

SENATE COMMITTEE ON BUSINESS & CONSUMER AFFAIRS

May 5, 1999 Hearing Room C

1:00 PM Tapes 108-109

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 1257 Work Session

SB 827 Work Session

HB 2793 Work Session

HB 2056 Public Hearing

HB 2733 Public Hearing and Work Session

HB 2578 Public Hearing and Work Session

HB 2669 Public Hearing and Work Session

HB 2782 Public Hearing

HB 2665 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.

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TAPE/#	Speaker	Comments
TAPE 108, A		
003	Chair Nelson	Opens meeting at 1:00 PM. Opens work session on SB 1257.
<u>SB 1257 WORK SESSION</u>		
017	Sherry Sheng	Committee Administrator. Explains SB 1257 and the ñ3 amendments, which incorporates changes adopted from the May 3, 1999 meeting. Presents (EXHIBIT A) .
024	Chair Nelson	MOTION: Moves to ADOPT SB 1257-3 amendments dated 05/05/99.
		VOTE: 4-0 EXCUSED: Sen. Starr
	Chair Nelson	Hearing no objection, declares the motion CARRIED.
026	Chair Nelson	MOTION: Moves SB 1257 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 EXCUSED: Sen. Starr
028	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. CASTILLO will lead discussion on the floor.
030	Chair Nelson	Closes work session on SB 1257 and opens work session on SB 827.
<u>SB 827 WORK SESSION</u>		
040	Sheng	Explains that SB 827 would exempt landscape contractors who purchase stocks solely for the purpose of installing the plants, but not holding them over or growing them, from the requirement of a nursery license. Submits (EXHIBIT B) .
066	Ken Keudell	Administrator, Landscape Contractors Board. Explains the ñ1 amendments

		were drafted after an intensive meeting with Department of Agriculture and Oregon Nurserymen's Association.
079	Bill Cross	Oregon Landscape Contractors Association. Supports the ñ1 amendments. Believes this is a good economical solution for maintaining the structure that the Department of Agriculture needs to ensure the safety of nursery stock in the state of Oregon. Submits (EXHIBIT C) .
090	Larry Harvey	Oregon Landscape Contractors Association. Supports SB 827 and the ñ1 amendments and urges action on the bill.
092	Chair Nelson	MOTION: Moves to ADOPT SB 827-1 amendments dated 04/30/99.
		VOTE: 5-0
	Chair Nelson	Hearing no objection, declares the motion CARRIED.
093	Chair Nelson	MOTION: Moves SB 827 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-0
094	Chair Nelson	Hearing no objection, declares the motion CARRIED. SEN. STARR will lead discussion on the floor.
096	Chair Nelson	Closes work session on SB 827 and opens work session on HB 2793.
<u>HB 2793 WORK SESSION</u>		
120	Sheng	Explains the HB 2793 -17, -18, -19, and ñ20 amendments. In HB 2793 ñ17 amendments, subsection 2, Section 3 inserts a provision which would exempt agricultural labor. Also, this would reduce the number of calendar days under which the employer would pay the minor, from 60 to 45 days. This would reduce the minimum wage for minors during the first 45 days of employment. The HB 2793 ñ18 amendment would relate to page 3, Section 5. This would delete Section 5, subsection 2. This would require employers to pay no less than \$6.50 per hour for employees who's earned tip average would be \$3.50 per hour or more. The HB 2793 -19 amendments add a new Section 7 and direct the employer to apply the savings realized through hiring the tipped employees, towards wage increases to non-tipped employees. Submits (EXHIBIT D) .

184	Sheng	Explains that the 20 amendments were proposed by Sen. Castillo and asks her to explain.
200	Sen. Castillo	Senate District 20, Eugene. Explains that the 20 amendments try to create stronger laws for minimum wage enforcement in Oregon. Mentions that under current law there is no penalty to employers who do not pay the minimum wage and this is an attempt to correct this issue. Submits (EXHIBIT E) .
250	Sen. Miller	MOTION: Moves to ADOPT HB 2793-17 amendments dated 05/04/99.
		VOTE: 4-1 AYE: 4 Sen. Beyer, Sen. Miller, Sen. Starr, Sen. Nelson NAY: 1 Sen. Metsger
251	Chair Nelson	The motion Carries.
	Sen. Miller	MOTION: Moves to ADOPT HB 2793-18 amendments dated 05/04/99.
		VOTE: 3-2 AYE: 3 Sen. Miller, Sen. Starr, Sen. Nelson NAY: 2 Sen Beyer, Sen. Metsger
252	Chair Nelson	The motion Carries.
	Sen. Miller	MOTION: Moves to ADOPT HB 2793-19 amendments dated 05/04/99.
253	Sen. Metsger	Asks about the distribution that the HB 2793 19 amendments speak of.
297	Mike McCallum	Oregon Restaurant Association. Answers that there would be a clear distinction between tipped and non tipped employees and that there would be a record kept as to dollars that would be realized under the utilization and also a record to show the flow of dollars to the non tip employees.
305	Sen. Metsger	States that every employee who is non-tip would have minimum wage plus the pro-rata decided by the employer.

