

**SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS**

**April 26, 1999 Hearing Room C**

**1:00 PM Tapes 97 -99**

**MEMBERS PRESENT: Sen. David Nelson, Chair**

**Sen. Rick Metsger**

**Sen. Randy Miller**

**Sen. Charles Starr**

**MEMBER EXCUSED:**

**Sen. Lee Beyer, Vice-Chair**

**STAFF PRESENT: Y. Sherry Sheng, Administrator**

**Nancy Masee, Administrative Support**

**MEASURE/ISSUES HEARD:**

**SB 1087 Work Session**

**SB 1088 Work Session**

**SB 785 Public Hearing**

**SB 1239 Public Hearing**

**SB 953 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 97, A		
003	Chair Nelson	Opens meeting at 1:10 PM. Opens work session on SB 1087.



**SB 1087 WORK SESSION**

004	Staff	Submits ( <b>EXHIBIT A</b> ).
005	John Brenneman	Representing Manufactured Housing Communities. Gives background on SB 1087 and amendments. Says the amendments relate to fees owed to the landlord that should be paid before approving new ownership.
020	John Van Landingham	Lane County Law and Advocacy. Represents low income residents. Supports SB 1087.
030	Chair Nelson	Comments on the ñ2 amendments and the hand-engrossed proposals of the -2 amendments. Asks for any questions.
032	Chair Nelson	<b>MOTION: Moves to ADOPT SB 1087-2 amendments dated 4/22/99.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Beyer, Miller</b>
033	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>
034	Chair Nelson	<b>MOTION: Moves SB 1087 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Beyer, Miller</b>
035	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
036	Chair Nelson	Closes work session on SB 1087. Opens work session on SB 1088.
<b><u>SB 1088 WORK SESSION</u></b>		
042	Staff	Submits ( <b>EXHIBIT B</b> ).



043	Van Landingham	Explains the -3 amendments. These amendments incorporate the ñ1 amendments presented at the April 12 public hearing, input from the state, and corrections made by Van Landingham. The negotiating work group continues to support SB 1088.
052	Chair Nelson	Asks for any questions.
060	Tom Kerr	Park owner. Describes the mobile home parks he owns. Indicates concerns with SB 1088. Says park owners did not have time to study the amendments that make substantive changes. Discusses problems of very old parks and very old trailers. Refers to pages 5-6 of Section 4. SB 1088 would not allow removal of these very old trailers. Says the bill needs a provision to enable landlords to get their property back.
127	Kerr	Refers to page 58, line 9. Says the concern is with tenants being given the right to leave their property for a year. Says this is a property rights issue. Explains SB 1088 does not deal fairly with these issues.
180	Paul Koch	Mobile Park Owner. Feels that the SB 1088ñ3 amendments place owners in jeopardy. Says the association did not fully inform park owners of the consequences of this bill. Describes his personal experience dealing with renters who are irresponsible, break the law, and who need to be evicted. Explains problems of safety of wiring and other factors pertaining to old mobile homes.
244	Sen. Metsger	Asks if electrical wiring needs to be repaired.
260	Kerr	Says the owner can ask that repairs be made.
270	Sen. Metsger	Comments that since this bill is the product of a work group and since the issues addressed are what they wanted, it should be accepted.
289	Kerr	Says this bill will affect elderly people who cannot afford repairs.
318	Sen. Metsger	Reads from the bill. Says the bill will protect removal of people from a home due to its age.
350	Kerr	Says the bill mandates immediate repairs.
348	Van Landingham	Responds to a letter that Kerr sent to the committee. Says the issue is whether a landlord can require a mobile home to be removed from the park solely due to its age, size, and condition. This bill restricts a landlord from having a home removed from a park. Lenders were the biggest backers of this requirement. Discusses the loan requirements of purchasing a mobile home. States a mobile home without a space is worthless. Lenders emphasize their need to secure the mobile homes they finance. Describes the negotiating group and its makeup of interested parties, saying the work group had 20 meetings in the past interim.



