

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

January 22, 1999 Hearing Room E

8:30 a.m. Tapes 8 - 9

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Bill Morrisette

Rep. Terry Thompson

Rep. Jackie Winters

MEMBER EXCUSED:

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

MEASURE/ISSUES HEARD: Public Hearing for HB 2059, HB 2060, HB 2061, and HB 2062

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 8, A		
002	Chair Beyer	Calls meeting to order at 8:31 a.m.
<u>PUBLIC HEARING HB 2059</u>		

004	Chair Beyer	Opens Public Hearing on HB 2059.
011	Keith Putman	Committee Administrator. Comments that the method introduced by the Landscape Board is already in use by the Construction Contractors Board and ties into a uniform method that was established in the last session of the legislature. States that HB 2059 does not give the Landscape Contractors Board any authority it does not already have.
020	Ken Keudell	Administrator, Landscape Contractors Board (LCB) and Construction Contractors Board. Appears in support of HB 2059.
052	Keudell	Presents history of LCB. Explains functions of Landscape Contractors Board: <ul style="list-style-type: none"> • Establish policy • Appeal and claims system • Hire and fire administrators (EXHIBIT A)
068	Keudell	States agency mission.
071	Keudell	States LCB licensing requirements.
100	Keudell	States LCB works closely with one major landscape association, Oregon Landscape Contractors Association (EXHIBIT B).
105	Keudell	Explains that HB 2059, HB 2060, HB 2061 and HB 2062 were printed at the request of the Landscape Contractors Board to improve operation of the board and increase consumer protection.
112	Chair Beyer	Asks if the Landscape Board generates enough resource separate from the Construction Board and staff to operate in the event of a separation from the Construction Board.
130	Keudell	Explains the Landscape Board would no longer have access to the thirteen contracted investigators and some of the staff. Believes the service may only deteriorate temporarily. States that the landscape industry is seriously looking at the possibility of becoming privatized.
144	Keudell	Explains HB 2059 adds LCB claim final order to provisions to ORS 29.137, 205.125 and 205.126 directing a standard method and procedure of filing orders as judgments with county clerks (EXHIBIT A, page 3).
160	Keudell	Explains this bill puts claims language the same as Construction Contractors Board regarding standard method and procedure of filing orders as judgments with county clerk. States HB 2062 has no fiscal impact (EXHIBIT A, page 4).

185	Chair Beyer	Close Public Hearing on HB 2059 at 9:45 a.m.
<u>PUBLIC HEARING ON HB 2060</u>		
186	Chair Beyer	Opens Public Hearing on HB 2060.
190	Putman	Explains HB 2060 revises priority schedule for property owner claims against landscaping business' surety bond. Declares there is no revenue impact.
220	Keudell	Explains the purpose and policy implications. States HB 2060 has no fiscal impact on LBC (EXHIBIT A, page 5) .
260	Rep. Gardner	Asks how the "90 day period" was determined.
262	Keudell	States this time period was established in the statute for Construction Contractors Board. Explains because it is working, LCB adopted same language.
268	Rep. Morrisette	Asks why the small amount for the bond.
274	Keudell	States this figure was established in the law upon conception of the LCB. Explains how this figure is determined in the process.
297	Rep. Atkinson	Asks about the priority of the claims.
303	Keudell	Explains the process of bond priority and order of payment on the bond.
336	Rep. Winters	Inquires if a bond increase is arbitrary or is a history review conducted prior to this consideration to determine actual need.
341	Keudell	Explains factors to determine increases in a bond.
394	Chair Beyer	Discusses details regarding claims against a contractors bond in relationship to the status of the contractor's license.
412	Keudell	Clarifies discussion by using examples.
447	Chair Beyer	Discusses priority on bond payment involving a suspended license.
470	Keudell	Clarifies individual's competency and insurance process versus business bonding.

TAPE 9, A

040	Keudell	States the LCB has the authority to levy a maximum civil penalty of \$2000 per offense.
064	Putman	Discusses differences between the responsibilities of the bonded business and an individual's license. Clarifies with examples.
077	Keudell	Clarifies differences of this issue.
090	Chair Beyer	Requests a copy of the statutes covering the licensing and bonding issue in question.
110	John Powell	Contractors Bonding and Insurance Company. Explains he represents a company in Oregon that provides contractors bonding. Testifies in favor of HB 2060.
114	Powell	Explains difference between "surety" and "insurance."
151	Powell	Clarifies the first priority of the law in HB 2060 is to protect the consumer.
195	Powell	Commends Mr. Keudell for his years of expertise and service to the CCB and LCB.
205	Rep. Morrisette	Asks how to re-instate a landscaper's license after a judgement and payment is complete.
210	Keudell	Explains the contractor would usually choose to pay rather than drawing on the bond.
222	Chair Beyer	Closes Public Hearing on HB 2060 at 9:16 a.m.