309	Sen. Beyer	Answers that there is no requirement stating pro-rata.
320	McCallum	States that he was wrong, it would not need to be evenly distributed.
350	Sen. Metsger	Asks if it would be possible for all non-tip employees to share or just some employees, and some others not to participate.
		VOTE: 3-2 AYE: 3 - Sen. Miller, Sen. Starr, Sen. Nelson NAY: 2 ñ Sen. Beyer, Sen. Metsger
	Chair Nelson	The motion Carries.
360	Michael Dale	<p>Oregon Law Center. States that his comments were on the ñ17 amendments that have already been motioned. Says the intent of the</p> <p>ñ17 amendments is to solve problems of cutting minimum wages to farm workers, 16 year old employees and under who are doing piece work. This bill solves the hourly rate but not the piece rate as far as agriculture workers.</p>
380	Sen. Metsger	MOTION: Moves to ADOPT HB 2793-20 amendments dated 05/05/99.
		VOTE: 2-3 AYE: 2 ñ Sen. Beyer, Sen. Metsger NAY: 3 ñ Sen. Miller, Sen. Starr, Sen. Nelson
	Chair Nelson	The motion Fails.
TAPE 109, A		
020	Chair Miller	MOTION: Moves HB 2793 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 3-2 AYE: 3 ñ Sen. Miller, Sen. Starr, Sen. Nelson NAY: 2 ñ Sen. Beyer, Sen. Metsger

021	Chair Miller	<p>The motion Carries.</p> <p>SEN. STARR will lead discussion on the floor.</p>
023	Chair Nelson	Serves notice of a Minority Report being filed by Sen. Metsger and Sen. Beyer.
030	Chair Nelson	Closes work session on HB 2793 and opens public hearing on HB 2056.
<u>HB 2056 PUBLIC HEARING</u>		
040	Rep. Jenson	States that he is proposing amendments to HB 2056. States that his amendment would propose to raise the current Bond to \$100,000 per year. Gives an example. Submits (EXHIBIT F) .
091	Sen. Starr	Asks Rep. Jenson how many times in a year bonds have been exceeded.
093	Jenson	Answers that he does not know.
120	Ken Keudell	Construction Contractor's Board. States examples of bonds that were not paid in 1997 and 1998. Submits (EXHIBIT G) .
138	John Powell	Representing Contractors Bonding and Insurance Company. Reiterates what Rep. Jenson proposed. States that requiring a \$100,000 bond would significantly limit the number of contractors who are eligible for that high of a bond standard. States that there is always controversy surrounding the face value of the bond and recovery.
200	Sen. Beyer	Asks what the cost of a \$15,000 bond would be.
205	Powell	Answers, the cost would average \$250 per year.
223	Sen. Beyer	Asks the cost of a General Contractor's license.
228	Keudell	Answers they are \$95 and \$80 per year, residential and commercial. States that the biggest cost is liability and property damage insurance.
240	Sen. Starr	States he pays high liability insurance as a roofing contractor. There is a big variation from \$500 to \$1,200. States his concerns about raising the bonding limit and states that contractors settle most claims. States he feels it is not time to raise the bonds.

