

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

March 19, 1999 Hearing Room E

8:30 a.m. Tapes 62 - 63

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Bill Morrisette

Rep. Terry Thompson

MEMBER EXCUSED: Rep. Dan Gardner

Rep. Jackie Winters

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

OTHERS PRESENT: Neil Beyer, son, Rep. Roger Beyer

Jeff Beyer, son, Rep. Roger Beyer

Reid Wilson, son, Rep. Carl Wilson

MEASURE/ISSUES HEARD: HB 2965 Public Hearing

HB 2978 Public Hearing

HB 2799 Public Hearing

HB 3003 Public Hearing

HB 2383 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.

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TAPE/#	Speaker	Comments
TAPE 62, A		
001	Chair Beyer	Calls the meeting to order at 8:40 a.m.
HB 2965 PUBLIC HEARING		
003	Chair Beyer	Opens the Public Hearing on HB 2965.
005	Keith Putman	Committee Administrator. Explains that HB 2965 excludes certain temporary residents of nonprofit homeless shelters from the definition of an employee for the purposes of unemployment insurance. Explains a fiscal impact of approximately \$90 million dollars for two years and non compliance situation with federal statutes.
020	Rep. Carl Wilson	District 49. Explains background and the need for legislation. Testifies in support of HB 2965.
053	Keith Heck	Executive Director, Gospel Rescue Mission, Grants Pass, Josephine County. States this is Josephine County's only homeless shelter. Testifies in support of HB 2965.
062	Heck	Explains the shelter's task is to rehabilitate or reconstruct the life in order that one might reenter and society living a normal productive life. States the money to provide these services does not come from governmental sources, but from citizens who live within the counties serviced by homeless shelters. Explains the process of rehabilitative activities.
123	Heck	States the services of the non profit Grants Pass facility for less than \$20 per day per person as follows: <ul style="list-style-type: none"> • Provides room and board • Necessary clothing • Counseling • Life training skills Explains that HB 2965 protects the non profit organization from the burden of paying unemployment compensation for temporary homeless resident employees.
146	Heck	States homeless shelters pay unemployment insurance and any other mandated taxes for full staff.
163	Annette Talbott	Legislative Coordinator, Employment Department. Introduces Jane Martin, Special Projects Supervisor, Tax Section. Testifies in opposition to HB 2965. States federal law requires that states cover employees of non-profit employers. Explains a non conformance with federal law could result in a \$90 million loss of

		the federal grant and potentially all Oregon employers could lose their FUTA offset payments. Suggests working with the non profit employers to determine if they would qualify under the one exemption stated in the federal law. Refers to written testimony, excluded workers (EXHIBIT A, page 3).
191	Rep. Thompson	Asks for an explanation of the exemption.
200	Talbott	Replies the facility must be a "sheltered workshop." States they do rehabilitative work with physical and mental disabilities and impairments.
207	Rep. Thompson	Ask about the definition of a "workshop." Comments on the need for these shelters.
222	Talbott	Offers to work with the Mission and Rep. Wilson to draft a letter to the national delegation to expand the federal exemption.
230	Rep. Atkinson	Shares concerns of Rep. Thompson.
238	Rep. Wilson	Speaks about the term "physical impairment." States the federal government has removed drug and alcohol dependency from qualification as "physically impaired."
262	Putman	Asks if Oregon law states that alcoholism is a medical condition. Asks if a mental or physical impairment is established by state law, would not the federal government recognize that.
264	Talbott	Responds that in some disability statutes drug and alcoholism can be considered a disability, but does not know how that parallels the federal definition of "sheltered workshops." States that approach was tried, however, there is an established federal definition of "sheltered workshops."
280	Rep. Thompson	Suggests he help contact the governor's staff and ask for help.
292	Chair Beyer	Agrees with the suggestion and will ask for a new resolution to send to Congress.
310	Heck	Express concern that the employment department will seek out the non profit organizations as violators of this law. Uses examples to explain.
335	Heck	Comments that the non profit organizations do not have the capabilities of paying these taxes.
345	Talbott	Offers to work with Heck to determine the minimum level of earnings.
366	Chair Beyer	Closes the Public Hearing on HB 2965.

