

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

April 12, 1999 Hearing Room C

1:00 PM Tapes 82 - 83

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:

HB 2085A Public Hearing and Work Session

SB 459 Public Hearing and Work Session

SB 1088 Public Hearing

SB 1248 Public Hearing

SB 647 Public Hearing

SB 650 Public Hearing

SB 648 Public Hearing

SB 1087 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 82, A

003	Chair Nelson	Opens meeting at 1:00 PM. Opens public hearing on HB 2085A.
<u>HB 2085A PUBLIC HEARING</u>		
010	Lynn Schessler	Housing and Community Services Department. Describes fee established for funding research for prospective purchase of parks by owners.
014	Sen. Mae Yih	Senate District 19. Supports HB 2085. Explains how tenants wish to purchase a mobile home park. Says tenants wish to deter large increases in rental of spaces by ownership. SB 2085 provides pre-development loan funds to explore the possibility of such a purchase. Presents (EXHIBIT A) .
090	Chair Nelson	Asks for questions.
091	Sen. Beyer	Asks about available funding sources for the Linn County park.
104	Lynn Schessler	Says Sen. Yih has explained the purpose of the bill. Says the department is anxious to get this bill moving.
111	Pat Schwock	Representing Manufactured Homeowners of Oregon. Supports HB 2085. Says this is a means for park tenants to own their own park.
119	John Brenneman	Manufactured Housing Communities of Oregon. Supports HB 2085A.
138	Jerry Duerksen	Duerksen and Associates Real Estate, Corvallis. Describes his company's involvement in mobile home park management. Supports HB 2085A. Says there are advantages to tenants purchasing the park which could help senior citizens and other low income housing tenants. Presents (EXHIBIT B) .
154	Mariana Bornholdt	Governor's Commission on Senior Services. Supports HB 2085.
166	Diana Citanovich	Director, Linn County Affordable Housing. Describes working with residents to achieve their goal of owning their mobile home parks. Supports HB 2085.
188	Chair Nelson	Asks if the Linn County group will provide funding.
190	Citanovich	Responds they would explore funding within the available systems. States the agency wants to meet the goals of members who want to manage parks according to their needs.
210	Chair Nelson	Refers to an Oregon Housing and Community Services Department handout

		which says spaces are limited for mobile homes.
216	Schessler	Responds that there are virtually no vacancies.
220	Chair Nelson	Asks why it is difficult to site parks.
231	Schessler	Says land use laws, set backs, and density rules afforded to a park are factors. It is a combination of a lot of things.
244	Chair Nelson	Closes public hearing on HB 2085. Opens work session on HB 2085.
<u>HB 2085A WORK SESSION</u>		
246	Sen. Starr	Says it is a well thought out bill.
247	Sen. Starr	MOTION: Moves HB 2085A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-0
248	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
255	Sherry Sheng	Committee Administrator. States that the committee needs to approve the ñ2 amendments first.
260	Sen. Beyer	MOTION: Moves to RECONSIDER the vote by which "HB 2085A was moved to the floor with a DO PASS AS AMENDED recommendation."
		VOTE: 5-0
262	Chair Nelson	Hearing no objection, declares the motion CARRIED.
263	Sen. Beyer	MOTION: Moves to ADOPT HB 2085A-2 amendments dated 3/31/99.

		VOTE: 5-0
264	Chair Nelson	Hearing no objection, declares the motion CARRIED.
288	Sen. Beyer	MOTION: Moves HB 2085A to the floor with a DO PASS AS AMENDED recommendation.
289	Chair Nelson	Asks for questions.
290	Sen. Miller	Asks about tax treatments of nonprofit organizations as compared to for-profit organizations as relates to local jurisdictions.
297	Schessler	Says there is a movement to remove these properties from tax assessments. There is not an automatic redemption.
309	Sen. Beyer	Asks if that is the method the housing authorities are using.
314	Schessler	Says the housing authorities have an outright tax exemption.
302	Sen. Miller	Asks what constitutes a nonprofit park. Asks what is avoided by going that route. Asks if there are caps and exemptions.
317	Schessler	Explains the tax increases would be passed to tenants.
327	Sen. Miller	Says the IRS is taking a closer look at nonprofit organizations. If one needs to exclude profits, expenses need to be increased.
359	Schwock	Says the goal is to keep rents from rising.
380	Sen. Miller	Asks if the residents would have a vote as to setting the salary of directors of the park.
387	Schwock	Says that if the residents purchase their own parks, the goal is to keep rents low and to run the park to meet the residents' needs.
400	Sen. Miller	Asks, if this passes, if the parks would seek property tax exemptions that jurisdictions could allow.
408	Schwock	Answers her feeling is that there would be no reason not to pay property taxes.

