

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

January 20, 1999 Hearing Room C

1:00 p.m. Tapes 7 - 8

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Lee Beyer, Vice-Chair

Sen. Rick Metsger

Sen. Randy Miller

Sen. Charles Starr

MEMBER EXCUSED:

STAFF PRESENT: Y. Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:

SB 209 Public Hearing and Work Session

SB 211 Public Hearing and Work Session

SB 212 Public Hearing and Work Session

SB 136 Public Hearing and Work Session

SB 137 Public Hearing

SB 138 Public Hearing and 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.

TAPE/#	Speaker	Comments
TAPE 7, A		
004	Chair Nelson	Opens meeting at 1:04 p.m.

SB 209 PUBLIC HEARING

010	Chuck Hamm	<p>Collection Manager, Department of Consumer and Business Services (DCBS). Presents (EXHIBIT A) in support of SB 209. Explains what the department does:</p> <ul style="list-style-type: none">• Collects receivables overdue to programs at DCBS• Collects from non-complying employers in workers compensation• Collects from building violations• Collects insurance and finance civil penalties <p>Explains the collection process includes monthly statements. Refers to Department of Revenue (DOR), or collection agency, or Department of Justice (DOJ). Explains distraint warrant concept.</p>
060	Hamm	<p>Explains when a distraint warrant is issued. Follows due process of notifying people. DCBS is the largest state agency that does not have distraint authority.</p>
100	Hamm	<p>Describes liens. Explains distraint warrants would be a valuable tool in enforcing tax laws.</p>
105	Sen. Metzger	<p>Asks how often the warrant is used. Expresses concerns that this is a taking of real property and sale of property.</p>
117	Hamm	<p>Responds the distraint warrant laws have the same basic language which gives the sheriff authority to seize property. States very few cases result in that kind of action.</p>
131	Chair Nelson	<p>Asks how long the lien is enforced.</p>
134	Hamm	<p>Responds liens are usually valid for ten years and are renewable.</p>
140	Chair Nelson	<p>States that receivables owed to state agencies amount to \$1.8 billion according to an interim committee report. Reiterates that DCBS has \$40 million owed to them.</p>
148	Sen. Beyer	<p>Asks if this process is used through the Department of Revenue now.</p>
149	Hamm	<p>Responds that is correct.</p>
157	Sen. Beyer	<p>Asks (INAUDIBLE)</p>
160	Hamm	<p>Answers the collection program would be more pro-active.</p>

168	Sen. Miller	Asks if the department has sought this in the past.
174	Hamm	Says he thinks they never have as the collection department is only five years old. Explains that in the past collections have not been undertaken.
178	Sen. Miller	Compliments the presentation of the witness.
180	Chair Nelson	Asks for any further questions. Closes public hearing on SB 209 and opens work session on SB 209.
<u>SB 209 WORK SESSION</u>		
182	Sen. Beyer	MOTION: Moves SB 209 to the floor with a DO PASS recommendation.
183		VOTE: 5-0
184	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
<u>SB 211 PUBLIC HEARING</u>		
195	Chair Nelson	Opens public hearing on SB 211.
220	David Sparks	Deputy Administrator for Oregon Occupational Safety and Health Division (OR-OSHA), DCBS, gives background on SB 211 and presents (EXHIBIT B). Explains SB 211 amends ORS 654. <ul style="list-style-type: none"> • Change "citation is directed to employer or registered agent of the director" to • "citation is directed to employer or registered agent of the employer."
230	Sparks	Describes OSHA activities of the department. Describes consultation and services of the department.
260	Chair Nelson	Asks how many consultations are done per year.
270	Sparks	Responds OSHA does over 2000 consultations a year.