**TAPE 98, A**

040	Van Landingham	Says, after much negotiation, SB 1088 is a fair bill.
054	Kerr	Says he is talking about old trailers. Says Washington Mutual Bank will not finance these old trailers. The bill says that a park owner cannot require the removal of any trailers. There is no requirement for the seller of an old trailer to make disclosure to the buyer. The bill does not give the power to deal with anything wrong with the trailer. There is no protection for buyers in this bill.
096	Sally Harrington	Legislative chair for Manufactured Housing Communities and a park manager. Supports SB 1088. Explains if a tenant is evicted from a park, he cannot come back into the park without written permission from the landlord. SB 1088 allows the landlord to give notice to existing tenants to repair their home with a 30-day notice and, after that, it can be removed. Extensions may be given. Residents may be evicted; homes will not be removed.
132	Emily Sederly	Multi-Family Housing Council. Urges passage of SB 1088. Says the issue of forced removal was addressed at length during the group sessions. Refers to the last section of the bill.
207	Chair Nelson	Asks for any further comments.
209	Chair Nelson	<b>MOTION: Moves to ADOPT SB 1088-3 amendments dated 4/22/99.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Beyer, Miller</b>
212	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>
214	Chair Nelson	<b>MOTION: Moves SB 1088 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Beyer, Miller</b>
216	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>



		<b>Sen. METSGER will lead discussion on the floor.</b>
220	Chair Nelson	Closes work session on SB 1088. Opens public hearing on SB 785 and SB 1239.
<b><u>SB 785 AND SB 1239 PUBLIC HEARING</u></b>		
242	Staff	Submits <b>(EXHIBIT C)</b> .
243	Stan Scotton	City of Portland, Planning and Development Review, Training Coordinator, Education Chair of Oregon Building Officials Association (OBOA). SB 785 is sponsored by OBOA. Gives the building official more responsibility in choice of building inspectors. Says the reason for this alternate path is due to the lack of qualified applicants. Says the present method does not always guarantee the best person for the job.
283	Richard Rogers	Representing Blazer Industries. Explains his participation with the certification work group. Certification does not always ensure quality. Wants to create an alternate path for entry for inspectors and building officials. Says SB 1239 is lacking in language, but the thrust is favorable.
339	Tom Phillips	Building Official, Astoria. Tells how he came from out-of-state and got a job as a building inspector. Says he was informed he had to get state certification. Relates how the Oregon Building Codes division (BCD) helped him learn the process.
<b>TAPE 97, B</b>		
007	Phillips	Continues relating his personal experience in applying from out of state and the difficulties in qualifying for the inspecting jobs.
027	Jane Cummins	League of Oregon Cities. Explains the position of the league. Says city officials have been aware for years of the shortage of employment pools for building inspectors and building officials. Says the cities want broader pools with qualified people. Supports SB 785 and SB 1239. These bills would help local programs be more efficient.
085	Bill Cross	Oregon Building Officials Association. Supports SB 785. Explains how not enough people qualify for the building official and inspector positions. There needs to be a better way of including experience in their qualifications. Supports the SB 1239 amendments. Wants a training program established that would allow an individual to progress into the positions of inspector and building official. Presents <b>(EXHIBIT D)</b> .
145	Cross	Points out the reasons needed to create ways to certify inspectors and building officials. Jurisdictions need to have the ability to employ inspectors. Some jurisdictions are experiencing growth and cannot fill these positions.
171	Sen. Metsger	Asks if the amendments are supported by OBOA.