HB 2978 PUBLIC HEARING

393	Chair Beyer	Opens a Public Hearing on HB 2978.
396	Putman	Explains HB 2978 changes unemployment insurance (UI) tax report periods for certain domestic service employment from quarterly to annually. States that an amendment to allow Oregon practice to follow any possible federal law changes may be forthcoming.
403	Rep. Max Williams	District 9. Testifies in support of HB 2978. Explains that HB 2978 is the payment of unemployment insurance taxes for domestic employees, referred to as the "nanny tax."
472	Rep. Williams	Explains there is a federal rule to require the states to collect these taxes on a quarterly basis even though the federal taxes are paid on an annual basis. States he will be submitting an amendment to allow the taxes to be paid annually in Oregon.

TAPE 63, A

011	Annette Talbott	Legislative Coordinator, Employment Division. Testifies in opposition to HB 2978 (EXHIBIT B).
025	Chair Beyer	Closes the Public Hearing on HB 2978.

HB 2799 PUBLIC HEARING

030	Chair Beyer	Opens a Public Hearing on HB 2799.
032	Putman	Explains that HB 2799 will prohibit adverse possession against school lands. Submits a proposed amendment by the proponents is expected to add specificity to the language (EXHIBIT C). States Legislative Counsel advises that common law prohibits adverse possession against government entities, however, there are advantages to naming school districts as being exempt.
043	Rep. Kathy Lowe	District 26. Agrees that codified common law prevents adverse possession of government lands, but omits mentioning specifically public school districts. Introduces Joe Krumm, Governmental Relations Director, North Clackamas School District.
062	Joe Krumm	Community and Government Relations, North Clackamas School District. Testifies in support of HB 2799 (EXHIBIT D). Agrees with the submitted amendment for two reasons: <ul style="list-style-type: none">• Amendment language mirrors the statutes applicable to cities and counties• Amendment language deletes the reference to private schools

090	Rep. Atkinson	Asks would this amendment apply to historic buildings, such as old school buildings.
109	Putman	States it would not apply if the school district is no longer the owner.
114	Rep. Lowe	Explains there are many classes of property not subject to property taxes and many of those are in private ownership.
130	Chair Beyer	Asks about knowledge of any case in Oregon where a school has lost land due to adverse possession.
134	Rep. Lowe	Discusses an instance about property owned by a school and a neighbor's fence. States the school district took steps to prevent adverse possession by allowing permissive use.
149	Chair Beyer	Discusses another instance of adverse possession of governmentally owned property. Explains HB 2383, another bill involving adverse possession.
203	Carl Myers	Oregon State Bar. States he has not heard of a case where school property has been adversely possessed.
211	Chair Beyer	Closes the Public Hearing on HB 2799.
<u>HB 3003 PUBLIC HEARING</u>		
220	Chair Beyer	Opens a Public Hearing on HB 3003.
221	Chair Beyer	Closes the Public Hearing on HB 3003.
<u>HB 2383 WORK SESSION</u>		
223	Chair Beyer	Opens a Work Session on HB 2383.
243	Rep. Thompson	Comments that HB 2383 has been a difficult issue, but an important one.
261	Putman	<p>Explains the following amendments (EXHIBITS E, F, G, H, and I):</p> <ul style="list-style-type: none"> • -2 amendment, submitted previously adds language to include churches, government property, and certain non profit organizations • -3 amendment, submitted by Rep. Shetterly, points out ways other than by deed to obtain property and all taxes have to have been paid by the adverse possessor • -4 amendment, similar to HB 3, also prevents any action by the adverse possessor against the owner of record before a judgement is entered

