

HOUSE COMMITTEE ON GENERAL GOVERNMENT

April 20, 1999 Hearing Room D

1:15 p.m. Tapes 70 - 71

MEMBERS PRESENT: Rep. Carl Wilson, Chair

Rep. Jason Atkinson, Vice-Chair

Rep. Chris Beck, Vice-Chair

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Bruce Starr

Rep. Ron Sunseri

Rep. Terry Thompson

MEMBERS EXCUSED: Rep. Jo Ann Bowman

STAFF PRESENT: Cara Filsinger, Administrator

Faye D. Trupka, Administrative Support

MEASURE/ISSUES HEARD: HB 3064 Public Hearing

HB 3063 Public Hearing and Work Session

HB 2891 Work Session

HB 2890 Work Session

HJR 28 Public Hearing

HJR 36 Public Hearing

HJR 51 Public Hearing

HJR 73 Public Hearing

HB 2141 Public Hearing

HB 2143 Public Hearing

HB 2364 Public Hearing

HB 2404 Public Hearing

HB 2561 Public Hearing

HB 2673 Public Hearing

HB 2724 Public Hearing

HB 2725 Public Hearing

HB 2814 Public Hearing

HB 2883 Public Hearing

HB 2887 Public Hearing

HB 2888 Public Hearing

HB 2894 Public Hearing

HB 2970 Public Hearing

HB 2971 Public Hearing

HB 3068 Public Hearing

HB 3077 Public Hearing

HB 3172 Public Hearing

HB 3312 Public Hearing

HB 3382 Public Hearing

HB 3392 Public Hearing

HB 3399 Public Hearing

HB 3436 Public Hearing

HB 3471 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.

TAPE/#	Speaker	Comments
TAPE 70, A		
004	Chair Wilson	Opens meeting at 1:16 p.m. and opens public hearing on HB 3064.

HB 3064 PUBLIC HEARING

006	Cara Filsinger	Administrator. Explains HB 3064.
013	Rep. Carl Wilson	Representative, House District 49. Describes HB 3064.
033	Bill DeFreze	The Home Ranger. Testifies in support of HB 3064. Reads from written testimony (EXHIBIT A) .
090	DeFreze	Gives examples of home repairs.
140	DeFreze	Describes hostile confrontation with a state agency employee who was handling a violation complaint against his company.
155	Chair Wilson	Refers to HB 3064 and states that it directs the Department of Consumer and Business Services to adopt rules defining ordinary repairs for electrical, plumbing, and the one and two-family dwellings codes.
164	Gary Wright	U.A. Local Plumbers and Pipefitters. Testifies in opposition to HB 3064. Cites "20/20", a television program, about remodeling and the poor workmanship of the contractors.
191	Rep. Starr	Asks if an electrical contractor must be licensed to install a ceiling fan in a house.
196	Wright	Replies that only an electrical contractor should be installing ceiling fans.
200	Chair Wilson	Closes public hearing on HB 3064 and opens public hearing on HB 3063.

HB 3063 PUBLIC HEARING

224	Jack Roberts	Commissioner, Oregon Bureau of Labor and Industries (BOLI). Testifies in support of HB 3063. Describes Smith's Home Furnishings bankruptcy as an example. States that BOLI was able to pay the employees up to \$2,000 in unpaid wages. Explains HB 3063.
274	Roberts	Gives an example of an unpaid worker who filed a claim.
333	Chair Wilson	Testifies in support of HB 3063. Gives example of truck drivers in his district.
381	Irv Fletcher	Oregon AFL-CIO. Testifies in support of HB 3063 (EXHIBIT B) .

385	Chair Wilson	Closes public hearing on HB 3063 and opens work session on HB 2891.
405	Chair Wilson	Closes work session on HB 3063 and opens work session on HB 2891.
<u>HB 2891 WORK SESSION</u>		
410	David T. Douthwaite	Public Contracting Coalition. Testifies in support of HB 2891. Reads written testimony (EXHIBIT C).
TAPE 71, A		
002	Douthwaite	Continues reading written testimony.
030	Rep. Starr	MOTION: Moves to ADOPT HB 2891-4 amendments dated 04/19/99.
		VOTE: 8-0 AYE: 8 - Atkinson, Beck, Deckert, Harper, Starr, Sunseri, Thompson, Wilson EXCUSED: 1 - Bowman
	Chair Wilson	The motion Carries.
040	Rep. Starr	MOTION: Moves HB 2891 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 8-0 AYE: 8 - Atkinson, Beck, Deckert, Harper, Starr, Sunseri, Thompson, Wilson EXCUSED: 1 - Bowman
	Chair Wilson	The motion Carries.