274	Chair Nelson	Asks how many penalties are issued.
288	Sparks	States that the consultation department does not issue penalties. States that about \$3 million a year in penalties are generated from inspections; there are rights to appeal. Says there are about 5,000 inspections a year.
302	Chair Nelson	Asks for questions. Closes public hearing on SB 21, and opens work session on SB 211.
<u>SB 211 WORK SESSION</u>		
315	Sen. BEYER:	MOTION: Moves 211 be sent to the floor with a BE ADOPTED recommendation.
316		VOTE: 5-0
317	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. BEYER will lead discussion on the floor.
<u>SB 212 PUBLIC HEARING</u>		
360	David Sparks	Deputy Administrator, Oregon OSHA, DCBS, supports SB 212. Presents (EXHIBIT C) . Amends statute to remove the requirement of requiring public hearings and report on exposure to hazardous substance of employees who are not covered by federal rules. Employees have been covered by the federal OSHA Hazard Communication Standard since 1987.
390	Chair Nelson	Asks for questions. Closes public hearing on SB 212. Opens work session on SB 212.
<u>SB 212 WORK SESSION</u>		
TAPE 8,A		
010	Sen. Nelson	MOTION: Moves SB 212 to the floor with a DO PASS recommendation.
011		VOTE: 5-0

012	Chair Nelson	<p>Hearing no objection, declares the motion CARRIED.</p> <p>SEN. MILLER will lead discussion on the floor.</p>
014	Chair Nelson	Closes work session and opens public hearing on SB 136.
<u>SB 136 PUBLIC HEARING</u>		
020	Ty Cochrane	<p>President, Cemetery Association of Oregon, supports SB 136. Presents (EXHIBIT D) in support of SB 136. SB 136:</p> <ul style="list-style-type: none"> • Raises minimum fee deposit for niche and crypts • Changes deposit to 5 percent of gross sales price • Ensures funds for cemetery endowment care • Changes present fees of \$5 and \$15
044	Sen. Miller	Asks why this is in statutes and what is the protection.
050	Cochrane	Answers that some cemeteries would not put anything in an endowment fund.
050	Chair Nelson	Asks what the costs are in maintaining a cemetery.
055	Cochrane	Explains that size is a factor. Gives example of Salem cemeteries and estimates the endowment care fund for all three is about \$1 million. Says this does not cover the costs.
059	Sen. Beyer	Asks if that is why the old pioneer cemeteries are not kept up.
064	Cochrane	Replies that the endowment care came into statutes in 1955.
066	Chair Nelson	Asks for questions. Closes public hearing on SB 136. Opens work session.
<u>SB 136 WORK SESSION</u>		
068	Chair Nelson	MOTION: Moves SB 136 to the floor with a DO PASS recommendation.
069		VOTE: 5-0

070	Chair Nelson	<p>Hearing no objection, declares the motion CARRIED.</p> <p>SEN. STARR will lead discussion on the floor.</p>
<u>SB 137 PUBLIC HEARING</u>		
070	Cochrane	<p>Explains SB 137. Presents (EXHIBIT E), and explains that the bill</p> <p>Gives notification to the Oregon State Cemetary and Mortuary Board about violations of the endowment care fund.</p>
080	Sen. Metsger	Asks what can be done to improve the pioneer cemeteriesí conditions.
082	Cochrane	Responds there is a pioneer cemetery organization that is addressing the problems of upkeep on early cemeteries.
100	Pete Shepherd	<p>Attorney, Department of Justice (DOJ), Financial Fraud Section. Describes attorney fees in connection with a violation of cemetary endowment care fund. States current law does not provide for recovery of attorneys fees. Supports SB 137. Offers amendments.</p> <p>(EXHIBIT F)</p>
133	Shepherd	Agrees on items 1 and 3 on submitted testimony. Disagrees on items 2 and 4, pertaining to recovery of attorneys fees. Expects to work these disagreements out with the cemetary association.
135	Cochrane	Agrees with Pete. Shepherd. States that the association wants to protect cemeteries from class action suits.
138	Chair Nelson	Asks if the association and DOJ can work this out.
139	Cochrane	Says they can.
140	Sen. Beyer	Asks if Legislative Counsel (LC) amendments will be submitted.
142	Shepherd	Responds they will return with LC amendments.
143	Chair Nelson	Closes public hearing on SB 137. Says the committee will reschedule a work session.
<u>SB 138 PUBLIC HEARING</u>		

