

# HOUSE COMMITTEE ON GOVERNMENT EFFICIENCY

March 15, 2001  
8:30 AM

Hearing Room D  
Tapes 34 - 35

**MEMBERS PRESENT:**     **Rep. Jerry Krummel, Chair**  
                              **Rep. Chris Beck, Vice-Chair**  
                              **Rep. Patti Smith, Vice-Chair**  
                              **Rep. Alan Brown**  
                              **Rep. Bill Garrard**  
                              **Rep. Jim Hill**  
                              **Rep. Deborah Kafoury**  
                              **Rep. Jeff Kruse**  
                              **Rep. Steve March**  
                              **Rep. Carolyn Tomei**

**MEMBER EXCUSED:**     **Rep. Kelley Wirth**

**STAFF PRESENT:**       **Matt Wingard, Committee Administrator**  
                              **Patrick Brennan, Committee Assistant**

**MEASURE/ISSUES HEARD:**     **SB 387 Public Hearing and Work Session**  
                                      **SB 480 Public Hearing and Work Session**  
                                      **HB 2153 Public Hearing**  
                                      **HR 7 Public Hearing**  
                                      **HB 3275 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 34, A</b>		
004	Chair Krummel	Calls the meeting to order at 8:38 a.m. Opens a public hearing on SB 387.
<b><u>SB 387 PUBLIC HEARING</u></b>		
010	Matt Wingard	Committee Administrator. Gives a brief description of the bill. States that the measure clarifies the ability of the Department of Veterans' Affairs (DVA) to use federally taxable or tax exempt bonds issued through the State Treasurer to support farm and home loans made to veterans. Says the bill authorizes the DVA Director to establish sub-accounts in the Oregon War Veterans' Bond Sinking Account to track bond monies.
018	Jon Mangis	Director, DVA. Testifies in support of SB 387 ( <b>EXHIBIT A</b> ). Indicates that the bill does not provide DVA Director with any new authority, but rather merely allows for setting up of sub-accounts. Mentions that federal law requires that bond monies be tracked and that the measure will help with that. Says that a meeting with representatives of the Department of Justice (DOJ) and underwriters resulted in the suggestion that the definition of "bonds" be revised, which prompted the drafting of the -1 amendments ( <b>EXHIBIT B</b> ).
053	Chuck Smith	Oregon State Treasury. Testifies in support of SB 387 and expresses support for the -1 amendments.
057	Rep. Hill	Requests an explanation of what the bill does.

060	Smith	Explains that statute grants DVA the authority to issue taxable bonds as funding vehicles for post-1976 veterans programs such as home loans.
068	Rep. Hill	Asks how the bonds are backed.
070	Smith	Replies that the bonds are backed with the full faith and credit of the State of Oregon, including the possible use of a property tax to pay for them should the need arise.
085	Walter Crews	United Veterans' Groups of Oregon (UVGO). Testifies in support of SB 387 ( <b>EXHIBIT C</b> ). Mentions that the veterans' home loan program was overwhelmingly re-approved via Ballot Measure 83 (2000).
097	Chair Krummel	Closes the public hearing and opens a work session on SB 387.
<b><u>SB 387 WORK SESSION</u></b>		
100	Rep. Kruse	<b>MOTION: Moves to ADOPT SB 387-1 amendments dated 3/13/01.</b>
105		<b>VOTE: 8-0-3</b>
	Chair Krummel	<b>EXCUSED: 3 - Kafoury, Tomei, Wirth</b>
		<b>Hearing no objection, declares the motion CARRIED.</b>
110	Rep. Kruse	<b>MOTION: Moves SB 387 to the floor with a DO PASS AS AMENDED recommendation.</b>
117		<b>VOTE: 8-0-3</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair Krummel	<b>EXCUSED: 3 - Kafoury, Tomei, Wirth</b>
		<b>The motion CARRIES.</b>
120	Rep. Beck	<b>MOTION: Moves SB 387 be placed on the Consent Calendar for floor consideration.</b>
124		<b>VOTE: 8-0-3</b>
	Chair Krummel	<b>EXCUSED: 3 - Kafoury, Tomei, Wirth</b>
		<b>Hearing no objection, declares the motion CARRIED.</b>
140	Chair Krummel	Closes the work session on SB 387 and opens a public hearing on SB 480.
<b><u>SB 480 PUBLIC HEARING</u></b>		
150	Christy Monson	League of Oregon Cities (LOC). Testifies in support of SB 480 ( <b>EXHIBIT D</b> ). States that the measure removes the 30-day waiting period between passage and effective date of city resolutions. Clarifies the difference between city resolutions and ordinances. Asserts that there is no compelling reason for the 30-day wait with regard to resolutions, adding that it can in some cases interfere with the ability of local officials to govern effectively.
178	Rep. Garrard	Wonders why the bill is limited to cities with populations over 2,000.
180	Monson	Responds that current statute applies only to cities over a certain population threshold.
188	Rep. Hill	Requests clarification whether the bill applies only to cities.
195	Monson	Replies affirmatively, reiterating that the measure applies only to municipalities with a population of 2,000 or more.
203	Rep. Hill	Wonders whether the measure might affect other local governments.
208	Chair Krummel	Agrees with Ms. Monson that the measure will likely apply only to cities, as Oregon Revised Statute (ORS) Chapter 221 specifically relates to cities. Mentions that most cities do not grant veto power to mayors.