		REP. STARR will lead discussion on the floor.
050	Chair Wilson	Closes work session on HB 2891 and opens work session on HB 3063.
<u>HB 3063 WORK SESSION</u>		
389	Rep. Deckert	MOTION: Moves HB 3063 to the floor with a DO PASS recommendation.
		VOTE: 8-0 AYE: 8 - Atkinson, Beck, Deckert, Harper, Starr, Sunseri, Thompson, Wilson EXCUSED: 1 - Bowman
	Chair Wilson	The motion Carries. REP. DECKERT will lead discussion on the floor.
392	Chair Wilson	Closes work session on HB 3063 and opens work session on HB 2890.
<u>HB 2890 WORK SESSION</u>		
054	Cindy Catto	Associated Oregon Contractors, Oregon Columbia Chapter (AGC). Testifies in support of HB 2890 (EXHIBIT D).
057	Chair Wilson	Asks about the financial impact, the paperwork involved, and how it will effect AGC.
060	Catto	Explains that HB 2890 will effect all public contracts. States that the current bond claim law allows a claimant to file against the general contractors payment bond if they are not paid by the tier above them. Explains the problem is that the general contractor has no way of knowing all of the lower tier contractors.

110	Chair Wilson	Asks how the current system would be effected by the passage of HB 2890.
115	Catto	Replies that some general contractors have employees who keep track of the various tiers of a contract.
125	Rep. Beck	Asks if Commissioner Roberts has any comments regarding HB 2890.
144	Roberts	Explains that the HB 2890-1 amendments take care of the concerns regarding wage claims that the Bureau of Labor and Industries had with the bill.
154	Paul Phillips	Oregon Equipment Rental Association, etc. al. Testifies in opposition to HB 2890. Questions if a problem really exists and if HB 2890 is going to solve it.
204	Phillips	States that HB 2890-1 amendments do not address wage claims.
214	Norman Malbin	States that the over 2,000 agencies are not set up for the paper work which will be created by passage of HB 2890. (EXHIBIT E) Gives example of a sub-contractor who did not pay wages.
264	Malbin	States that HB 2890ñ1 amendments will effect wage claims. Describes the notice of right to file wage claims.
310	Tom Murphy	Oregon Equipment Rental Association. Testifies in opposition to HB 2890. Describes the Oregon "Little Miller" Act. States that HB 2890 provides a technical defense for the benefit of the general contractor and their insurance companies.
360	Murphy	Asks what the general contractor is supposed to do with the notice they receive under HB 2890. States that HB 2890 does not require the general contractor to do anything with the notice. Asks how a claimant, who will be effected by HB 2890, will know who the general contractor is on a project.
397	Rep. Starr	Asks if the general contractor has the sub-contractor information in their possession if they would follow through to make certain that all tiers were paid.
TAPE 70, B		
001	Murphy	Replies yes.
004	Rep. Starr	States that the general contractor would lose financially if they have to pay the sub-contractors twice.
010	Chair Wilson	Asks about the necessity of HB 2890. Asks if double paying is a big issue.

024	Catto	Replies that it is a problem.
032	Larry Sitz	States that the problem becomes large when a sub-contractor goes broke.
060	Catto	Describes HB 2890-2 amendments.
065	Chair Wilson	Asks about HB 2890-1 amendments.
069	Catto	Replies that the HB 2890-1 amendments have been incorporated into the HB 2890-2 amendments.
072	Rep. Beck	Asks how often double pay has occurred.
079	Catto	Replies that AGC does not have records.
087	Rep. Beck	Asks for eight-day notice clarification.
095	Catto	Responds that they must provide notice to the general contractor within eight days.
113	Rep. Beck	Asks why eight days was decided upon.
115	Catto	Replies that it is consistent with ORS Chapter 87.
121	Rep. Beck	Asks about section 2 and the removal of the 120-day requirement.
124	Catto	Responds to question.
129	Rep. Deckert	Asks if other states have similar notice requirements.
134	Catto	Replies that she does not know.
135	Sitz	Replies that he does not know.
141	Rep. Starr	Asks about HB 2890 ñ1 and HB 2890ñ2 amendments and exempting wages to employees.
148	Catto	States that sub-contractors need to declare if they are an independent contractor or an employee.

171	Sitz	Describes the difficulty in identifying owners of rental equipment since the name on the equipment could be different from that of the sub-contractor.
184	John Gervais	Construction Industry Committee. Testifies in opposition to HB 2890. Gives example of a Portland general contractor case which is costing several thousand dollars in double payments.
210	Pat Jones	Consolidated Supply Company. Testifies in opposition to HB 2890. States concern about the eight-day requirement.
229	Rep. Starr	Asks if the rental company could request the information about who the general contractor will be on the project when the equipment is being rented.
240	Jones	Replies that it is sometimes possible.
241	Rep. Starr	States that rental companies check where the material is going when he orders equipment for his personal construction business.
252	Jones	Responds that the person who picks up the equipment does not always know where the material is going.
266	Jerry VanScoy	Associated Floor Covering Contractors. Testifies in opposition to HB 2890. States that the frequency of the notices will be astronomical.
274	Rep. Starr	MOTION: Moves to ADOPT HB 2890-2 amendments dated 04/19/99.
		VOTE: 8-0 AYE: 8 - Atkinson, Beck, Deckert, Harper, Starr, Sunseri, Thompson, Wilson EXCUSED: 1 - Bowman
	Chair Wilson	The motion Carries.
270	Rep. Atkinson	MOTION: Moves HB 2890 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-2

