

**SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS**

**May 10, 1999 Hearing Room C**

**1:00 PM Tapes 112-114**

**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 3141 Public Hearing and Work Session**

**HB 2978 Public Hearing and Work Session**

**HB 2122 Public Hearing and Work Session**

**HB 3098 Public Hearing and Work Session**

**HB 2243 Public Hearing and Work Session**

**HB 2698 Public Hearing and Work Session**

**HB 2316 Public Hearing and Work Session**

**HB 3308 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 112, A**

003	Chair Nelson	Opens meeting at 1:00 PM. Opens public hearing on HB 3141.
<b><u>HB 3141 PUBLIC HEARING</u></b>		
082	Paul Phillips	NIKE. States that HB 3141 is an issue of fairness. States that HB 3141 would allow a company going through a change in ownership to maintain its current unemployment tax computation, unless there is a substantial change in the way the business is run. Thanks the Employment Department for the work they have done on this bill from Associated Oregon Industries.
082	Gary Odegaard	Tax Manager, NIKE. Explains that HB 3141 provides a solution to a problem that is currently impacting Oregon businesses. It allows for employers who have a positive employment record to utilize employment tax in the event of a partial transfer of its businesses. Reads from exhibit. Presents <b>(EXHIBIT A)</b> .
084	Anne Talbott	Legislative Coordinator, Oregon Employment Department. Refers to the chart in exhibit and explains. Presents <b>(EXHIBIT B)</b> .
089	Staff	Submits <b>(EXHIBIT C)</b> .
090	Chair Nelson	Closes public hearing on HB 3141 and opens public hearing on HB 2978.
<b><u>HB 2978 PUBLIC HEARING</u></b>		
115	Rep. Max Williams	House District 9. Explains HB 2978. Supports HB 2978.
138	Chair Nelson	Closes public hearing on HB 2978. Re-opens public hearing on HB 3141.
<b><u>HB 3141 PUBLIC HEARING</u></b>		
146	Annette Talbott	Explains HB 3141. Reads from Exhibit B.
200	Talbott	Continues explaining chart in exhibit. Wants HB 3141 to go to Ways and Means. States the need to hire an information services staff.
232	Chair Nelson	Asks if the House Committee has heard this issue.
234	Talbott	Answers yes. States that because this was federal funds, it was to go to the Ways and Means Committee. States that the department needs help in prioritizing.

266	Sen. Beyer	Asks if the department is restricted by federal law as to how much they can spend.
272	Talbott	Answers that the department is given a specific grant based on a cost allocation model from the federal government. Mentions that the model was derived years ago and now they will not give additional dollars, even for increased workload.
276	Sen. Beyer	Asks if they have access to the Trust Fund.
277	Talbott	Answers, that is correct, the Trust Fund is for payment of benefits.
280	Sen. Beyer	Asks if the Trust Fund is endangered by this policy. Asks if they are losing 8 million dollars.
296	Talbott	Responds that this goes back for two tax period years. States that certain employers who had this type of successorship would be able to receive a credit against their future unemployment taxes. States this would deplete the revenue for benefits.
307	Phillips	States that in the House Committee this will not jeopardize the Trust Fund. Comments that many businesses will benefit and many other states have adopted this.
319	Sen. Metsger	Asks what happens if there is a merger between two companies with different experiences.
326	Jane Martin	Tax Section, Employment Department. Answers, mergers will not change under this bill.
345	Sen. Beyer	Asks what kind of rate increase this would be.
	Martin	States that this would be one tenth of a percent tax rate.
367	Phillips	Says it is important to note that all taxpayers would be taxed fairly based on their records.
380	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 3141 WORK SESSION</u></b>		
392	Chair Nelson	Believes HB 3141 should be sent to the Emergency Board.
393	<b>Sen. Nelson</b>	<b>MOTION: Moves HB 3141A to the floor with a DO PASS</b>

