

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

March 19, 1999 Hearing Room C

1:00 p.m. Tapes 63 - 66

MEMBERS PRESENT: Sen. David Nelson, Chair

Sen. Lee Beyer, Vice-Chair

Sen. Rick Metsger

Sen. Charles Starr

MEMBER EXCUSED:

Sen. Randy Miller

STAFF PRESENT: Y. Sherry Sheng, Administrator

Nancy Masee, Administrative Support

MEASURE/ISSUES HEARD:

SB 142 Work Session

SB 570 Work Session

SB 180 Work Session

SB 451 Public Hearing SB 178 Public Hearing

SB 512 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 63, A		
003	Chair Nelson	Opens meeting at 1:04 p.m. Asks committee to reconsider SB 142A.
006	Sen. Beyer	MOTION: Moves to SUSPEND the rules for the purpose

		of reconsidering SB 142A.
		VOTE: 4-0 EXCUSED: 1 ñ Sen. Miller
007	Chair Nelson	Hearing no objection, declares the motion CARRIED.
	Sen. Beyer	MOTION: Moves to reconsider the vote by which SB 142 moved to the floor with a DO PASS AS AMENDED recommendation. VOTE: 4-0 EXCUSED: 1 ñ Sen. Miller
009	Chair Nelson	Hearing no objection, declares the motion CARRIED. Opens work session SB 142.
<u>SB 142 WORK SESSION</u>		
032	Sherry Sheng	Committee Administrator. Reviews changes in SB 142ñ7 amendments compared to the ñ6 amendments. Explains the first change is on page 1, Section 2 under "Basic Telephone Service." The second change is in Section 4, Page 4, subsection 4 was added. The third change is in Section 6, Page 6, subsection D from the ñ6 has been deleted. The fourth change is on Page 8, Section 7, subsection 5 added to the ñ7 amendments. Presents (EXHIBIT A) .
065	Chair Nelson	Adds that the emergency clause was removed. Asks for comments.
066	Sen. Metsger	Comments Section 3, page 1, line 21, changed the election date from the date that a carrier would notify the PUC to a date effective 30 days after that notification was received.
067	Sen. Metsger	MOTION: Moves to ADOPT SB 142-7 amendments dated 3/19/99.
068		VOTE: 4-0 EXCUSED: 1 ñ Miller
069	Chair Nelson	Hearing no objection, declares the motion CARRIED.

070	Sen. Beyer	MOTION: Moves SB 142 to the floor as AMENDED with a DO PASS recommendation.
		VOTE: 4-0 EXCUSED: 1 ñ Miller
071	Chair Nelson	Declares the motion CARRIED. Sen. NELSON will lead discussion on the floor.
068	Chair Nelson	Closes work session on SB 142. Opens work session on SB 570.
<u>SB 570 WORK SESSION</u>		
156	Mike Grainey	Assistant Director, Oregon Office of Energy. Explains that SB 570 makes a technical correction in the residential tax credit program. The bill would allow renters to take advantage of the program. Presents (EXHIBIT B).
157	Sen. Beyer	MOTION: Moves SB 570 to the floor with a DO PASS recommendation.
158		VOTE: 4-0 EXCUSED: 1 ñ Sen. Miller
158	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
174	Chair	Closes work session on 570. Reopens work session on SB 180.
175	Sherry Sheng	Committee Administrator. Explains that since there is a possible revenue impact, SB 570 has a subsequent referral request to the Revenue Committee.
176	Sen. Beyer	MOTION: Moves to RECONSIDER the vote by which "SB 570 moved to the floor with a DO PASS recommendation."

177		VOTE: 4-0 EXCUSED: 1 ñ Miller
178	Chair Nelson	Hearing no objection, declares the motion CARRIED.
179	Sen. Beyer	MOTION: Moves SB 570 BE REFERRED to the committee on Revenue.
179		VOTE: 4-0 EXCUSED: 1 ñ Miller
180	Chair Nelson	Hearing no objection, declares the motion CARRIED.
181	Chair Nelson	Closes work session on SB 570. Opens work session on SB 180.
<u>SB 180 WORK SESSION</u>		
182	Sheng	Explains that in previous hearings on SB 180, there were questions raised on the issues. The Commissioner is present to answer questions. There are proposed amendments. Presents (EXHIBIT C).
188	Chair Nelson	Asks Roberts to explain the amendments.
192	Jack Roberts	Commissioner, Bureau of Labor and Industries (BOLI). Explains SB 180 with amendments. SB 180 attempts to claim wages for unidentified workers, upon investigation, that would be based on information received by BOLI that workers had not been paid appropriately. Association of General Contractors (AGC) has not presented any other choice of language. Presents (EXHIBIT D).
245	Sen. Starr	Asks to hear from AGC and their response to SB 180.
231	David Douthwaite	AGC. Explains AGC's concerns are with the language. Suggested that substantial factual information be presented to the commissioner to back up any claim for unidentified workers, with some verification of those facts.
258	Roberts	Responds that BOLI investigates if there is a basis and an additional independent body is not necessary. BOLI would consider other language. Says there are not complaints of abuse by BOLI in the past.

