

**SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS**

**April 05, 1999 Hearing Room C**

**1:00 PM Tapes 75 - 76**

**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 556 Work Session**

**SB 808 Public Hearing and Work Session**

**SB 512 Public Hearing**

**SB 587 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 75, A		
005	Chair Nelson	Opens meeting at 1:10 PM. Opens work session on SB 556.

**SB 556 WORK SESSION**

007	Sherry Sheng	Committee Administrator. Explains 3 amendments. States the committee has had a previous public hearing and work session. Presents <b>(EXHIBIT A)</b> .
023	Chair Nelson	Asks what the sanction is for a violation.
024	Sheng	Responds that there is a private cause for claims stated in the bill.
027	Sen. Metsger	<b>MOTION: Moves to ADOPT SB 556-3 amendments dated 4/2/99.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Miller, Starr</b>
028	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>
029	Sen. Metsger	<b>MOTION: Moves SB 556 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Miller, Starr</b>
030	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. METSGER will lead discussion on the floor.</b>
032	Chair Nelson	Closes work session on SB 556. Opens public hearing on SB 808.

**SB 808 PUBLIC HEARING**

056	Sen. Mae Yih	Senate District 19. Gives background on SB 808 that allows consumer credit counseling services to charge a fee for their educational classes. Urges passage of SB 808. Presents <b>(EXHIBIT B)</b> . Introduces Jan Amling.
088	Jan Amling	Executive Director of Consumer Credit Counseling Service of Linn-Benton, Inc. Gives background on credit counseling services. Explains fees that can be

		charged according to statute. Presents <b>(EXHIBIT C)</b> .
169	Amling	Shows materials that are given to clients and explains costs. Introduces James Krueger, Division of Finance and Corporate Securities (DFCS), who can answer questions.
189	Debbie Graham	Consumer Credit Counseling Service of Coos-Curry Inc. Supports what Amling presented. Projects costs for 1999 for their agency. Says the agency does not have funds for educational purposes. SB 808 will allow fees for educational costs. Presents <b>(EXHIBIT D)</b> .
231	Chair Nelson	Asks for questions. Asks what the maximum fees are that they plan to charge for educational classes.
243	James Krueger	Debt Consolidation Program, (DFCS). Supports SB 808. Says it is a fair bill. The education service has been going on for a long period, by federal direction in some cases, and it should have funding.
254	Sen. Metsger	Asks about fees.
265	Krueger	Says they will survey the industry to determine a fee. Purpose of the fee is to recover costs of educational materials.
283	Sen. Metsger	Asks if other parties, not of the debt consolidating services, will provide education, and they will be allowed compensation for materials.
289	Krueger	Answers those financial institutions are not constrained by law to charge fees.
293	Chair Nelson	Close public hearing. Opens work session on SB 808.
<b><u>SB 808 WORK SESSION</u></b>		
<b>284</b>	<b>Sen. Beyer</b>	<b>MOTION: Moves SB 808 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 ñ Miller, Starr</b>
285	Chair Nelson	Hearing no objection, declares the motion <b>CARRIED</b> .

		<b>SEN. YIH will lead discussion on the floor.</b>
286	Chair Nelson	Closes work session on SB 808. Opens public hearing on SB 512.
<b><u>SB 512 PUBLIC HEARING</u></b>		
310	Ray Phelps	Represents the task force that developed SB 512. Supports SB 512 and explains the Oregon building code program and standardization of processes needed. The building code process is a state process. This is not about local control, but of statewide concern. Presents <b>(EXHIBIT E)</b> .
360	Phelps	Explains how SB 512 accomplishes the goals of the task force. A significant number of agencies have endorsed SB 512. Uniform administration of the building code process in Clackamas, Multnomah, and Washington Counties is suggested. It does not create a non-funded mandate for local government.
<b>TAPE 76, A</b>		
004	Phelps	Continues explanation of SB 512.
020	Rep. Gary Hansen	House District 17. Served on the task force that made recommendations for SB 512. Explains the need for efficient management of the construction industry.
050	Joe Brewer	Building Codes Division (BCD). Supports SB 512 and states that it will provide more consistent building code administration. Discusses amendments that are submitted. Presents <b>(EXHIBIT F)</b> .
081	Chair Nelson	Reads a letter with the point of view opposing SB 512.
088	Brewer	Responds that from the BCD perspective SB 512 will provide a regional model that will improve consistency and predictability in the construction industry.
094	Phelps	Says the application of this measure does not affect the district. Revenues have been identified to support this process.
100	Chair Nelson	States that the opposition says this bill favors the building industry and does not protect the consumer. Says it puts the building industry in a self-governing role.
108	Brewer	Says the board is represented by building industry and the public and there will be oversight.
112	Phelps	Says the uniform building code should ensure likeness. The Tri-County Service Center would not be directly involved in inspection of buildings, but the administrative processes would be consolidated for more efficiency and

