

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

March 22, 1999 Hearing Room C

1:00 P.M. Tapes 67 - 68

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 287 Work Session

HB 2024 Public Hearing and Work Session

HB 2025 Public Hearing and Work Session

HB 2058 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 67, A		
003	Chair Nelson	Opens meeting at 1:00 p.m. Opens work session on SB 287.

SB 287 WORK SESSION

008	Sherry Sheng	Committee Administrator. Reviews previous hearing on SB 287, and says that Joe Brewer is present to answer questions.
021	Joe Brewer	<p>Administrator, Building Codes Division (BCD). Provides information addressing questions on:</p> <ul style="list-style-type: none">• Service level impacts• Cost of SB 35• Breakdown of potential fees for service (without subsidies) <p>Describes possible situations. If neither surcharge or fee increase be available the following will result:</p> <ul style="list-style-type: none">• Elimination of fund balance• 50 percent service reduction in northeast part of state• Reduction of residential and commercial plan reviews in NE• Inspection requests would be extended in time from four to seven days• Ninety-percent reduction in prefabricated structures programs• Fifty-percent reduction in program reviews• Eliminate all compliance activities
080	Brewer	Continues explaining changes resulting from SB 287.
090	Chair Nelson	Asks for any questions.
092	Brewer	<p>Describes an alternative plan would be:</p> <ul style="list-style-type: none">• one hundred percent restoration of services in the Pendleton area• 30-percent permit fee increase• Restoring services in prefabricated structures area• Recovering reserved funds to cover cost of living increases and market differentials being paid to inspectors <p>Describes the SB 35 program review. Cost last biennium was \$427,190 spread over four programs: structural, plumbing, electrical, and manufactured dwellings. Attachment four refers to impact of levels of fee increase.</p>
114	Chair Nelson	Asks for questions.
116	Bill Cross	Oregon Building Officials Association (OBOA). Explains the concern that the surcharge of 4 percent is too high. Suggests BCD go to a fee schedule for eastern Oregon jurisdictions. Says the subsidy would be less than 2 percent. Refers to other bills with surcharges for separate building areas.
167	Chair Nelson	Asks if SB 287 goes to Ways and Means Committee.

170	Sherry Sheng	Staff Administrator. Explains this bill has no subsequent referral. The committee can send it to the floor with recommendation or to another committee.
187	Chair Nelson	Asks if they agree there should be a subsidy and some kind of surcharge.
191	Cross	Responds a surcharge should come from the existing field services and be more fee driven comparable to other jurisdictions.
204	Brewer	Responds that with the increase requested, fees should be comparable and provide opportunity for jurisdictions in rural Oregon.
230	John Gervais	National Electrical Contractors Association. Explains in his experience since 1973, cities and counties have taken over the inspection activities resulting in a substandard quality of construction. Supports SB 287.
270	Chair Nelson	Asks for questions. Suggests sending the bill out.
275	Sen. Starr	Says he does not agree with the surcharge.
278	Sen. Metsger	Says he supports the bill, even with the surcharge. Says rural Oregon should be protected.
291	Chair Nelson	Asks Brewer about the surcharge issue.
295	Brewer	Says the issue was addressed in the subcommittee.
300	Sen. Metsger	MOTION: Moves SB 287 to the floor with a DO PASS recommendation.
		VOTE: 3-0 EXCUSED: 2 - Beyer, Miller
301	Chair Nelson	Hearing no objection, declares the motion CARRIED. Sen. NELSON will lead discussion on the floor.
		Closes work session on SB 287. Opens public hearing on HB 2024 and HB 2025.

HB 2024 and HB 2025 PUBLIC HEARING

362	Hasina Squires	Special Districts Association. Introduces Bill Penhollow.
377	Bill Penhollow	Representing the Association of Oregon Counties (AOC). Describes background on HB 2024. House Interim Committee on Agency Streamlining worked on the HB 2024 and HB 2025 through a subcommittee looking at issues in ORS Chapter 279. HB 2024 has to do with the model rules promulgated by the Attorney General's office. Rules provide local governments guidance. AOC, Special Districts Association, League of Cities, Oregon School Board Association, and others felt this bill provided a reasonable solution.