233	Rep. Smith	Wonders whether the measure's primary purpose is to increase efficiency.
235	Monson	Replies affirmatively, adding that not having to wait 30 days for resolutions to take effect will be beneficial.
242	Chair Krummel	Closes the public hearing and opens a work session on SB 480.
<b><u>SB 480 WORK SESSION</u></b>		
245	Rep. Hill	<b>MOTION: Moves SB 480 to the floor with a DO PASS recommendation.</b>
249		<b>VOTE: 9-0-2</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
		<b>EXCUSED: 2 - Tomei, Wirth</b>
	Chair Krummel	<b>The motion CARRIES.</b>
257	Rep. Kruse	<b>MOTION: Moves SB 480 be placed on the Consent Calendar for floor consideration.</b>
		<b>VOTE: 9-0-2</b>
		<b>EXCUSED: 2 - Tomei, Wirth</b>
	Chair Krummel	<b>Hearing no objection, declares the motion CARRIED.</b>
259	Chair Krummel	Closes the work session on SB 480 and opens a public hearing on HB 2153.
<b><u>HB 2153 PUBLIC HEARING</u></b>		
260	Matt Wingard	Committee Administrator. Gives a brief description of the bill. States the measure expands the duties of cities and counties that adopt specialty codes or building requirements and requires authorized inspectors to demand that persons subject to state building codes prove compliance with certain state laws. Indicates that the measure requires municipalities to adopt plumbing and electrical inspection programs to take investigation and enforcement action on behalf of state boards. Mentions that the -1 amendments ( <b>EXHIBIT E</b> ) and -2 amendments ( <b>EXHIBIT F</b> ) have been submitted for the committee's consideration.
277	Joe Brewer	Administrator, Building Codes Division (BCD), Department of Consumer and Business Services (DCBS). Testifies in support of HB 2153 ( <b>EXHIBIT G</b> ). States that it is currently voluntary for jurisdictions to check plumbing and electrical licenses, registrations, and certifications and to issue citations on behalf of BCD for violations. Asserts that performing license checks and code enforcement at the local level will build greater compliance and consistency and improve building safety.
323	Rep. Hill	Asks who is currently responsible for enforcing licensure.
330	Brewer	Replies that BCD is currently responsible.
340	Rep. Hill	Asks whether DCBS supports either the -1 or -2 amendments.
345	Brewer	Clarifies that DCBS supports the concepts that are integrated into the amendments.
349	Rep. Garrard	Wonders whether the licensure checks will place an undue burden on inspectors.
352	Brewer	Acknowledges that the bill may give inspectors more responsibilities but says the measure should result in greater service and public safety.
363	Rep. Hill	Asks whether DCBS budget has been evaluated by the Committee on Ways and Means and, if so, by how many FTE the department will be reduced as a result of licensure compliance checks being performed by local jurisdictions.