303	Chair Nelson	Asks for questions.
305	Sen. Metsger	Says it should go forward.
307	Sen. Metsger	MOTION: Moves to ADOPT SB 180-1 amendments dated 3/10/99.
		VOTE: 4-0 EXCUSED: 1 ñ Miller
308	Chair Nelson	Hearing no objection, declares the motion CARRIED.
310	Sen. Metsger	MOTION: Moves SB 180 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 EXCUSED: 1 ñ Miller
312	Chair Nelson	Hearing no objection, declares the motion CARRIED. Sen. METSGER will lead discussion on the floor.
313	Chair Nelson	Closes work session. Opens public hearing on SB 451.
<u>SB 451 PUBLIC HEARING</u>		
350	William Patterson	Retired real estate broker, Bend, Oregon. Explains the reason for SB 451 which allows the homeowners association to record association information with the county clerk. Presents (EXHIBITS E and F).
360	Patterson	Explains that presently there is no law requiring recording of homeowner fees.
TAPE 64, A		
016	Patterson	Explains cost and loss of time in filing a lien.

020	Charles Stern	Yamhill County Clerk. Proposes an amendment to SB 451, on line 15, to use the current statutory language for describing property under ORS 093.600. The bill places the name of the homeowner's association agent in public record.
049	Rich Vial	Attorney. Member of the condominium working group. Supports SB 451. ORS Chapter 94 is a limited statute. Wants to expand application of SB 451 to encompass all associations. Asks committee's permission to continue to amend SB 451 through legislative counsel. Presents (EXHIBIT G) .
070	Barbara Kanz	Oregon Title Insurance and Oregon Land Title Association. Supports SB 451 with amendments.
084	Vial	Clarifies Home Owners Association definition in ORS 065.359 which defines the homeowner's association to include a recorded document of all owners involved and given the authority to assess owners for common expenses. Without this bill there is no public record of anything owing on dues.
108	Chair Nelson	Asks for an example of what happens.
112	Vial	Gives an example of a condominium being sold when the former owner owed three months dues. The title companies have a list of associations. SB 451 would provide a record showing the status of dues on a unit.
136	Patterson	Says escrow officers are not aware of situations or how to get in touch with the association. Does not object to amendments.
148	Vial	Says, legal counsel, is trying to find a place to put this change.
160	Sheng	Consulted with legislative counsel who drafted bill. Drafter Chris Crean says SB 452 will accomplish Patterson's goal. Says the -1 amendments are an improvement. Says Vial's suggestion is beyond the scope of this bill.
172	Vial	Discusses the fact he believes that the bill will not cover Patterson.
174	Sen. Metsger	Says there is some agreement about how to appropriately notify people. Asks if the county clerk the one to maintain a record.
199	Sen. Starr	Says more work is needed on SB 451 and the parties are willing to work on the bill further.
209	Chris Crean	Legal Counsel. Explains at time of drafting there was a misunderstanding. SB 451 can be worked on further to amend in appropriate way.
212	Chair Nelson	Asks for legal counsel and parties to work out SB 451 amendments. Closes public hearing on SB 451. Opens public hearing on SB 178.

SB 178 PUBLIC HEARING

243	Jack Roberts	Discusses SB 178 regarding workers who are removed from employment in the United States and says those employees should get paid or have their wages kept safe by BOLI. Says BOLI is looking for a solution to this problem.
270	Ken Bailey	Orchard View Farms, The Dalles, Oregon. Opposes SB 178. Says there are very few illegal aliens apprehended at the job site. Says this bill is not adequate. Says the bill needs to be of broader scope and try to use systems already in place. Employer and employee may not know where Immigration and Naturalization Service (INS) picked up illegal aliens. Presents (EXHIBIT H) .