179	Cross	Answers that the bill amendments are supported by OBOA. Expresses the need for training requirements and meeting public safety standards.
250	Brett Cook	City of Boardman, building official. Says the state should choose who is certifiable. Opposes SB 785 at line 13. Supports SB 1239 with the amendment.
260	Gary Wright	Representing UA Local 290 (plumbers and pipefitters). Opposes SB 785 and SB 1239. Says with a statewide code, there should be statewide certification. Says the jurisdictions should share the officials and inspectors.
305	Joe Brewer	Administrator, Building Codes Division (BCD). Comments that decentralizing BCD to the jurisdictions would create a situation with no accountability and cause lower standards. Says SB 785 is not clear and does not provide oversight. Central authority must be maintained to identify minimum qualifications. Says the distinction between SB 512 and SB 785 determines who should be qualified to sit for an exam. Opposes SB 785. Explains that Chemeketa Community College (CCC) produces "B" level inspectors. Presents <b>(EXHIBIT E)</b> .
412	Sen. Metsger	Asks, if there are not enough applicants for the inspectors jobs, why BCD is able to find them.
<b>TAPE 98, B</b>		
009	Brewer	Says inspectors need to decide whether to work for a jurisdiction. Sharing resources by jurisdictions is the key. Says BCD is not having trouble finding inspectors. Some jurisdictions have trouble.
023	Chair Nelson	Since there are amendments, the committee will hold this over. Closes public hearing on SB 785 and SB 1239. Opens public hearing on SB 953.
<b><u>SB 953 PUBLIC HEARING</u></b>		
050	Patrick Jones	Represents the National Association of Credit Management who sponsor SB 953. SB 953 authorizes payment of claims against a construction contractor bond to the full extension of bond.
106	Tom Akins	Corporate Credit Manager, Eugene. Supports the amendment, but thinks it needs some language changes. SB 953 will benefit homeowners. Presents <b>(EXHIBIT F)</b> .
158	Mike Scott	Oregon Equipment Rental Association. Supports SB 953. The bill does not shorten the time to make a claim. The bill says if funds remain after homeowner claimants have been paid, the remaining portion of the bond should be paid to other claimants. Under suretyship law attempts to recover dollars are paid out. The surety has the obligation to come back and pay dollars. Says homeowners do not need a year to file against a bond; ninety days is a more reasonable time length. The Construction Contract Board (CCB) is concerned that a year is needed. Says SB 953 will help attain homeowners' priority. Presents <b>(EXHIBIT</b>



		<b>G).</b>
213	Chair Nelson	Asks for questions.
220	Joe Landry	Representing the Sheetmetal and Air Conditioning National Association, National Electrical Contractors Association, and the Construction Industry Committee. Says these groups support SB 953 as drafted.
241	Jerry Van Scoy	Associated Floor Covering Contractors. Supports SB 953. Explains the floor covering contractors have collection problems, due to the fact they come in last on the job. Presents ( <b>EXHIBIT H</b> ).
272	Sen. Metsger	Asks if, in practice, liens are effected.
288	Van Scoy	Says he does not have data on that. Says there are not a lot of liens.
294	John Powell	Representing Contractors Bonding and Insurance Company. Opposes SB 953. Says the current law has served consumers well. Homeowners have priority in these bonds. Non-owners have a limit of \$2,000 in claims. There is an administrative lien policy in Oregon. This bill would limit restrictions on amounts that could be claimed.
404	Chair Nelson	Asks what the premiums are.
405	Powell	Answers premiums for a \$10,000 bond range from \$160 to \$295 depending on asset base and experience. Says with an increase to \$15,000, the premiums would more than double. Says many nonowners do not file claims now because the bond is only \$2,000.
<b>TAPE 99, A</b>		
004	Ken Keudell	Contractors Construction Board. Says the board would not take a position unless the consumer did not file. Only the final order goes to the bonding company. The homeowners can only file a claim within one year after the work is completed.
037	Chair Nelson	Says this bill needs work. Closes public hearing on SB 953. Adjourns meeting at 3:00 PM.

Submitted By, Reviewed By,



Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SB 1087, -2 Amendments, Staff, 4 pp**

**B ñ SB 1088, -3 Amendments, Staff, 63 pp**

**C ñ SB 1239, -1 Amendments, Staff, 1 p**

**D ñ SB 1239 & SB 785, Written testimony, Bill Cross, 7 pp**

**E ñ SB 1239 & SB 785, Written testimony, Joe Brewer, 2 pp**

**F ñ SB 953, Written testimony, Thomas Akins, 2 pp**

**G ñ SB 953, Written testimony, Michael Scott, 1 p**

**H ñ SB 953, Written testimony, Jerry Van Scoy, 1 p**