366	Brewer	Responds that the no reductions in staff are anticipated, as the state would assume a greater role in processing citations issued by jurisdictions. Notes that the bill is indeterminate with regard to fiscal impact.
379	Rep. Hill	Asserts that the Building Codes Division should not require as many staff to process fines as it does to perform checks. Asks whether there is evidence as to whether licenses have been revoked. Comments that there is no permissiveness in the bill.
398	Brewer	Responds that the state should only be the inspector of last resort. Indicates that field inspectors perform license checks, of which the division has four in the entire state. Asserts that the division has been woefully understaffed and under-supported, which is part of the reason that enforcement will be more efficient and effective if inspections are performed at the local level.
<b>TAPE 35, A</b>		
027	Burton Weast	Oregon Association of Plumbing, Heating, and Cooling Contractors. Testifies in support of the –1 amendments to HB 2153. States that the purpose of the bill is to have local governments performing license checks during business hours. Says there was concern that the measure as currently written tacitly implies that it is not illegal to work without a license so long as that work takes place outside normal business hours. Assures that the industry is very sensitive to local government cost issues, as such costs are typically passed on to consumers. Remarks that the –1 amendments require local governments to provide in their plan how they enforce building codes information and licensure requirements. Reiterates the measure is not a mandate to hire more inspectors, only to demonstrate what they will do.
074	Rep. Hill	Disagrees that the measure is not a mandate, as the bill says city officials “shall” check licenses. Asks if there is evidence as to whether licenses have been revoked. Reiterates the measure is not permissive.
091	Weast	Clarifies that the word “shall” is used in accordance with the compliance program, meaning that it is the compliance program that requires checks, not the bill. States that municipalities will be allowed to create a program of their own design, but will then be held to that program.
103	Ron Murray	United Association of Plumbers and SteamFitters of the United States and Canada, Local 290. Testifies in support of the –1 amendments to HB 2153. Describes how license checks take place on the job site. Assures that the amended measure will not require license checks every time inspectors are on a job site. Notes that contractors support the bill.
133	Murray	Predicts the bill will not result in significant additional cost to local governments. Asserts that HB 2153 protects the health and safety of citizens as licensure requirements are meant to do.
152	Rep. March	Asks for a description of the purposes of licensure requirements.
155	Murray	Describes the apprenticeship program that is required before individuals are allowed to test for state licensure. Says other crafts besides plumbing and electrical are looking to be licensed by the state as well. Argues that licensure is losing its integrity because no one verifies them anymore. Compares checking

