

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

February 8, 1999 Hearing Room E

8:00 a.m. Tape 26 - 27

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Bill Morrisette

Rep. Jackie Winters

Rep. Terry Thompson

MEMBER EXCUSED:

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

MEASURE/ISSUES HEARD: Introduction of Committee Bills

HB 2020 Public Hearing

HB 2429 Public Hearing

HB 2489 Public Hearing

HB 2490 Public Hearing

HB 2504 Public Hearing

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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TAPE/#	Speaker	Comments
TAPE 26, A		
002	Chair Beyer	Opens committee meeting.
<u>INTRODUCTION OF COMMITTEE BILLS</u>		
006	Chair Beyer	Explains the process of introducing committee bills. States the introduction does not indicate support of the bills.
011	Rep. Knopp	MOTION: Moves LC's: 1717, 1920, 2257, 2258, 2259, 2260, 2261, 2262, 2265, 2295, 2343, 2987 BE INTRODUCED as committee bills.
018	Rep. Gardner	Expresses concerns about LC 2265 dealing with the minimum wage issue.
022	Rep. Thompson	Expresses concerns about LC 2265.
024	Chair Beyer	States committee will consider LC 2265 as a separate motion. Asks for a revised motion for the remaining LCs.
026	Rep. Knopp	MOTION: Moves LC's: 1717, 1920, 2257, 2258, 2259, 2260, 2261, 2262, 2295, 2343, 2987 BE INTRODUCED as committee bills.
027		VOTE: 7-0
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
		<p>The above LCs were filed as the following House Bills:</p> <p>LC 1717 ñ HB 2733</p> <p>LC 1920 ñ HB 2734</p> <p>LC 2257 ñ HB 2735</p> <p>LC 2258 ñ HB 2736</p> <p>LC 2259 ñ HB 2737</p> <p>LC 2260 ñ HB 2738</p> <p>LC 2261 ñ HB 2739</p> <p>LC 2262 ñ HB 2740</p>

		<p>LC 2295 ñ HB 2742</p> <p>LC 2343 ñ HB 2741</p> <p>LC 2987 ñ HB 2747</p>
028	Rep. Knopp	MOTION: Moves LC 2265 BE INTRODUCED as a committee bill.
		<p>VOTE: 4-3</p> <p>AYE: 4 ñ Rep. Atkinson, Rep. Knopp, Rep. Winters, Rep. Beyer</p> <p>NAY: 3 ñ Rep. Gardner, Rep. Morrisette, Rep. Thompson</p>
	Chair Beyer	The motion Carries.
036	Chair Beyer	Reminds the committee of the standard procedures and courtesies for the introduction of committee bills.
<u>PUBLIC HEARING ON HB 2020</u>		
057	Chair Beyer	Opens Public Hearing on HB 2020.
058	Keith Putman	Committee Administrator. Explains HB 2020 which requires a license for construction contractors versus the current procedure for registration. States the licensing will require passing an examination. Clarifies rules for currently registered contractors.
080	Fred Van Natta	Oregon Building Industry Association (OBIA). Explains background of the OBIA. Comments on reasons for proposed testing requirements provided in HB 2020. Testifies in favor of HB 2020.
137	Scott Barrie	<p>Oregon Building Industry Association. Presents background information on HB 2020. Explains details of proposed educational requirements in HB 2020. Comments on reasons for adding an exam for the 16 hours of required education (EXHIBIT A):</p> <ul style="list-style-type: none"> • Demonstrate education providers are doing the job being paid for • Keep "fly by night" contractors from operating in Oregon
175	Barrie	Explains confusion about HB 2020 which changes construction contractors from "registered" to "licensed." Clarifies Section 19 of HB 2020 which would "grandfather" currently registered contractors.
190	Rep. Knopp	Asks how many other states require testing for a contractor license.