		<b>recommendation.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 n Sen. Miller</b>
395	<b>Chair Nelson</b>	<b>Hearing no objection declares the motion CARRIED.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
397	Chair Nelson	Closes work session and opens public hearing on HB 2122.
<b><u>HB 2122 PUBLIC HEARING</u></b>		
400	Chuck Craig	Department of Agriculture. Explains that HB 2122 is a fee reduction bill that pertains to "remote readouts." States that current law accesses a surcharge on the basic device fee by 50 percent for the remote readout, proposing reduction in fees by eliminating surcharges that would amount to \$157,000 per year to Oregon businesses. Presents ( <b>EXHIBIT D</b> ).
450	George Shefcheck	Department of Agriculture. States that this bill was initiated a number of years ago to cover costs of testing these devices and now testing can be done with existing licensing fees for the device.
460	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 2122 WORK SESSION</u></b>		
<b>TAPE 113, A</b>		
020	<b>Sen. Nelson</b>	<b>MOTION: Moves HB 2122 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Miller</b>
024	<b>Chair Nelson</b>	<b>Hearing no objection declares the motion CARRIED.</b>

		<b>SEN. MILLER will lead discussion on the floor.</b>
025	Chair Nelson	Closes work session on HB 2122 and opens public hearing on HB 3098.
<b><u>HB 3098 PUBLIC HEARING</u></b>		
045	Rep. Roger Beyer	House District 28. States that this bill has evolved over time. States that the landlord and tenant associations have always been competing associations but have worked together on HB 3098 for the past two years. Explains that the bill ends up repealing the Defense Project Housing Acts and refers to Section 38, page 50. States that this statute has remained on the books for 50 years and needs to be updated. Refers to Sections 1-4 of the bill and explains that this has been negotiated. Explains that there are technical amendments to HB 3098.
060	Chair Nelson	Recesses public hearing on HB 3098 and opens public hearing on HB 2243.
<b><u>HB 2243 PUBLIC HEARING</u></b>		
065	Talbott	Explains that there is a small change to the unemployment insurance law. Explains the two different time lines for request for relief of charges when an employee has been discharged for a theft or felony. Explains the bill was introduced to change the time frame to 30 days. Believes this change will be employer friendly. Presents <b>(EXHIBIT E)</b> .
070	Chair Nelson	Closes public hearing and opens work session on HB 2243.
<b><u>HB 2243 WORK SESSION</u></b>		
071	<b>Chair Nelson</b>	<b>MOTION: Moves HB 2243 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>
072	<b>Chair Nelson</b>	<b>Hearing no objection declares the motion CARRIED.</b>  <b>SEN. BEYER will lead discussion on the floor.</b>
073	Chair Nelson	Closes work session on HB 2243 and opens public hearing on HB 2698
<b><u>HB 2698 PUBLIC HEARING</u></b>		

191	Grover Simmons	Association of Foster Home Providers. Explains that HB 2698 relieves an employer's unemployment insurance reserve account of charges, when the employer has terminated an employee on the express instruction of a government agency. Presents <b>(EXHIBIT F)</b> .
211	Brent Boyter	Owner. Golden Horizon. Gives an example of an employee discharge situation because of failure to pass a criminal check. States that this employee was able to collect unemployment. Presents <b>(EXHIBIT G)</b> .
245	Chair Nelson	Asks Boyter to clarify the discharge and if the person was convicted during employment.
250	Boyter	Explains that it occurred after one year of employment.
270	Talbott	States the bill only relates to job prerequisites. Says this bill does not relate to benefits. States that the case Boyter was speaking of does not apply to HB 2698. Presents <b>(EXHIBIT H)</b> .
318	Sen. Beyer	Asks if an employer would be charged for benefits.
330	Simmons	Explains in more detail, the employee discharge situation. Explains that his employee was driving under the influence of intoxicants.
341	Sen. Beyer	States that it sounds like the client was covered under an existing law.
368	Sen. Beyer	Asks if an employer would employ someone before a background check is completed.
374	Talbott	Answers that they would be entitled to benefits, but under a different law.
378	Chair Nelson	Closes the public hearing and opens the work session on HB 2698.
<b><u>HB 2698 WORK SESSION</u></b>		
379	<b>Chair Nelson</b>	<b>MOTION: Moves HB 2698 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>
380	<b>Chair Nelson</b>	<b>Hearing no objection, declares the motion CARRIED.</b>