		consistency through the service center.
124	Sen. Metsger	Asks if the division approves plans.
129	Brewer	Responds the division does not approve plans, but does review them.
142	Sen. Metsger	Says board has the ability to set administrative rules. Asks, if the rules conflict with jurisdictions, who prevails.
147	Brewer	Answers the board would review programs and have the final word.
149	Sen. Metsger	Says the local jurisdictions are concerned and want intergovernmental agreements. Asks if the BCD disfavors intergovernmental agreements.
160	Brewer	Responds that the districts could opt out of an agreement and choose not to participate. There is no active role for administration to play and that undermines BCD's philosophy of check and balance for consistency.
169	Sen. Metsger	Asks about the 13 members of the board, of which only 3 represent jurisdictions. Asks if that is an unfair representation.
175	Brewer	Says that makeup was agreed upon by the majority of the task force.
180	Phelps	Discusses the intergovernmental agreement and says that local government has had that option for the last 26 years without attaining consistency.
191	Chair Nelson	Asks for questions.
204	Robin White	Portland Building Owners and Managers Association (BOMA). Opposes SB 512. Agrees that there is a problem, but a resolution should be kept on the local level. Development and interpretation of building codes should be kept at state level. However, the function of the proposed board has been expanded too far. SB 512 has no provision that the board members must be from the Portland area which is important. Recommends, if the committee decides to pass SB 512, retaining the 2 percent surcharge and adding a sunset. Presents <b>(EXHIBIT G)</b> .
321	Alan Langendorf	<p>President, Oregon Building Officials Association. Opposes SB 512. Gives reasons why SB 512 would not be a fair process.</p> <ul style="list-style-type: none"> <li>• The board would likely add more conflicting rules</li> <li>• Jurisdictional rules would have a problem of conflict</li> <li>• Community relationship would be lost</li> </ul> <p>Suggests HB 2971 is a better bill.</p>

384	Ray Kerridge	City of Portland. Opposes SB 512. Explains that the task force had problems with another board being added to the bureaucratic process. Says there is oversight already assigned to BCD. There would be considerable additional cost to setting up the board. The power of the board would be too great. Says HB 2971 is thought to be a better solution. Explains the scope of government regulations in the building industry. Presents <b>(EXHIBIT H)</b> .
<b>TAPE 75, B</b>		
055	Kerridge	Explains that only one part of the process is being focused on, rather than the whole process in the state. Describes levels of operational oversight. The entire process of development review needs to be approached in its entirety, not in parts. Describes four levels of oversight which are not all needed. City urges rejection of SB 512 and supports HB 2971 which would reduce costs and have the willing participation of the jurisdictions.
083	Rep. Dan Gardner	House District 13. Sponsored HB 3290 which created the task force that brought forth SB 512. Says the bill establishes a regional operation of the BCD. Jurisdictions could have implemented intergovernmental agreements in the past 26 years, but chose not to. SB 512 is supported by union and non-union construction members.
113	Gary Wright	UA Plumbers and Pipefitters Local 290. Suggests adding to the bill the requirement that board members must work or reside in either Multnomah, Clackamas, or Washington counties. Describes that in 1995, legislative session intergovernmental agreements were discussed. Says the problem is that the public sector needs to deal with 33 offices. Uniformity is needed.
130	John Gervais	National Electrical Contractors Association and Sheet Metal and Air Conditioning Association. Said in 1997 HB 3290, which created the study for this bill, was enacted. Discusses the problems created with lack of uniform procedures. Explains how the inspection programs have grown in size. Says local jurisdictions have the right to raise fees which causes unfair situations. SB 512 is not an attempt of the state to take over, but to achieve uniformity of permits. Asks the committee's support of SB 512.
284	Chair Nelson	Says SB 512 needs more work and the committee will have another work session. Closes public hearing on SB 512. Opens public hearing on SB 587.
<b><u>SB 587 PUBLIC HEARING</u></b>		
296	Sen. Lee Beyer	Senate District 21. Explains three jurisdictional issues. State Building Code allows local counties and cities implement the code either through their own staff or contracting out. Intent of SB 587 was to allow third parties who meet qualifications to be licensed by the state to carry out the process. Describes the work group's discussions on these issues. Amendments are being drafted.
<b>TAPE 76, B</b>		

006	Sen. Beyer	Continues describing the work group's decisions on development of SB 587. Says improvements are being developed.
024	Chair Nelson	Asks if the bill would not protect the consumer.
027	Sen. Beyer	Says he thinks it would protect the consumer. Licensed workers, bonding, and insurance requirements are included.
045	Chair Nelson	Asks for questions.
047	Bill Cross	Oregon Building Officials Association. States he was part of the work group. Supportive of the group's concepts. States the association is looking to view the amendments.
063	Don Woodley	Marion County Building Official. States he was part of the work group. Says the only problem with SB 587 is that there would not be service for all consumers. Looks forward to the final bill with amendments.
097	Gary Wright	UA Local 290. States he participated in the work group. Wants full service, dedicated fees, and a 35,000 population base before there can be a program. Looks forward to the amendments.
103	Joe Brewer	Administrator, Building Codes Division (BCD). Comments that amendments will include full service and mechanisms for state-wide interpretations. Licensing of third parties will require a structured process and a mechanism for the state to collect fees on hourly services.
148	Bob Livingston	Oregon State Firefighters Council. Explains that representatives from the firefighters should be on the board to ensure fire and safety precautions are included.
	Staff	Presents <b>(EXHIBITS I and J)</b> .
160	Chair Nelson	Asks for questions. Closes public hearing on SB 587. Adjourns meeting at 2:46 PM.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

## **EXHIBIT SUMMARY**

**A ñ SB 556, -3 Amendments, Staff, 4 pp**

**B ñ SB 808, Letter, Sen. Mae Yih, 1 p**

**C ñ SB 808, Written testimony, Jan Amling, 3 pp**

**D ñ SB 808, Written testimony, Debbie Graham, 1 p**

**E ñ SB 512, Written testimony, Ray Phelps, 4 pp**

**F ñ SB 512, Written testimony, Joe Brewer, 2 pp**

**G ñ SB 512, Written testimony, Robin White, 3 pp**

**H ñ SB 512, Written testimony, Ray Kerridge, 7 pp**

**I - SB 808, Letter, Staff, 1 p**

**J ñ SB 808, Letter, Staff, 1 p**