		AYE: 6 - Atkinson, Deckert, Harper, Starr, Sunseri, Wilson NAY: 2 - Beck, Thompson EXCUSED: 1 - Bowman
	Chair Wilson	The motion Carries. REP. ATKINSON will lead discussion on the floor.
274	Chair Wilson	Closes work session on HB 2890 and opens public hearing on HJR 28.
<u>HJR 28 PUBLIC HEARING</u>		
278	Chair Wilson	Closes public hearing on HJR 28 and opens public hearing on HJR 36.
<u>HJR 36 PUBLIC HEARING</u>		
280	Chair Wilson	Closes public hearing on HJR 36 and opens public hearing on HJR 51.
<u>HJR 51 PUBLIC HEARING</u>		
284	Chair Wilson	Closes public hearing on HJR 51 and opens public hearing on HJR 73.
<u>HJR 73 PUBLIC HEARING</u>		
286	Chair Wilson	Closes public hearing on HJR 73 and opens public hearing on HB 2141.
<u>HB 2141 PUBLIC HEARING</u>		
288	Chair Wilson	Closes public hearing on HB 2141 and opens public hearing on HB 2143.
<u>HB 2143 PUBLIC HEARING</u>		
290	Chair Wilson	Closes public hearing on HB 2143 and opens public hearing on HB 2364.
<u>HB 2364 PUBLIC HEARING</u>		

292	Chair Wilson	Closes public hearing on HB 2364 and opens public hearing on HB 2404.
<u>HB 2404 PUBLIC HEARING</u>		
294	Chair Wilson	Closes public hearing on HB 2404 and opens public hearing on HB 2561.
<u>HB 2561 PUBLIC HEARING</u>		
296	Chair Wilson	Closes public hearing on HB 2561 and opens public hearing on HB 2673.
<u>HB 2673 PUBLIC HEARING</u>		
298	Chair Wilson	Closes public hearing on HB 2673 and opens public hearing on HB 2724.
<u>HB 2724 PUBLIC HEARING</u>		
300	Chair Wilson	Closes public hearing on HB 2724 and opens public hearing on HB 2725.
<u>HB 2725 PUBLIC HEARING</u>		
302	Chair Wilson	Closes public hearing on HB 2725 and opens public hearing on HB 2814.
<u>HB 2814 PUBLIC HEARING</u>		
304	Chair Wilson	Closes public hearing on HB 2814 and opens public hearing on HB 2883.
<u>HB 2883 PUBLIC HEARING</u>		
306	Chair Wilson	Closes public hearing on HB 2883 and opens public hearing on HB 2887.
<u>HB 2887 PUBLIC HEARING</u>		
308	Chair Wilson	Closes public hearing on HB 2887 and opens public hearing on HB 2888.
<u>HB 2888 PUBLIC HEARING</u>		
310	Chair Wilson	Closes public hearing on HB 2888 and opens public hearing on HB 2894.
<u>HB 2894 PUBLIC HEARING</u>		

	Chair Wilson	Closes public hearing on HB 2894 and opens public hearing on HB 2970.
<u>HB 2970 PUBLIC HEARING</u>		
314	Chair Wilson	Closes public hearing on HB 2970 and opens public hearing on HB 2971.
<u>HB 2971 PUBLIC HEARING</u>		
316	Chair Wilson	Closes public hearing on HB 2971 and opens public hearing on HB 3068.
<u>HB 3068 PUBLIC HEARING</u>		
318	Chair Wilson	Closes public hearing on HB 3068 and opens public hearing on HB 3077.
<u>HB 3077 PUBLIC HEARING</u>		
320	Chair Wilson	Closes public hearing on HB 3077 and opens public hearing on HB 3172.
<u>HB 3172 PUBLIC HEARING</u>		
322	Chair Wilson	Closes public hearing on HB 3172 and opens public hearing on HB 3312.
<u>HB 3312 PUBLIC HEARING</u>		
324	Chair Wilson	Closes public hearing on HB 3312 and opens public hearing on HB 3382.
<u>HB 3382 PUBLIC HEARING</u>		
326	Chair Wilson	Closes public hearing on HB 3382 and opens public hearing on HB 3392.
<u>HB 3392 PUBLIC HEARING</u>		
328	Chair Wilson	Closes public hearing on HB 3392 and opens public hearing on HB 3399.
<u>HB 3399 PUBLIC HEARING</u>		
330	Chair Wilson	Closes public hearing on HB 3399 and opens public hearing on HB 3436.
<u>HB 3436 PUBLIC HEARING</u>		

	Chair Wilson	Closes public hearing on HB 3436 and opens public hearing on HB 3471.
<u>HB 3471 PUBLIC HEARING</u>		
334	Chair Wilson	Closes public hearing on HB 3471 and adjourns at 2:35 p.m.

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 3064, written testimony, Bill DeFreze, 4 pp.

B ñ HB 3063, written testimony, Irv Fletcher, 1 p.

C ñ HB 2891, written testimony, David T. Douthwaite, 1 p.

D ñ HB 2890, written testimony, Cindy Catto, 3 pp.

E ñ HB 2890, written testimony, Norman Malbin, 5 pp.