		<b>SEN. STARR will lead discussion on the floor.</b>
382	Chair Nelson	Closes work session on HB 2698 and re-opens public hearing on HB 2978.
<b><u>HB 2978 PUBLIC HEARING</u></b>		
453	Talbott	States that Rep. Williams described HB 2978 earlier and the bill is in conformity with the federal law. Presents <b>(EXHIBIT I)</b> .
<b>TAPE 112, B</b>		
030	Talbott	Explains that the Department of Labor reviews every piece of unemployment insurance law submitted to make sure they are in conformity.
038	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 2978 WORK SESSION</u></b>		
040	<b>Chair Nelson</b>	<b>MOTION: Moves HB 2978 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>
042	<b>Chair Nelson</b>	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. NELSON will lead discussion on the floor.</b>
043	Chair Nelson	Closes work session on HB 2978 and opens public hearing on HB 2316.
<b><u>HB 2316 PUBLIC HEARING</u></b>		
042	Jim Markee	Oregon Collectors Association. HB 2316 adds public agencies to the definition of "person" so that a collection agency that was only doing collections for a public agency would be required to be registered and regulated by the state. Presents <b>(EXHIBIT J)</b> .
048	James Krueger	Program Manager. Collection Agency Program. The amendments that allow office requirement and trust account requirements were a part of the bill was that dropped by the agency and adopted as an amendment to HB 2316. This would exempt agencies that hire and qualify as collectors from their program because

		they have experience and qualifications.
097	Chair Nelson	States that the amendment took place in the House. Closes public hearing and opens work session.
<b><u>HB 2316 WORK SESSION</u></b>		
098	Chair Nelson	<b>MOTION: Moves HB 2316 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>
099	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>  <b>SEN. STARR will lead discussion on the floor.</b>
100	Chair Nelson	Closes work session on HB 2316 and opens public hearing on HB 3308.
<b><u>HB 3308 PUBLIC HEARING</u></b>		
124	Rep. Terry Thompson	House District 4. Explains that HB 3308 makes it optional to opt out of unemployment insurance for certain fishing vessels. States this is the same as federal laws. This law is same as Alaskan law.
130	Talbott	Explains working with Rep. Thompson on this law for boats with fewer than 10 crewmembers. States the department is neutral because this is such a narrow exclusion. Presents <b>(EXHIBIT K)</b>
150	Thompson	States that in certain fisheries it is tradition for crewmembers to take a certain percentage of the catch.
152 Staff Submits <b>(EXHIBIT L)</b> .		
155 Chair Closes work session and re-opens public hearing on HB 3098.		
<b><u>HB 3098 PUBLIC HEARING</u></b>		
202	Staff	Submits <b>(EXHIBIT M)</b> .



203	John Van Landingham	Law & Advocacy Center. Explains that HB 3098 is a companion bill to SB 1088, which this committee passed out two weeks ago. HB 3098 was negotiated by a group of landlords and tenants. Supports HB 3098 and the ñ9, -10 and ñ11 amendments.
299	Sharon Fleming-Barrett	Rental Owners Association. Supports HB 3098 and the -9, -10, and -11 amendments. Explains how the work groups came to the results in this bill and how it has landlord and tenant benefits. Presents <b>(EXHIBIT N)</b> .
318	Emily Cedarleaf	Multi-Family Housing Council. Explains history. Urges support of HB 3098 with the ñ9, -10, and -11 amendments. Says this bill is a good balance.
350	Mike Dewey	Presents the ñ11 amendments, which change the definition of cable television so that the FCC provides that the landlord can own home run wiring. Says it is in the best interest of the tenant.
392	Jill Bruce	Attorney, Preston, Gates and Ellis. States her concern with HB 3098 is that there is a big shift of control from park owners to manufactured home owners in Section 2B. States that she believes the language in Section 2B creates perpetual tenancies.
308	Don Miner	Oregon Manufactured Housing Association. Supports HB 3098, as well as the amendments. States that the language in Section 2A is very much needed. Gives an example of a manufactured homeowner buying and selling his home.
Staff Submits <b>(EXHIBIT O)</b> .		
<b>TAPE 113, B</b>		
040	Pat Schwock	Manufactured Homeowners of Oregon. Reads from exhibit. Supports HB 3098.
063	Frank Burleson	Explains the history of forced exit of tenants.
090	Sally Harrington	Legislative Chair, Manufactured Housing Association of Oregon. Supports HB 3098 with all amendments.
098	Chair Nelson	Asks about fear of perpetual tenancy.
099	Harrington	Responds no fear of perpetual tenancy due to a subsequent sale where the home can be removed and the law allows the landlord to give a 30-60 day time to remove the home for disrepair. States that this still allows the tenant that time to repair the home.
118	Paul Koch	Milwaukee, Oregon. Describes three parks that he owns. Explains the problems that a few tenants can cause. Explains how societal changes have caused