TAPE 63, B

012	John McCulley	Representing the tree fruit growers. Says there are procedures in place to pay terminated agricultural workers when an employee is held due to an INS raid. Suggests the bill include notification to the employer of the employees being picked up. If the employee returns, the 48 hour time limit is too short. States that the bill puts the employer in a poor position.
050	Scott Ashcom	Oregon Association of Nurseryman. Opposes SB 178 in its present form. Concurs with McCulley's and Bailey's statements. SB 178 creates too much unnecessary bureaucracy.
060	Chair Nelson	Asks for questions.
068	Roberts	Responds to opposition of SB 178. Says some good points have been made. Says the intention was to track the present requirements already in the law. BOLI's goal is not to create more bureaucracy. Says the extended time and broader features are good. Non-agricultural areas are more apt to be raided and BOLI does not receive notification. Says whenever employment is terminated and wages are unable to be paid, there should be a process to follow.
108	Chair Nelson	Suggests that BOLI and interested parties continue to work on a bill that would be suitable.

SB 512 PUBLIC HEARING

157	Ray Phelps	Pac-West Communications. Discusses background of SB 512 which creates the Tri-County Building Industry Board to coordinate building code activities in the Portland metropolitan area. Explains the task force work that developed this bill. Presents (EXHIBITS I, J, and K) .
188	John Gervais	National Electrical Contractors Association. Supports SB 512. The minor label program is impacted by this bill. Availability of intergovernmental agreements will be discussed. Introduces Jeff Loobey.

200	Jeff Loobey	Service Manager for a large Portland electrical contractor. Explains how having the proper label in every jurisdiction is difficult and how applying for permits varies. There are 17 jurisdictions in the Portland area. Emergency utility calls sometimes must be carried out without proper labels and loss of business can result.
250	Jim Bachinstas	Oregon Electric Group, Service Manager. Explains that a label is good for only one year. Some are left over, but still paid for and the cost is passed to consumers. Gives an example of costs. In 17 jurisdictions there are seven or eight interpretations of how the labels can be used. Without minor labels, some work cannot be done. States that coordination, direction, and a unified interpretation for using labels must be implemented so that work can be efficient and expeditious.
305	Chair Nelson	Reaffirms that SB 512 creates a tri-county building service board.
311	Gervais	Comments that there are so many jurisdictions that need uniformity.
320	Sen. Beyer	Asks if most problems are with a minor label program.
340	Gervais	Responds that is a big problem, but not the only one.
345	Sen. Beyer	Asks what the problems are, beyond the label problems.
365	Bachinstas	Electrical inspectors' interpretations of codes differ from one area to another. Some jurisdictions have no flexibility. Some make incorrect calls.
430	Sen. Beyer	Asks how this bill would solve problems dealing with inspectors and building officials.
432	Gervais	Explains there will be an appeal process under SB 512. Explains the need for standardization and uniformity in training through the tri-county system.
450	Sen. Beyer	Asks if field inspectors will change.
TAPE 64, B		
012	Gervais	SB 512 provides potential training which would be more uniform than at present. Inspectors are trained by their association through a contract.
025	Jeff Loobey	Explains that the electrical permit fees are just one portion of the cost. A large cost is incurred by contractors. The permit sample book addresses all jurisdictions in calculating fees.

046	Gervais	Explains that electrical uniform permit application forms were adopted through legislation.
058	Burton Weast	Oregon Association of Plumbing, Heating, and Cooling Contractors. Discusses SB 512 which proposes a tri-county committee and that the committee will be part of the state building code division. States that Section 4 establishes what the group will be involved in. Explains the task force's findings that include developing minor label programs for all construction activities. Explains process of inspecting, permits, and need for uniformity. Standard application forms and procedures must be established. Metro area has unique problems. Says training is necessary in achieving standardization.
138	Weast	Continues explaining the needs for uniformity in the building codes.
185	John Egge	MP Plumbing Company, Clackamas County. Contracting and service in the plumbing industry needs uniformity in processes. Portland area is least uniform in the state in application and in codes. Describes inconsistencies among the jurisdictions.
220	Sen. Beyer	Asks, if SB 512 passes, how things will change for the contractors.
240	Egge	Responds this bill forces the jurisdictions together. Says they are looking for a substantial improvement through uniformity.
247	Sen. Beyer	Comments that the proposed board has no government representative.
275	Weast	Explains what the committee would do to solve problems. Says that one agency doing codes would produce the most uniformity. The committee organization would be the next best choice. Comments that the cities are threatened because the committee would gain authority. SB 512 would help solve the uniformity issue. It is a state program delegating authority to a committee.
320	Jeff Perala	Vice President, McCormick, representing Associated General Contractors (AGC). Says uniformity must be achieved. Supports SB 512. Says no two jurisdictions conduct the work under the same process. Interpretation of codes is needed. Presents (EXHIBIT L) .
370	Jim Chapman	President, Legend Homes. States he was a member of the task force which met for a year. Says the industry's issues are the same as the agency's. Supports SB 512. Consistency in minor labels must be achieved. States the task force ran out of time. Presents (EXHIBIT M) .
TAPE 65, A		
030	Chapman	Continues discussing how communication and uniformity is needed in the tri-county building industry.