278	Diana Madarieta	Oregon Remodelers Association. States HB 2056 would decimate their industry.
301	Sen. Beyer	Asks if a higher bond would eliminate people.
305	Madarieta	States that members of the association are from small businesses without liquid assets to obtain a \$100,000 bond.
315	Staff	Submits (EXHIBIT H) .
316	Chair Nelson	Closes public hearing on HB 2056. Opens public hearing on HB 2733.
<u>HB 2733 PUBLIC HEARING</u>		
331	Scott Barrie	Oregon Building Industry Association. HB 2733 will allow for a general contractor to file claim against a sub contractor for an additional 60 days after the one-year deadline to file a claim for poor work.
340	Keudell	States that this has been a problem for years and no one has fixed it. Submits (EXHIBIT I) .
<u>HB 2733 WORK SESSION</u>		
342	Chair Nelson	MOTION: Moves HB 2733 to the floor with a DO PASS recommendation.
		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.
345	Chair Nelson	The motion CARRIES. SEN. METSGER will lead discussion on the floor.
346	Chair Nelson	Closes work session on HB 2733 and opens public hearing on HB 2578.
<u>HB 2578 PUBLIC HEARING</u>		
347	Marc Hellman	Public Utilities Commission (PUC). Supports HB 2578. States that the bill would broadens the commissionis funding base to include competitive

		telecommunication providers. PUC believes that HB 2578 has merit. Submits (EXHIBIT J) .
TAPE 108, B		
003	Shelley Jenson	Regulatory Government Affairs Manager, GTE. Supports HB 2578. Explains that in a competitive environment HB 2578 will spread the cost of the PUC administration more fairly. Explains that there will be no change in the dollar amount generated.
008	Chair Nelson	Closes public hearing and opens work session.
<u>HB 2578 WORK SESSION</u>		
009	Chair Nelson	MOTION: Moves HB 2578 be sent to the floor with a DO PASS recommendation.
		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.
010	Chair Nelson	The motion CARRIES. SEN. NELSON will lead discussion on the floor.
018	Chair Nelson	Closes work session on HB 2578 and opens public hearing on HB 2669.
<u>HB 2669 PUBLIC HEARING</u>		
040	Mike Dewey	Oregon Cable Telecommunications Association. Gives background on HB 2669, which authorizes a seller of cable service to assess a late fee against a delinquent account.
100	Dewey	Explains collecting late fees. Urges passage of HB 2669.
133	Sen. Metsger	Comments on a letter received from the City of Portland. Asks about late fee for services that have been rendered, not for services offered.
135	Dewey	States that the letter is referring to fees billed one month in advance, which is to overcome uncorrectable bills if people move without paying balance.

166	Sen. Beyer	Asks Dewey to address the issue of the \$5-6 and 27-day rule.
	Dewey	Answers that the billing cycle is 27 days for cable companies. Credit card cycles can be 25 days. States that this time seemed a reasonable amount of time.
194	Chair Nelson	Reads from City of Portland letter about the fee for late payment.
198	Dewey	Explains that a monopoly has a duty to access a lower fee. States that they do not want to impose hardships on customers.
215	Staff	Submits (EXHIBIT K) .
215	Chair Nelson	Closes public hearing on HB 2669. Opens work session on HB 2669.
<u>HB 2669 WORK SESSION</u>		
218	Chair Nelson	MOTION: Moves HB 2669 to the floor with a DO PASS recommendation.
219	Sen. Miller	Sees no need for the state to write this contract.
239	Sen. Starr	Asks Dewey if there were a basis for litigation, if a statutory limit would be undesirable for a company.
253	Dewey	Responds, if the \$6 maximum late fee were in statute there would not be a defense because the judge would consider this reasonable.
280	Sen. Beyer	Asks if HB 2669 is stating that one can charge "no more than" \$6 and this is the amount currently stated in contracts.
284	Dewey	Answers that the contract does not state the late charge amount.
299	Sen. Beyer	Asks Dewey if other regulated industries state the finance fee.
324	Dewey	States that is the defense now being used in lawsuits.
363	Sen. Beyer	Asks Dewey if he were not in a regulated industry, if he would be here today.
383	Dewey	Answers no he would not. Local franchise authorities regulate him.

387	Sen. Beyer	Comments on the City of Portland's concern and says nothing in the statute, would limit the charge imposed on Portland.
390	Dewey	States the charge could be no more than \$6.
TAPE 109, B		
004	Chair Nelson	Asks for questions.
010	Beth Vargis Duncan	League of Oregon Cities. Neutral on HB 2669. States that the same questions were asked in the House Committee meeting. States that she cannot add further insight and that HB 2664 curtails local authority.
039	Sen. Beyer	Says this does not sound unreasonable. It would cost a business too much to go after small bills.
045	Sen. Metsger	States there is no regulation set at this time and setting this ceiling would be a good idea.
		VOTE: 3-1 AYE: 3 - Beyer, Metsger, Nelson NAY: 1 - Miller EXCUSED: 1 - Starr
048	Chair Nelson	The motion Carries. Sen. Beyer will lead discussion on the floor.
089	Chair Nelson	Closes work session on HB 2669 and opens public hearing on HB 2782.
<u>HB 2782 PUBLIC HEARING</u>		
090	Mark Landauer	City of Portland, Office of Government Relations. Introduces Paul Stein.
099	Paul Stein	Administrative Service Manager, Bureau of Emergency Communications. Explains that they process approximately 1.3 million calls. States they are currently fighting with the 911 non-emergency calls being placed through their system. Explains that through a recent survey they received approximately 30 calls per day asking for the non-emergency number. HB 2782 would allow