		problems. States that since the 1989 Fair Housing Act, the composition of parks has changed dramatically. States that tenants do not maintain their homes in many cases and this bill will cause him difficulty in addressing these types of problems. Opposes HB 3098.
210	John McDermott	Central Point, park owner. Relates problems he experiences with his tenants and how difficult it is to enforce anything.
280	Alan Conley	Linn County, park owner. Relates that park owners want to keep good tenants. Urges investigation. Opposes HB 3098.
399	Mark Busch	Attorney. Represents manufactured home parks. Says HB 3098 has a problem with the language and the way it was written. States that this would leave many issues open, if there were a trial. Presents and reads from <b>(EXHIBIT P)</b> .
<b>TAPE 114, A</b>		
018	John Van Landingham	States this bill is a compromise intended to protect tenants, landlords, lenders, and manufacturers. Says the extension language is not open-ended. States that dangerous situations can terminate tenancies. States that this bill has been worked at great length to protect the rights of everyone.
030	Chair Nelson	Closes public hearing and opens work session.
<b><u>HB 3098 WORK SESSION</u></b>		
052	Sheng	Explains that the HB 3098 ñA9 amendments conforms to the language of SB 1088. The HB 3098 ñA10, amends a conflict amendment to allow tenant associations to negotiate for the purchase of the house and the HB 3098 ñA11, changes the definition of cable television.
053	Chair Nelson	<b>MOTION: Moves to ADOPT HB 3098A-A9 amendments dated 5/10/99.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 ñ Sen. Miller</b>
054	Chair Nelson	<b>Hearing no objection, declares the motion CARRIED.</b>
	Chair Nelson	<b>MOTION: Moves to ADOPT HB 3098A-A10 amendments dated 5/10/99.</b>

		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Miller</b>
056	Chair Nelson	Hearing no objection, declares the motion CARRIED.
	Chair Nelson	<b>MOTION: Moves to ADOPT HB 3098A-A11 amendments dated 5/10/99.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Miller</b>
058	Chair Nelson	Hearing no objection, declares the motion CARRIED.
	Chair Nelson	<b>MOTION: Moves HB 3098A to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Miller</b>
060	Chair Nelson	Hearing no objection, declares the motion CARRIED.  <b>SEN. METSGER will lead discussion on the floor.</b>
062	Chair Nelson	Closes work session and adjourns meeting at 3:08 p.m.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

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Transcribed By,

Paula Merritt

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**EXHIBIT SUMMARY**

**A ñ HB 3141, Letter, Gary Odegaard, 2 pp**

**B ñ HB 3141, Letter, Annette Talbott, 13 pp**

**C ñ HB 3141, Written testimony, Staff, 1 p**

**D ñ HB 2122, Written testimony, Charles Craig, 1 p**

**E ñ HB 2243, Letter, Annette Talbott, 2 pp**

**F ñ HB 2698, Letter, Grover Simmons, 1 p**

**G ñ HB 2698, Written testimony, Brent Boyter, 2 pp**

**H ñ HB 2698, Letter, Annette Talbott, 1 p**

**I ñ HB 2978, Letter, Annette Talbott, 3 pp**

**J ñ HB 2316, Written testimony, Jim Markee, 1 p**

**K ñ HB 3308, Letter, Annette Talbott, 2 pp**

**L - HB 3308, Written testimony, Staff, 2 pp**

**M ñ HB 3098, -9,-10,-11,-12 amendments and written testimony, Staff 11 pp**

**N ñ HB 3098, Letter, Sharon Fleming-Barrett, 2 pp**

**O ñ HB 3098, Written testimony and letters, Staff, 27 pp**

**P ñ HB 3098, Written testimony, Mark Busch, 3 pp**