420	Chair Nelson	Asks under what section a nonprofit tax exemption is formed.
430	Don Comstock	Manufactured Housing Communities of Oregon. Explains section 501C Corporation, which is used in the "homes for habitat" program. Cost increases are passed on to owners, but costs are kept to a minimum. Non-paid board members would oversee the functions. Taxing would be passed to the tenants.
454	Chair Nelson	Asks for further questions. Hearing none, asks for a vote on the motion.
		VOTE: 5-0
455	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. METSGER will lead discussion on the floor.
456	Chair Nelson	Closes work session HB 2085A. Opens public hearing on SB 459.
<u>SB 459 PUBLIC HEARING</u>		
TAPE 83, A		
032	Joe Brewer	States that SB 459 is a straight-forward bill which designates manufactured dwelling park regulations as a specialty code under the state building code. It would be a standard code for Oregon. Presents (EXHIBIT C) .
049	Sen. Beyer	Asks what items are covered in this bill.
052	Brewer	Responds he is not an expert, but he understands the layout, street widths, set backs, and spacing. Offers to get that information.
063	Don Miner	Oregon Manufactured Housing Association. Supports SB 459. This bill adds the requirements of ORS 446.062 to the list of codes in Oregon. It does not apply to the homes in the park, nor to subdivisions for manufactured homes. Explains how the park roads are private and would not need to meet the heavy traffic of city streets. There are precedents for this bill in the state building code standards. Presents (EXHIBIT D) .
110	Miner	Explains the state standard for state recreational parks which have some similarities like private roads. Supports SB 459.
123	Sen. Beyer	Asks if this measure would allow local governments to have more restrictive

		codes.
132	Miner	Responds it would allow neither more nor less restrictive codes.
135	Sen. Beyer	Asks if the minimum and maximum restrictions are set out.
140	Miner	Answers that is correct, since the statute does not speak to the size of a home, a jurisdiction could require it to be a multi-section home. It is not the intention to preclude regulations on types of homes in the community.
154	Chair Nelson	Asks about the city's existing regulations.
164	Miner	Says the regulations would change a city's standard.
166	Chair Nelson	Asks if interested city parties have been consulted. Asks for any further questions.
176	Brewer	Says the bill lays out the specific space of a mobile home park. Says he does not believe there is intent to preclude a jurisdiction from requiring a doublewide home. Says he will get the answer for the committee.
174	Jeff Paine	Developer and operator of parks. States some local requirements are in excess of state standards. Explains the minimum width of a home depends on garage size.
208	Don Comstock	Past president of Manufactured Housing Communities of Oregon (MHCO). Developer and Manager. Explains the cost of pass throughs. Supports SB 459.
245	Chair Nelson	Asks if this statute helps land use laws.
263	Comstock	Answers the Land Use Board of Appeals (LUBA) would need to be questioned.
255	Sen. Metsger	Asks if there are restrictions on the parks limiting the builders.
273	Comstock	Responds that the parks are getting harder and harder to build because the standards are changing. There are no set guidelines. This makes it very difficult to build or save costs.
284	Chair Nelson	Thanks witness. Closes public hearing on SB 459. Open works session on SB 459.
<u>SB 459 WORK SESSION</u>		

395	Sen. Beyer	Says the comments on the infrastructures made sense. The only concern is that there are some legitimate zoning issues, but there does not seem to be a problem.
396	Sen. Beyer	MOTION: Moves SB 459 be sent to the floor with a BE ADOPTED recommendation.
397		VOTE: 5-0
398	Chair Nelson	Hearing no objection, declares the motion CARRIED. Sen. BEYER will lead discussion on the floor.
399	Chair Nelson	Closes work session on SB 459. Opens public hearing on six bills: SB 647, SB 648, SB650, SB1087, SB1088, and SB 1248, which are related by subject matter.
<u>SB 647, SB 648, SB 650, SB 1087, SB 1088 and SB 1248 PUBLIC HEARING</u>		
404	Staff	Presents (EXHIBIT E) .
405	Jeanne Arana	Oregon Housing and Community Services. Introduces Dave Sheelar. Supports the SB 648 ñl amendments, but is neutral on the bill. States if the bill is passed the additional revenues are noted in the written testimony.
420	Dave Sheelar	Manufactured Park Ombudsman for Oregon. Explains funding of the program. There are 1500 parks with 63,000 spaces in Oregon. Oregon Housing and Community Services provides services to over 3,000 individuals who contact them. Funding is by a special assessment levied annually on each manufactured dwelling assessed as personal property. The fee is \$3 per dwelling. Presents (EXHIBIT F) .
TAPE 82, B		
036	Sheelar	Says there are approximately 3,000 contacts per year from tenants of mobile home parks.
050	Chair Nelson	Asks for questions.
080	Frank Burleson	Residents Coalition. Explains his interests in SB 648, the ombudsmanís bill. Supports SB 648. Says there are many benefits to residents of mobile home parks in that bill. Supports the ñl amendments to SB 1088 which protects residentsí investments in parks.