147	Cochrane	Cemetery Association of Oregon. SB 138 requires \$25,000 bond or letter of credit for pre-construction sales in a cemetery. Explains that SB 138 was drafted to enable keeping a bond or letter of credit if the amount specified is equal to 35 percent of the trust agreement now in effect. (EXHIBIT G)
150	Sherry Sheng	Committee Administrator. Explains that section 2 was drafted by LC incorrectly. Section 2 should be deleted.
180	Cochrane	Says new draft will state description of letter of credit billing.
182	Beyer	Asks if the ñ1 amendments are acceptable.
183	Cochrane	Says they are.
185	Chair Nelson	Asks for comments. Closes public hearing. Opens work session on SB 138.
<u>SB 138 WORK SESSION</u>		
186	Sen. MILLER	MOTION: Moves to ADOPT SB 138-1 amendments dated 01/20/99.
187		VOTE: 5-0
188	Chair Nelson	Hearing no objection, declares the motion CARRIED.
189	Sen. Miller	MOTION: Moves SB 138 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-0
192	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. NELSON will lead discussion on the floor.
193	Sheng	Reminds committee that SB 142 and SB 143 will be heard in an informational meeting.
230	Sen. Miller	Asks if Sen. Derflerís committee wishes to hear some of the telephone company

		bills.
232	Chair Nelson	Responds that there will be several players involved. Describes some telecommunications problems in rural areas and the need for regulatory change. States the initial estimate to update and install telecommunications in Oregon is \$150 million.
255	Sen. Starr	Comments that is a big price.
256	Chair Nelson	Explains the budget constraints and the problem of how to finance these needs.
338	Sheng	Explains the panel on Monday will represent various areas of the state; panel members will be specific. Explains that following the meeting, the panel will meet with Mazziotti to work out details. Says discussion will be directed to find out if the state's plan for infrastructure meets with the communities' needs. Indicates that service providers will relate their proposals. States the Public Utility Commission (PUC) commissioner will also testify.
345	Sheng	Projects February 5 th as the date for a public hearing and a work session on SB 142 and SB 143.
355	Sen. Beyer	Comments on the way to get fiber optics to eastern Oregon. Says vested interests will be calling on questions. Asks who are the experts on technical issues.
356	Chair Nelson	Replies Mazziotti will testify. Comments that higher education should testify.
TAPE 7,B		
021	Sen. Metsger	Comments on the competitors' testimony.
022	Sheng	Says competitors will testify.
029	Sen. Metsger	Says both sides should be heard.
031	Sheng	Comments that four utilities are scheduled from the incumbent category: US West, GTE, and Sprint; Century is separate. Explains independents are much smaller and tend to be rural. Says a cooperative is also represented; AT&T and Electric Lightwave will be represented. Summarizes there will be a wide variety of representatives.
047	Sen. Beyer	Asks about cable representatives.
056	Sheng	Says cable representatives are not in this panel, but can be included later.

059	Sen. Beyer	Asks about the pipeline companies such as Quest and Fiberlink.
060	Sheng	Responds that Quest is in the same category as Electric Lightwave.
062	Sen. Beyer	Says they do not sell local service; they carry the signal.
064	Chair Nelson	States the prison siting meetings will begin about January 27. There will be at least one evening meeting. Adjourns meeting at 2:05 p.m.

Submitted By, Reviewed By,

Nancy Massee, Y. Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 209, Written testimony, Chuck Hamm, 2 pp

B ñ SB 211, Written testimony, David Sparks, 1 p

C - SB 212, Written testimony, David Sparks, 1 p

D - SB 136, Written testimony, Ty Cochrane, 1 p

E - SB 137, Written testimony, Ty Cochrane, 1 p

F - SB 137, Written testimony, Peter Shepherd, 5 pp

G - SB 138, Written testimony, Ty Cochrane, 1 p