motion CARRIES.</b>
136	Rep. Zauner	<b>MOTION: Moves HB 2936 be placed on the CONSENT CALENDAR.</b> <b>VOTE: 7-0</b> <b>EXCUSED: 2 - Rep. Leonard, Rep. V. Walker</b>
138	Chair Knopp	<b>Hearing no objection declares the motion CARRIED.</b>
139	Chair Knopp	Closes the work session on HB 2936 and opens a public hearing

on HB 2744.

**HB 2744 – PUBLIC HEARING**

141	Stembridge	Gives background information on HB 2744.
145	Bill Perry	Director of Government Relations, Oregon Restaurant Association. Submits written information ( <b>EXHIBIT B</b> ) and testifies in support of HB 2744 along with the –1 amendments. States other groups that are supportive of HB 2744 but were unable to be here today.
223	Michael Lewelling	Owner, Mike’s Steak and Seafood House in Salem, OR. Testifies in support of HB 2744.
253	Chair Knopp	Asks about the distinction between minimum and living wage. Asks if this bill is so public entities can set the wage for themselves but they can’t set it for private employers for private business. Asks if there is an over riding policy issue keeping a state minimum wage as opposed to dividing it up as suggested for different localities having wages for different areas.
259	Perry	Responds with explanation. Responds that they feel that every employer has a right to set their wages where they want to and explains. Responds cities used to be separated a lot more than they are today and explains.
306	Rep. Rosenbaum	Asks what the organization's position was on the issue of minimum wage increase the last time. States that restaurants from economically depressed areas have come and talked about how hard it is to absorb the state increase and this would seem to be an argument in favor of regulating differently at a local level and asks what his thoughts are. Asks for examples were the hospitality industry is currently regulated at any local level by wage ordinance and clarifies for the State of Oregon.
310	Perry	Responds they were in opposition to measure 36 and explains. Responds with information from his testimony regarding urban areas. Responds with information on San Francisco and answers no.
388	Steve Lanning	Political director of the Oregon AFL-CIO. Submits written testimony ( <b>EXHIBIT C</b> ) and testifies in opposition of HB 2744.
<b>TAPE 68, A</b>		
034	Chair Knopp	Asks what language is unclear.
039	Lanning	Responds the definition of local government and explains.
052	Rep. Zauner	Asks if they see a difference between a minimum and living wage.
054	Lanning	Responds that a living wage means much more than \$6.50 an hour.
064	Rep. Wilson	States when wages are hiked you usually look at fewer jobs and higher prices for everything and asks about the conclusion that it is best for your members to risk the obvious.
076	Lanning	Responds that the unions in Oregon realize what happens if you raise the wages and explains.
090	Chair Knopp	Asks if the bus drivers are school, transit or both.
092	Lanning	States that others could better answer that question.
100	Joel Hergert	Private Citizen. Testifies in opposition to HB 2744.
155	Christine Lachner	Private Citizen from Sams Valley, OR. Submits written testimony ( <b>EXHIBIT D</b> ), written information ( <b>EXHIBIT E</b> ) and testifies in opposition to HB 2744.
256	Lachner	Continues with testimony.
284	Suzi Aufderheide	Private Citizen from Ashland, OR. Comments on difference

		between minimum and living wage. Submits written information from Cate Hartzell ( <b>EXHIBIT F</b> ) and testifies in opposition of HB 2744.
383	Rep. Wilson	Asks if an entry-level job should provide a living wage.
400	Lachner	Responds that entry-level jobs now are for skilled labor and explains.
<b>TAPE 67, B</b>		
017	Aufderheide	Continues with response to Rep. Wilson's questions.
032	Rep. Wilson	Clarifies what he is referring to as an entry level job.
038	Lachner	Responds no for a high school kid working evenings and weekends and explains.
045	Aufderheide	Responds they are talking about tax dollars and service contracts that come out of the city and explains.
051	Rep. Rosenbaum	Asks which communities have local laws in effect and does any of them attempt to regulate restaurants and other private employers that do not contract with these local governments. Asks if you are aware of any efforts planned to do that.
053	Lachner	Responds none at this time and no. Responds that there are none.
075	Kevin Jeans-Gail	Representing the City of Portland. Submits written testimony ( <b>EXHIBIT G</b> ) and testifies in opposition of HB 2744.
148	Rep. Rosenbaum	Asks when the city contracts with the bidders of this system who is considered to be the employer. Asks you would not be able to set wages under the language in HB 2744 because the city was not the direct employer.
156	Jeans-Gail	Responds the contractor is the employer of record. Responds that is correct and explains.
171	Chair Knopp	Asks how much further implementation is there for their city ordinance.
172	Jeans-Gail	Responds that it is in effect now and states that HB 2744 would preempt their ordinance and explains.
178	J. L. Wilson	State Director, National Federation of Independent Business (NFIB). Submits written testimony ( <b>EXHIBIT H</b> ) and testifies in support of HB 2744.
256	Rep. Rosenbaum	Asks if your support for this bill is like a preemptive measure. Asks if you could see some benefit in a system like this for employers who are competing in a fairly low profit margin.
264	Wilson	Responds that is correct. Responds that he can see from several views and explains.
300	Rep. Rosenbaum	Asks if he thinks we should be passing laws that should try and prevent things from happening that no one has contemplated or even proposed yet in Oregon.
304	Wilson	Responds that issues of preemption are well within your scope to deal with.
317	Rep. Zauner	Asks if you see a big difference between minimum wage and living wage.
321	Wilson	Responds that living wage is in the eye of the beholder.
336	Beverly Stein	Private Citizen from Multnomah County. Submits written testimony from Pedro Parra ( <b>EXHIBIT I</b> ) and testifies in opposition of HB 2744.
<b>TAPE 68, B</b>		
002	Stein	Continues with testimony.
030	Rep. Merkley	Asks if the movement of living wage be extended to state contracts or a state level.
033	Stein	Responds that it needs to be a joint local state relationship and