132	Schwock	Describes how standards for upkeep of homes were reached.
154	Chair Nelson	Asks for questions
164	John Landingham	Attorney, Eugene. Drafted SB 1088 which sets out responsibilities of landlords and residents. Asks to move bill forward and have changes be made by the House.
190	Chair Nelson	Asks for summary of key points.
192	Landingham	Says SB 1088 and the ñ1 amendments both need to be passed. The ñ2 amendments can be added on the House side. Section 2 describes the landlord's right to enter a space. Section 3 of SB 1088 describes the statutory responsibilities of tenants. Primarily the space is addressed, but some responsibilities pertain to the dwelling. Section 4 restricts a landlord's ability to remove a tenant. Section 6 explains the landlord's responsibilities. Condition of the home (with 30 days to make repairs) or behavior of the tenant are reasons for removal, not the age of the home.
330	Sally Harrington	Legislative Representative for Manufactured Housing Communities of Oregon. Supports SB 648 and SB 1088. Supports SB 1087-1.
355	Sharon Barrett	Legislative Director, Oregon Rental Housing Association. Supports SB 459, SB 648, HB 2085A and SB 1088. Describes SB 1088 benefits with the ñ1 and ñ2 amendments. Opposes SB 647 in its current version. Says the concern is to protect landlords and tenants. Opposes SB 650 because it requires disclosure by the landlord of property owners' names and addresses. Disclosure to tenants only would be supported. Opposes SB 1248 with concerns about the "condition" of homes. Wants protection for property owners and their neighbors. SB 1088 will provide the protection. Presents (EXHIBIT G) .
TAPE 83, B		
014	Sen. Metsger	Asks about the language in SB 650 for notices to prospective and existing tenants.
034	Barrett	Says the changes referred to are in SB 1088 which says the policy statement would be given before the prospective tenant was committed.
049	Sen. Metsger	Says that language has been deleted in SB 650.
056	Barrett	Responds that the objection is the line "before entering into a rental agreement," which is unclear. On page 2, line 4, "the landlord shall provide a copy of the statement of policy to a prospective tenant." The language was taken out in the first section, but it was added later.
062	Sen. Metsger	Asks if that were changed, would that answer the concern.

063	Barrett	Answers it would.
064	Sen. Beyer	Asks if the tenants would want to know the policy before the lease were signed.
072	Barrett	Responds that is why the disclosure of the owner's name and address should be protected.
080	Don Miner	Oregon Manufactured Housing Association. Discusses the 1088 amendments. SB 1088 addresses the problem of forced removal of homes based on their age. SB 1088 says the resident can keep their home as long as it is maintained.
121	Joe Brewer	Building Codes Division (BCD) has been involved in this work group. Supports SB 1088. BCD has a small amendment that could be dealt with on the House side. Presents (EXHIBIT H) .
130	Chair Nelson	Asks for questions.
132	Len Grover	Mobilehome owner and district director for Oregon Manufactured Homeowners Association. Says the statement of policy should be available to all tenants as well as prospective tenants. Summarizes and supports the amendments to SB 1088. Supports SB 648 and SB 647. Disagrees with the language in SB 1087 regarding absence of a rental agreement and suggests the ombudsman have authority to make suggestions.
233	Chair Nelson	Asks for questions.
250	Schwock	Discusses SB 650 which is being working on. Asks the committee to pass all of these bills.
258	Staff	Presents (EXHIBIT I) .
259	Chair Nelson	Says the committee will not pass the bills today as they may consolidate some. The committee will schedule a work session on these six bills. Adjourns meeting at 2:50 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2085, Letter, Sen. Mae Yih, 3 pp

B ñ SB 459, Letter, Jerry Duerksen, 1 p

C ñ SB 459, Written testimony, Joe Brewer, 1 p

D ñ SB 459, Written testimony, Don Miner, 2 pp

E ñ SB 648-1, SB 650-1, SB 1087-1, SB 1088-2, SB 1088-1, Amendments, LC Staff, 37 pp

F ñ SB 648, Written testimony, Dav Sheelar, 4 pp

G ñ SB 459, Letter, Fleming-Barrett, 2 pp

H ñ SB 1088, Written testimony, Joe Brewer, 2 pp

I - SB 459, Letter, Staff, 1 p