		licenses to police asking to see a motorists drivers license. Reiterates that licensure is a form of consumer protection. International Brotherhood of Electrical Workers, Local 280. Describes his experience as an electrician in the field. Remarks that very little compliance is occurring in his area, and as a result violators are confident that they are not likely to be caught. Asserts that HB 2153 is a step toward solving the problem.
178	Tim Nicol	
197	Rep. Garrard	Asks what problem in particular the bill will solve.
200	Nicol	Explains that the problem is non-licensed practice, which will be alleviated by licensure checks.
209	Rep. Smith	Wonders what types of violations are occurring.
212	Nicol	Relates a case where he was called to a fertilizer plant that had an inappropriate electrical hookup for a pump. Assures that a licensed electrician would not have made such a mistake.
237	Rep. Smith	Hypothesizes that the owner of the plant could have hooked the pump up incorrectly, which would not be a violation of the law.
239	Nicol	Concurs, but says in this case it was not the owner that performed the work.
242	Rep. Smith	Notes that the equipment in question was not inspected after the faulty work was completed and asks how the bill would have helped solve the problem.
245	Nicol	Says there are many “off-the-wall handymen” who do electrician work. Asserts that if there was some chance they would be caught it might not happen as much.
253	Rep. Hill	Agrees that unlicensed work should not occur, but refutes that the bill will prevent it. Notes that the –1 amendments require both the establishment of a program and enforcement of the established program. Suggests that such a haphazard approach will not succeed in addressing problems of public safety.
270	Murray	Reiterates that the bill asks only that the local jurisdiction be granted the authority to write a ticket for violators when they are caught. Argues that the measure is simply a matter of allowing checks as part of normal compliance program.
304	Rep. Hill	Responds that licensure checks for contractors is not comparable to checking licenses for drivers who are pulled over, but is instead more like pulling over all drivers to check licenses. Laments that such strong terms are used in the bill. Predicts that local governments that don’t check licenses will become liable should damages result.
325	Weast	Respectfully disagrees with Rep. Hill’s analysis.
333	Rep. Hill	Points out where the use of the word “shall” in section 2 creates an imperative rather than a permissive situation.
347	Weast	Assures that it is not the intention of the proponents to impose such a stringent requirement.
355	Rep. Hill	Reiterates that the language in section 2 is all-inclusive and does not address a specific program.
373	Weast	Comes to understand Rep. Hill’s line of reasoning and agrees that the language in section 2 should concur with that in section 1.
381	Rep. Garrard	Wonders if the bill’s passage will result in a higher number of citations and, if so, how the additional money collected will be spent.
393	Murray	Compares the allocation of additional fine revenues to existing processes for the Building Codes Division. Says the money goes back into the jurisdiction where the fines were levied. Predicts

that once contractors discover that compliance is being checked there will be a lot fewer violations.

**TAPE 34, B**

012	Rep. Garrard	Requests clarification whether the additional funds will revert to the general fund of the jurisdiction in question.
017	Murray	Answers that he is not sure.
037	Brewer	Indicates that when citations are issued and fines are collected the costs are recouped and the balance returns to the jurisdiction. States that if jurisdictions collect revenues above costs as a result of a citation, the balance would need to be used for building-related activities.
060	Weast	Acknowledges that there is a problem with the -1 amendments and asks for the opportunity to have a new set of amendments drafted.
068	Chair Krummel	Inquires whether Mr. Nicol has ever reported a violator to BCD.
075	Nicol	Remarks that the problem with referring violators to BCD is that there is little chance for having them show up in a timely manner, given their dearth of inspectors. Mentions that he has nevertheless reported violators in the past.
090	Brian Krieg	National Electrical Contractors Association; Plumbing and Mechanical Contractors Association; Sheet Metal and Air Conditioning Contractors Association; International Brotherhood of Electrical Workers Local 48. Testifies in support of HB 2153 and the -1 and -2 amendments. States that fees for licenses and permits have been increasing while compliance services have lagged behind. Asserts that there is a temptation for those who have been compliant to shirk their responsibility and not renew their license.
134	Chair Krummel	Asks whether contractors typically report known violators to BCD.
138	Krieg	Replies affirmatively. Says that workers see illegal work taking place. Explains that the construction industry involves long work hours, which in turn requires inspection programs to have flexibility. Agrees that inspection is required to maintain safety. Supports the concept behind the -2 amendments.
175	Bill Cross	Oregon Building Officials Association. Testifies in support of HB 2153.
180	Kevin Brice	Washington County Building Official. Testifies in support of HB 2153. Describes the pilot program that provides local inspectors the authority to assess fines for violations. Comments that licensure checks are relatively easy, though there are some up-front costs for training and implementation. Acknowledges that there was some concern whether this is an unfunded mandate and says the pilot program has not indicated whether this is the case. Indicates that four citations were levied after 96 licensure checks.
238	Rep. March	Requests clarification whether fines are being levied for unlicensed contractors working for pay or to homeowners doing their own work.
244	Brice	Describes the four cases in which the person performing the work was fined for working without a valid license.
263	Rep. Garrard	Asks for a description of the range of fines.
265	Brice	Responds that the fines levied vary according to the number of violations, ranging between \$1,000-5,000.