		explains.
045	Jeri Sundvall	Private Citizen from Portland, OR. Testifies in opposition of HB 2744.
119	Carolyn Jandera	Private Citizen. Testifies in opposition of HB 2744.
143	Charlie Tomlinson	Representing City of Corvallis and the League of Oregon Cities. Submits written testimony ( <b>EXHIBIT J</b> ) and testifies in opposition of HB 2744.
160	Rep. Merkley	Expresses his appreciation for their testimony.
174	Rep. V. Walker	Asks what percentage of the vote did this ordinance receive in Corvallis.
178	Tomlinson	Responds that the living wage ordinance passed by about a 55-45 vote and states that is different than the transit wage initiative passed earlier that year.
181	Chair Knopp	Asks if these were both considered in the 1999 or 2000 elections.
182	Tomlinson	Responds that they were 1999.
184	Rep. Rosenbaum	Asks if the Corvallis ordinance applies to all transit drivers or just school bus drivers.
187	Tomlinson	Responds that the Corvallis transit wage ordinance applies only to drivers and mechanics employed by Laidlaw at this juncture for Corvallis transit services and does not apply to school bus drivers employed by the same company providing bus service to the local school district.
197	Rep. V. Walker	Asks how the transit folks were able to exempt school bus drivers.
200	Tomlinson	Responds that bus drivers for the school system are considered seasonal workers versus full time employed workers in the Corvallis transit system and explains.
209	Rep. Wilson	Asks if we live in an America today that does not offer the opportunity for people to get ahead through hard work and perseverance is it a different country today in your opinion.
222	Sundvall	Responds with what her experiences are.
246	Richard Reid	Representing Jobs with Justice. Testifies in opposition of HB 2744.
330	Sarah Jacobson	Private Citizen from Eugene, OR. Testifies in opposition of HB 2744.
364	Edward Glad	Organizer for Pacific Northwest Regional Council of Carpenters. Testifies in opposition of HB 2744.
<b>TAPE 69, B</b>		
005	Glad	Continues with testimony.
014	Julie Brandis	Representing Associated Oregon Industries (AOI). Testifies in support of HB 2744.
046	Joe Gilliam	Representing Oregon Grocery Industry Association. Testifies in support of HB 2744.
081	Rep. Rosenbaum	Interprets his testimony that you would prefer us to be hearing a bill that would look at setting a living wage at a statewide level than having the advocates go to the local communities. States that in not allowing the local communities to make this decision this bill is asking us to also wipe out the ability of local communities to say how their tax dollars are spent when they give them to contractors why is it necessary to do that.
086	Gilliam	Responds the debate should happen in terms of a statewide policy versus a policy varying from community to community. Responds that they don't have a problem with the cities

		determining how they like to spend their money or the policy they set on wage and contractors and explains.
121	Chair Knopp	Asks if a statewide living wage would translate into lower or higher prices in the stores or would the grocery companies ask the shareholders to eat it.
125	Gilliam	Responds that being a 1% business it does not take much to affect business and explains.
149	Brandis	Responds to the statewide living wage question.
171	Mary Botkin	Representing the American Federation of State County Municipal Employees (AFSCME). Testifies in opposition of HB 2744 without changes.
183	Chair Knopp	States the change you wish would be the public contracts issue.
188	Bob Castagna	Representing the Oregon Catholic Conference. Testifies in opposition of HB 2744.
218	Rep. Merkley	Comments regarding the testimony on the 1% industry it was noted that a \$3.00 pay increase requires a sale of \$3,000 in groceries and thinks that number would be lower.
227	Stembridge	Mentions written information ( <b>EXHIBITS K, L</b> ).
228	Chair Knopp	Closes the public hearing on HB 2744 and adjourns the committee at 3:15 p.m.

Submitted By,

Reviewed By,

Sara Noble,  
Committee Assistant

Jim Stembridge,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 2128, written testimony, Chris Davie, 3 pp.**
- B – HB 2744, written information, Bill Perry, 13 pp.**
- C – HB 2744, written testimony, Steve Lanning, 2 pp.**
- D – HB 2744, written testimony, Chris Lachner, 3 pp.**
- E – HB 2744, written information, Chris Lachner, 6 pp.**
- F – HB 2744, written testimony, Cate Hartzell, 1 p**
- G – HB 2744, written testimony, Kevin Jeans-Gail, 3 pp.**
- H - HB 2744, written testimony, J. L. Wilson, 1 p**
- I – HB 2744, written testimony, Pedro Parra, 1 p**
- J – HB 2744, written testimony, Charlie Tomlinson, 1 p**
- K – HB 2744, written information, Mimi Maduro, 2 pp**
- L – HB 2744, written information, SEIU Local 503 OPEU, 1 p**