		<ul style="list-style-type: none"> • -5 amendment states the adverse possessor must file within 18 months of the ten-year vesting period, applying to already vested or will be vested within 18 months of the effective date of this law • -6 amendment stops adverse possession for lands outside city boundaries unless the land has been already zoned for residential use
362	Rep. Thompson	Asks for further information on the ñ6 amendment referring the difference between rural and urban property.
378	Carl Myers	Oregon State Bar. Refers to ñ6 amendments. Explains this amendment addresses the concerns of rural land owners of unfenced areas.
419	Chair Beyer	Discusses the word "within" referring to the ñ6 amendment, line 3. Asks if it is still the feeling this word should be "outside."
434	Justin Burns	Cunningham Sheet Company. Believes this is a drafting error.
440	Myers	Concurs.
479	Putman	Asks for clarification of the intent.
501	Rep. Thompson	Asks where the -5 amendment originated.
504	Chair Beyer	States the ñ5 amendment was drafted at the chairis request. Explains reasons for the designated time period.
TAPE 62, B		
004	Rep. Morrisette	Asks what is the impact of the ñ5 amendment.
015	Chair Beyer	Explains details of the ñ5 amendment.
039	Rep. Thompson	Asks for an opinion about any of the amendments presented.
043	Myers	States his initial impression is the amendments do address the concerns voiced in previous meetings. Explains he is not sure it solves all of the concerns, and realizes there is an opportunity to address them when the bill goes to the Senate committee.
050	Rep. Thompson	MOTION: Moves to ADOPT HB 2383-2,-3,-4,-5,-6 amendments dated 2/12/99, 2/19/99, 3/18/99, 3/18/99, 3/18/99 consecutively.

068	Chair Beyer	Suggests that Legislative Counsel have an opportunity to consolidate them all into a ñ7 amendment. States some new conflict may arise in the combining process.
076	Rep. Morrisette	Discusses benefits of adverse possession inside the city limits.
098	Rep. Thompson	Withdraws his motion.
099	Chair Beyer	Instructs Putman to ask Legislative Counsel to draft an amendment incorporating the ñ2, -3, -4, -5 and ñ6 amendments and change the word on ñ6 from "within" to "outside."
107	Putman	Asks for clarification of instructions for Legislative Counsel.
111	Burns	Explains the need to exclude cities, municipalities, and land outside of cities zoned residential.
117	Myers	Explains the necessity to retain the language as is.
143	Chair Beyer	Restates for clarification, the committee wants the potential for adverse possession to be maintained "inside" the boundaries of the city or on residential land "outside" the boundaries of the city.
147	Burns	Concurs.
150	Chair Beyer	Welcomes a home schooled family from Silverton.
174	Putman	Suggests changing the word "or" to "unless" outside property is zoned residential.
193	Myers	Concurs
210	Chair Beyer	Distributes information about changes in Washington's law relating to adverse possession (EXHIBIT J).
228	Chair Beyer	Closes the Work Session on HB 2383.
237	Chair Beyer	Adjourns the meeting at 9:50 a.m.

Submitted By, Reviewed By,

FRANCES THOMAS, KEITH PUTMAN,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2965, Written testimony, Annette Talbott, 4 pp

B ñ HB 2978, Written testimony, Annette Talbott, 4 pp

C - HB 2799, -1 Amendment dated 3/18/99, North Clackamas School District, 1 p

D ñ HB 2799, Written testimony, Joe Krumm, 2 pp

E ñ HB 2383, -2 Amendment dated 2/12/99, Staff, 1 p

F ñ HB 2383, -3 Amendment dated 2/19/99, Staff, 1 p

G ñ HB 2383, -4 Amendment dated 3/18/99, Staff, 1 p

H ñ HB 2383, -5 Amendment dated 3/18/99, Staff, 1 p

I ñ HB 2383, -6 Amendment dated 3/18/99, Staff, 1 p

J ñ HB 2383, Support information, Washington State, 4 pp