		publishing of the non-emergency number for the Public Safety Answering Points (PSAP) throughout the state, on the front cover of the telephone book. Submits (EXHIBIT L) .
100	Landauer	States that they have had campaigns informing the public of the non-emergency number and where it is posted but they still receive repeated calls.
117	Sen. Miller	Asks when the telephone book is printed.
120	Stein	Answers that they are printed throughout the year, depending on the area. States that cut-off date is August for November printing in Multnomah County.
125	Sen. Miller	States that HB 2782 might need an emergency clause rather than waiting 90 days after session closes.
135	Stein	Agrees that an immediate clause would be beneficial.
141	Metsger	Asks Stein if someone calls 911 as a non-emergency call, is the party transferred or asked to call back.
143	Stein	Answers, they are transferred to a recording.
146	Chair Nelson	Asks the administrator to request an amendment with an emergency clause.
147	Staff	Submits (EXHIBIT M) .
148	Chair Nelson	Closes public hearing on HB 2783 and opens public hearing on HB 2665.
<u>HB 2665 PUBLIC HEARING</u>		
180	Joe Brewer	Administrator, Building Codes Division (BCD). Gives background on HB 2665. This is a new area of regulation. States that this bill would extend the divisions responsibility of authority. HB 2665 would be problematic because it is difficult to coordinate at what point these systems are introduced into the structure. Submits (EXHIBIT N) .
225	Sen. Beyer	Questions "safety" being the purpose of the building code, and if so, why would this be BCD's responsibility, if it were under the category of "quality."
226	Brewer	Answers this would be for regulatory reasons.
235	Chair Nelson	Asks if PUC conducts a review and, if so, if this is a repeat of a bill that the committee just heard.

277	Sen. Beyer	Suggests this bill be coordinated with the PUC.
278	Brewer	Explains changes in technology. Suggests the department coordinate with PUC.
289	Chair Nelson	States he sees enough concerns to study this further. Asks Brewer if this bill would be beneficial.
330	Brewer	States that Rep. Hillis concern is to get systems into the structure. States there would be no need for additional staff and this would only be a code amendment.
344	Chair Nelson	Opens work session.
<u>HB 2665 WORK SESSION</u>		
345	Chair Nelson	MOTION: Moves HB 2665 to the floor with a DO PASS recommendation.
		VOTE: 3-1 AYE: 3 - Sen Beyer, Sen Metsger, Sen. Nelson NAY: 1 - Sen. Miller EXCUSED: 1 - Sen. Starr
348	Chair Nelson	The motion Carries. SEN. NELSON will lead discussion on the floor.
349	Chair Nelson	Closes work session and adjourns meeting at 2:56 p.m.

Submitted By, Reviewed By,

Nancy Masee, Y. Sherry Sheng,

Administrative Support Administrator

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Transcribed By,

Paula Merritt

Administrative Support

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EXHIBIT SUMMARY

A ñ SB 1257, -3 amendments, staff, 2 pp

B ñ SB 827, -1 amendments, staff, 2 pp

C ñ SB 827, written testimony, Bill Cross, 1 p

D ñ SB 2793, -17, -18, -19, -20, amendments, staff, 8 pp

E ñ SB 2793, article and letter, Sen. Castillo, 6 pop

F ñ HB 2056, -B5 amendments, Rep. Jensen, 1 p

G ñ HB 2056, letter, Ken Keudell, 4 pp

H ñ HB 2056, letter, staff, 1 p

I ñ HB 2733, letter, Ken Keudell, 1 p

J ñ HB 2578, written testimony, Marc Hellman, 4 pp

K ñ HB 2669, letters, staff, 3 pp

L ñ HB 2782, written testimony, Paul Stein, 1 p

M ñ HB 2782, -A2 amendments, staff, 1 p

N ñ HB 2665, written testimony, Joe Brewer, 1 p