277	Rep. Garrard	Expresses concern about the possibility a consumer that unknowingly does work on his own home could receive a \$1,000 fine.
284	Brice	Clarifies that is not the intent of the program and that large fines are usually levied only when there is obvious knowledge of and noncompliance with the law.
314	Rep. Garrard	Says there is nothing within the bill to prevent that from happening in some areas.
318	Brice	Says such an occurrence would only happen at the state level.
328	Cross	Addresses concerns with the amendments that were raised earlier. States that the –1 amendments attempt to allow local governments to adopt their own compliance programs. Remarks that compliance can only be taken so far. Offers to work with other interested parties to fix the amendments. Expresses support for the –2 amendments.
400	Rep. Smith	Asks how it was discovered that those who were working on their own homes were performing work without a license.
405	Brice	Answers that neighbors usually provided such information.
412	Chair Krummel	Says there are some who believe that local governments like to collect fees but do not like to perform compliance. Wonders what fees are used for when they are collected.
421	Brice	Answers that the money goes into the local general fund. Assures that local building officials do not just sit back and collect fees. Indicates that local governments are required by law to allocate fee revenues to building related issues.

**TAPE 35, B**

007	Chair Krummel	Closes the public hearing on HB 2153 and opens a joint public hearing on HR 7 and HB 3275.
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**HR 7/HB 3275 PUBLIC HEARING**

020	Matt Wingard	Committee Administrator. Gives a brief description of the resolution and the bill. States that HR 7 declares February 6 and President Ronald Reagan Day. States that HB 3275 requires the Oregon Department of Administrative Services (DAS) to name the planned north mall state building the Ronald Reagan State Office Building.
035	Rep. Bruce Starr	House District 3. Testifies in support of HR 7 and HB 3275. Says Ronald Reagan was one of the greatest presidents in the history of the United States. Lists some of President Reagan’s accomplishments and traits: <ul style="list-style-type: none"> <li>• Restored the United States as a world power</li> <li>• Engineered an increase in the national economy</li> <li>• Unemployment reductions</li> <li>• Ended the Cold War</li> <li>• Played a role in arms reduction</li> <li>• “Restored life to the dying dream of America”</li> <li>• “The Great Communicator”</li> </ul> Asserts that both measures are simple ways to honor the role President Reagan played in our country and emphasizes the need to remind each generation.
097	Chair Krummel	Remarks that it is ironic to name a government building after a

107	Rep. Starr	<p>president who made it one of his primary goals to reduce the size of government.</p> <p>Responds that this would not be the first building named for President Reagan, adding that the purpose is to keep his memory alive.</p>
118 124	Rep. Smith Gabe Winslow	<p>Concurs with Rep. Starr's testimony.</p> <p>Testifies in support of HR 7 and HB 3275. Says that considering the effects of President Reagan's tenure it is fitting to honor his legacy. Mentions that March 30<sup>th</sup> is the 20<sup>th</sup> anniversary of the assassination attempt that nearly took President Reagan's life.</p>
179	Michael Gay	<p>Testifies in support of HR 7 and HB 3275. States that President Reagan is a personal hero because of his courage and eloquence. Asserts that there are monuments to great Americans who stood for American ideals, which is what Ronald Reagan did.</p>
190	Chair Krummel	<p>Adjourns the meeting at 10:15 a.m.</p>

Submitted By,

Reviewed By,

Patrick Brennan,  
Committee Assistant

Matt Wingard,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – SB 387, testimony, Jon Mangis, 2 pp.**
- B – SB 387, -1 amendments, Jon Mangis, 2 pp.**
- C – SB 387, testimony, Walter Crews, 2 pp.**
- D – SB 480, testimony, Christy Monson, 2 pp.**
- E – SB 2153, -1 amendments, staff, 1 p.**
- F – SB 2153, -2 amendments, staff, 16 pp.**
- G – HB 2153, testimony, Joe Brewer, 2 pp.**