PUBLIC HEARING HB 2061

223	Chair Beyer	Opens Public Hearing on HB 2061.
231	Putman	Summarizes the LCB is requesting the authority to issue an immediate "stop work order" action in the event of a rule violation. States there is no fiscal impact.
248	Keudell	Explains HB 2061 was introduced last legislative session and died in the Senate. Explains need for consumer protection. Clarifies HB 2061 deals only with landscapers operating without a license or a lapse in a license (EXHIBIT A, page 6).

290	Rep. Morrisette	Inquires if language was changed since last session's introduction.
294	Keudell	Explains a one-word change. Specifies the word <i>will</i> was changed to <i>may</i> in reference to <i>the cease work immediately order</i> .
303	Atkinson	Asks for clarification of "lapse."
306	Keudell	Defines a lapse of a license or insurance as a violation that can be rectified. Explains lapse is different from never completing licensing requirements.
323	Rep. Atkinson	Discusses ability of HB 2061 to expose the habitual lapses.
388	Rep. Gardner	Inquires if the license registration fee increases with a lapse.
395	Keudell	Confirms a late fee is assessed.
422	Rep. Winters	Inquires about the practice of unlicensed landscaping contractors.
427	Keudell	States the number of unlicensed landscapers may possibly be 200-300. Clarifies with the example of irrigation system installation.
478	Keudell	Discusses concerns of enforcement.
485	Rep. Morrisette	Inquires if the homeowner could obtain a permit and do the installation without licensing.
495	Chair Beyer	Asks for clarification that homeowner can do all hook-ups to city water systems legally.
TAPE 8, B		
015	Chair Beyer	Inquires where in HB 2061 the word <i>lapse</i> occurs.
019	Keudell	Replies Line 31, page 1.
025	Keudell	Comments this language was developed by legislative counsel.
031	Putman	Asks for clarification. Uses a scenario involving a landscaper who has just started a job and a lapsed license occurs. States a "stop work order" could be invoked. Confirms that the word change in HB 2061 allows the latitude to deal with each instance separately.

030	Keudell	Confirms.
050	Rep. Winters	Understands this will leave the judgement to the discretion of the staff. States would like to see standards clarified for this discretion.
058	Rep. Morrisette	Discusses discretionary ability.
075	Chair Beyer	Asks for copies of 1997 bill. Expresses hesitancy to send another bill to the Senate without first researching language issue thoroughly. Closes Public Hearing on HB 2061.
<u>PUBLIC HEARING HB 2062</u>		
084	Chair Beyer	Opens hearing on HB 2062.
086	Putman	Allows licensed landscaping business to perform construction of fences, decks, walkways, driveways or retaining walls not done in conjunction with landscaping work. Explains this adds an increased bond requirement.
097	Keudell	Explains proposed HB 2062 (EXHIBIT A, page 7).
135	Rep. Morrisette	Asks for clarification of the term <i>driveway</i> . Comments there is a difference between planting shrubs and pouring concrete.
150	Keudell	Comments a construction contractor can do the concrete pouring under a \$5000 bond. Proposes a landscaper would be required to carry a \$10,000 bond to do the same concrete job. Suggests the landscaper has a greater assurance of competency. States HB 2062 provides greater consumer protection with these requirements.
161	Rep. Atkinson	Asks where fences, decks, etc., are considered in the bonding now.
163	Keudell	Replies provided by a specialty contractor with a \$5000 bond.
172	Rep. Winters	Discusses requirements and qualifications of \$5000 bond versus \$10,000 bond.
225	Putman	Clarifies some legislation being introduced this session for increased requirements for construction contractors.
232	Chair Beyer	Inquires how a consumer would know if a landscape contractor has actually met the higher bond requirements.

236	Keudell	Explains this information would be added to the telephone comments for consumer to access.
277	Rep. Morrisette	Inquires of any opposition from Construction Contractors Board for HB 2062.
279	Keudell	Replies not aware of any conflict between boards .
288	Chair Beyer	Closes Public Hearing on HB 2062.
323	Chair Beyer	Adjourns meeting at 9:52 a.m.

Submitted By, Reviewed By,

FRANCES THOMAS, KEITH PUTMAN,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2059, HB 2060, HB 2061 and HB 2062 written testimony submitted by Ken Keudell, 7 pp