193	Barrie	Presents examples of states that require licensing.
203	Rep. Knopp	Asks if OBIA is the largest trade group for the building industry. Requests number of members for OBIA.
205	Barrie	Explains there are about 5000 member firms. States member firms are responsible for constructing about 80% of the house in the state of Oregon. Clarifies that OBIA is the largest member organization of residential construction.
222	Mary Mann	President, Independent Contractors of Oregon (IOC) and independent contractor of Goose Hollow Window Company. Testifies in opposition of HB 2020. States HB 2020 would impose a workload burden on the Construction Contractors Board (CCB) with current staff (EXHIBIT B) .
283	Mary Mann	Quotes from National Homebuilders Association study used for a state audit, "there is no correlation between licensing and quality of work or consumer complaints."
240	Bonnie Sullivan	Secretary/Treasurer, Independent Contractors of Oregon. Testifies in opposition of HB 2020. Suggests a current study be conducted of the CCB to determine any increase in consumer protection since the conception of the CCB in 1969. Suggests that CCB has become more of a regulatory board than a consumer protection agency (EXHIBIT C) .
271	Rep. Knopp	Requests organizational background of ICO.
275	Sullivan	Replies IOC was established in 1993.
282	Rep. Thompson	Comments that safety violations were reduced in the fishing industry once testing and educational requirements intensified.
297	Mann	Comments on an existing pre-requisite educational program.
340	Sullivan	Comments about solving problems of licensing issues.
374	Mann	Comments that licensing does not address the skill level of a licensed contractor's employees and could create a false measure of the quality of the work performed.
387	Stephen Kafoury	Oregon Remodelers Association. Testifies about concerns of continuing education. Suggests an effective date (two years from now) for legislation of licensing and continuing education would allow time to solve some of the issues in question.

424	Kafoury	Explains support of testing for contractors in categories: general contractors and specialty contractors. Illustrates point with examples.
458	Knopp	Asks for clarification about support of HB 2020 if the effective date is in two years.
465	Kafoury	Specifies would like for the bill to include some competency testing.
474	Chair Beyer	Closes the Public Hearing on HB 2020.
TAPE 27, A		
<u>PUBLIC HEARING HB 2429</u>		
002	Chair Beyer	Opens Public Hearing on HB 2429.
003	Putman	Explains that HB 2429 would require construction contractors to display a company name and CCB registration number on the driversí side of the vehicle used in construction activities. States the intent is to make it easier to identify a contractor at the construction site and easier to obtain the contractorís registration number, thus providing improved consumer protection.
011	Rep. Gardner	States sponsorship of HB 2429 is on behalf of the Oregon State Building and Construction Trades.
020	Bob Shiprack	Executive Secretary, Oregon Building and Construction Trades Council. Testifies in favor of HB 2429 which is intended to aid in enforcement of existing laws relating to the contractors board and its registrants. States HB 2429 would also provide significant improvement of consumer protection (EXHIBIT D) .
069	Shiprack	Comments about consumer fraud. Requests the committee have the opportunity to view KGWís (Channel 8) recently aired tape series about consumer fraud in the construction industry.
076	Shiprack	Suggests HB 2429ís proposal to display contractor name and CCB registration number would aid state building inspection process.
087	Atkinson	Asks what qualifies as a "display." Comments about company leased vehicles and inability to paint on leased vehicles without penalty.
104	Shiprack	Explains the name display would apply only to company owned vehicles owned as described in Line 7 of HB 2429.
122	Rep. Winters	Asks how would this law be enforced.

125	Shiprack	Comments that non-compliance of HB 2429 invoke a civil penalty.
152	Putman	Speculates that intentional inaccuracy on a name and information display would be supported by other proposed legislation making it fraudulent and resulting in a Class B misdemeanor with a penalty of up to 6 months or \$1000.
169	Rep. Knopp	Discusses average cost of the display on a vehicle.
186	Rep. Winters	Inquires if most legitimate contractors currently have vehicle displays.
188	Shiprack	Speculates that most contractors use displays as a form of advertising and receive tax breaks for that use.
232	Rep. Morrisette	Inquires as a consumer, what information will be gained from calling CCB with a contractor's registration number.
235	Shiprack	Replies that inquiry about a specific registered number will give name, location, bonding and insurance information and any filed complaints or claims against that contractor.
259	Shiprack	Offers to loan to the committee a publication called Contractors State Licensing Information Directory. Shows licensure or registration requirements of 52 jurisdictions.
285	Mann	Testifies in opposition to HB 2429. States a proprietary interest in not permitting a sub contractor to advertise with yard signs or vehicle signs on a job site that responsible to the general contractor (EXHIBIT B)
311	Mann	Asks for verbiage to specify enforcement of HB 2429 would be "by complaint only." Comments it is the construction contractor that is registered not the vehicle.
344	Rep. Gardner	Discusses comments about sub contractors advertising on a job site on job.
389	Sullivan	Comments in opposition to HB 2429. States it could have a considerable financial impact for a company with a large fleet of vehicles (EXHIBIT C) .
433	Bill Sikora	Executive Director, Plumbing and Mechanical Contractors Association. States this organization represents approximately 250 unionized plumbing and mechanical contractors in the state of Oregon. Comments about union labor agreement requirements to display CCB number on the vehicle.
463	Gary Wright	Plumbers and Pipe-fitters Local 290. Expresses desire that HB 2429 pass.