073	Chair Nelson	Asks the opposing side to testify.
116	BJ Smith	Government Relations. Clackamas County. Served on the task force. Opposes SB 512. Says the discussion and improvements needed are not debated, but the responsibility is with local government and should not be centralized. Believes in intergovernmental agreements.
148	Bill Cross	Oregon Building Officials Association. Discusses alternative proposals to SB 512. Says the task force identified proposals and does not warrant increases in surcharge. Services could be done locally with local participation working with the jurisdictions. There is concern about Sections 5 and 8 of the bill.
200	Cross	States the association wants to work with the committee.
211	Shawn Miller	Independent Electrical Contractors of Oregon. Supports SB 512. Introduces Tom Taylor and Jerry Coke.
223	Jerry Coke	C-3 Communications, Mayor of Dundee. Says the industry needs consistency and a central place to direct problems.
254	Tom Taylor	Phoenix Electric Company, Tigard. Supports SB 512 which provides consistency in the inspection part of the industry. Describes inspecting and permits process. Uniform minor labels throughout the jurisdictions would help.
309	Sen. Beyer	Asks if most problems are from service calls rather than construction.
315	Taylor	Responds that is right and changes in the permit process are not communicated every time.
335	Jim Craven	Oregon Council of the American Electronics Association. Supports SB 512 and the establishment of the task force. High tech has invested in new construction from Gresham to Hillsboro. Says 50 percent of revenues come from products less than two years old. Speed and certainty need to be implemented in the construction industry building codes.
370	Terry Dieter	Intel Corporation. Site architect for Intel. Supports SB 512. Served on the task force producing SB 512. Discusses large construction projects. Consistency between facilities is very important in every jurisdiction. Section 4 addresses the needs of building owners and managers. There needs to be an ability to maintain and make available certified plans and inspectors. Some jurisdictions are overwhelmed by these complicated plans.
TAPE 66, A		
011	Dieter	States that consistency in application of the code is important.

015	Sen. Beyer	Asks where Intelis plants are located.
017	Dieter	Answers Washington County, Beaverton, and Hillsboro.
025	Sen. Beyer	Asks if there are differences in interpretations between Hillsboro and Washington County.
029	Dieter	Answers there have been some different interpretations having to do with experience and personalities.
032	Sen. Beyer	Asks if they use the same inspectors on projects or different ones.
035	Dieter	Responds there is usually a dedicated team assigned to a project.
039	Sen. Beyer	Asks if anyone would like to testify who cannot come back another day.
046	Vice Chair Beyer	Adjourns meeting at 3:25 p.m.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 142, -7 Amendments, Staff, 18 pp

B ñ SB 570, Letter, Mike Grainey, 2 pp

C ñ SB 180, -1 Amendments, Staff, 1 p

D ñ SB 180, Written testimony, Jack Roberts, 1 p

E ñ SB 451, Written testimony, Bill Patterson, 3 pp

F ñ SB 451, -1 Amendments, Bill Patterson, 1 p

G ñ SB 451, Letter, Richard Vial, 1 p

H ñ SB 178, Written testimony, Ken Bailey, 5 pp

I ñ SB 512, -1 Amendments, Ray Phelps, 5 pp

J ñ SB 512, -2 Amendments, Ray Phelps, 2 pp

K ñ SB 512, Written testimony, Ray Phelps, 17 pp

L ñ SB 512, Written testimony, Jeff Peralá, 1 p

M ñ SB 512, Written testimony, Jim Chapman, 2 pp