TAPE 68, A

036	Squires	States the concern by the Association of General Contractors (AGC) was that smaller cities and local government would need to go back after every session and update their rules. Supports HB 2024. Presents (EXHIBIT A) .
051	Bill Nessly	Department of Justice (DOJ). Supports HB 2024. States that DOJ was part of the work group and participated in drafting of HB 2024.
059	Chair Nelson	Asks for questions. Closes public hearing on HB 2024 and HB 2025. Opens work session on HB 2024.

HB 2024 WORK SESSION

061	Sen. Metsger	MOTION: Moves HB 2024 to the floor with a DO PASS recommendation.
		VOTE: 4-0 EXCUSED: 1 ñ Miller
062	Chair Nelson	Hearing no objection, declares the motion CARRIED. Sen. METSGER will lead discussion on the floor. Closes work session on HB 2024. Opens work session on HB 2025.

HB 2025 WORK SESSION

063	Sen. Beyer	MOTION: Moves HB 2025 to the floor with a DO PASS
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		recommendation.
064		VOTE: 4-0 EXCUSED: 1 n Miller
065	Chair Nelson	Hearing no objection, declares the motion CARRIED. Sen. BEYER will lead discussion on the floor.
066	Chair Nelson	Closes work session on HB 2025. Opens public hearing on HB 2058.
<u>HB 2058 PUBLIC HEARING</u>		
097	Ken Keudell	Administrator, Construction Contractors Board and Landscape Contractors Board. Explains HB 2058 which changes notification statement that construction contractors are required to give to potential customers at the time of bid or proposal for residential repair, remodel, or construction work. Explains that a form would be submitted at the time of the bid. Presents (EXHIBIT B) .
100	Sen. Beyer	Asks if the contractors have a model text.
119	Keudell	Says they supply a form through administrative rule. It simplifies the process and informs the customer. States he knows of no opposition to the bill.
134	Sen. Starr	Asks if the statement can be reproduced as a copy or reprinting.
150	Keudell	Answers it was adopted by the board in its present form.
156	Chair Nelson	Refers to the form.
161	Keudell	Says the work load has leveled out.
165	Chair Nelson	Asks if they received 1,200 telephone calls a day.
166	Keudell	Responds that is correct. The board would encourage going to the automated system. Most calls are about contracts.
179	Beyer	Asks if the list of registered contracts is on the internet.

190	Keudell	Responds that there is some problem.
195	Sen. Beyer	Says that would be an easy way to check.
198	Chair Nelson	Asks what the biggest complaint is.
199	Keudell	Says the largest number of complaints are between contractor and property owners. If there is a claim, it could be difficult to resolve.
208	Chair Nelson	Asks if the board was behind in processing claims.
220	Keudell	Says two sessions ago it was a problem.
225	Metsger	Asks if bonds are \$10 to \$15 thousand.
222	Keudell	Explains three kinds of contractors, the general contractor is at \$10,000, specialty contractor is at \$5,000, and limited contractor is at \$2,000. HB 2056 would increase amounts \$5 thousand each.
231	Metsger	States that the notification is important to home builders.
249	Keudell	Says the bond leaves some holes, but most get taken care of.
258	Chair Nelson	Closes public hearing on HB 2058. Opens work session.
<u>HB 2058 WORK SESSION</u>		
260	Chair Nelson	MOTION: Moves HB 2058 to the floor with a DO PASS recommendation.
		VOTE: 4-0 EXCUSED: 1 ñ Miller

Sen. STARR will lead discussion on the floor.

255

Chair Nelson

Adjourns meeting 1:55 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 2024 and SB 2025, Written testimony, Hasina Squires, 1 p

B ñ SB 2058, Written testimony, Ken Keudell, 4 pp