470	Fred Van Natta	Oregon Building Industry Association. Comments about history of association. Expresses opposition to HB 2429.
TAPE 26, B		
007	Van Natta	Comments on the history of registration numbers for vehicles.
052	Van Natta	Explains some details about the desirability of unmarked contractor's vehicles.
068	Stephen Kafoury	Oregon Remodelers Association (ORA). Comments that HB 2429 was introduced since the last ORA's last legislative committee meeting so there is not an official position for ORA yet. States HB 2429 would assist CCB in locating contractors who are operating in Oregon outside of the rules and laws.
108	Kafoury	Suggests clarifying specific rules for transportation of equipment with Ken Keudell with respect to unmarked vehicles.
121	Ken Keudell	Administrator, Construction Contractors Board. Comments on civil penalties. Explains penalties for violations are progressively with a maximum of \$5000.
139	Beyer	Asks about requirements from LCB for display of name and registration for landscapers.
144	Keudell	Explains landscaping businesses are furnished with a sticker from LCB with the registration number and there is a requirement for display on the vehicle.
176	Chair Beyer	Closes Public Hearing on HB 2429.
<u>PUBLIC HEARING ON HB 2489</u>		
180	Chair Beyer	Opens Public Hearing on HB 2489.
181	Putman	Explains overview HB 2489. Requires CCB to periodically review training programs provided to suitably meet the 16-hour requirement to receive a construction contractor license.
193	Barrie	Comments that the intent of HB 2489 is that the CCB shall not prohibit private organizations from providing the training and services to meet the 16-hour educational requirement.
229	Kafoury	Comments in support of HB 2489.
238	Sullivan	Requests the committee not take action on HB 2489 until the training board

		(made up of representatives of the trade associations) completes the process of standardizing fees and curriculum (EXHIBIT C) .
263	Mann	Comments in opposition to HB 2489 (EXHIBIT B) .
288	Chair Beyer	Discusses quality of training and standardization of curriculum.
349	Chair Beyer	Closes the Public Hearing on HB 2489.
<u>PUBLIC HEARING ON HB 2490</u>		
350	Chair Beyer	Opens Public Hearing on HB 2490.
356	Putman	Presents explanation of HB 2490. Explains background which requires records of four types of complaints filed with the CCB. Requires CCB to keep a record of the complaints and be made available upon request.
368	Scott Barrie	Oregon Building Industry Association. Testifies in favor of proposed legislation. Comments about claims history.
403	Atkinson	Inquires about third party complaints.
410	Barrie	Clarifies with examples.
449	Mann	Presents written testimony. (EXHIBIT B) Testifies in opposition to HB 2490.
TAPE 27, B		
002	Kafoury	Testifies in favor of HB 2490.
019	Keudell	Comments on the present CCB complaint/claims process.
050	Chair Beyer	Closes Public Hearing on HB 2490.
<u>PUBLIC HEARING HB 2504</u>		
051	Chair Beyer	Opens Public Hearing on HB 2504.
	Putman	Presents overview of HB 2504. Comments that Rep. Prozanski is the sponsor of HB 2504 recognizes an amendment is needed to accomplish the desired end.

061	Mary Mann	Testifies in opposition to HB 2504. Clarifies with examples (EXHIBIT B) .
103	Sullivan	Comments on whether or not consumers have roofing endorsements in their liability insurance (EXHIBIT C) .
110	Rep. Floyd Prozanski	District 40. Testifies as the sponsor of HB 2504. Speaks about responsibilities of roofing contractors versus responsibilities of the homeowner to simply cleaning a roof on regular basis. Clarifies with an example. States there will be some amendments in the language of HB 2504.
148	Rep. Prozanski	Comments about details of life expectancy of roofing products and labor guarantees.
168	Rep. Prozanski	Clarifies some details about comparative products.
196	Van Natta	Comments about differences of legitimate (good) contractors and the warranties given.
207	Van Natta	Testifies in opposition to HB 2504. Explains details about elements of construction.
267	Chair Beyer	Closes Hearing of HB 2504.
268	Chair Beyer	Asks that all interested parties form a work group and be prepared to return to the February 12 Public Hearing to present your final comments on related proposals for HB 2020, HB 2489, and HB 2490.
290	Chair Beyer	Adjourns meeting at 10:23 a.m.

Submitted By: Reviewed By:

FRANCES THOMAS, KEITH PUTMAN,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2020, written testimony, Fred Van Natta and Scott Barrie, 2 pp

B ñ HB 2020, HB 2429, HB 2489, HB 2490 and HB 2504, written testimony, Mary Mann, 2 pp

C ñ HB 2020, HB 2429, HB 2489, HB 2490 and HB 2504, written testimony Bonnie Sullivan, 3 pp

D ñ HB 2429, written testimony, Bob Shiprack, 2 pp