

SENATE COMMITTEE ON GENERAL GOVERNMENT

March 16, 1999 Hearing Room C

3:00 p.m. Tapes 41 - 42

MEMBERS PRESENT: Sen. Verne Duncan, Chair

Sen. Cliff Trow, Vice-Chair

Sen. John Lim

Sen. Marylin Shannon

Sen. Frank Shields

STAFF PRESENT: Marjorie Taylor, Administrator

Patrick Brennan, Administrative Support

MEASURE/ISSUES HEARD: HB 2062 Public Hearing and Work Session

HB 2489-A Public Hearing and Work Session

HB 2490-A Public Hearing and Work Session

HB 2512 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.

TAPE/#	Speaker	Comments
TAPE 41, A		
002	Chair Duncan	Calls the meeting to order at 3:10 p.m. Opens a public hearing on HB 2062.
<u>HB 2062 PUBLIC HEARING</u>		
010	Ken Keudall	Administrator, Construction Contractors Board (CCB) and Landscape Contractors Board. Testifies in support of HB 2062 (EXHIBIT A). States that there are over 900 licensed landscape contractors in Oregon, employing over 1,200 individuals. Indicates that there must be at least one licensed landscaping

		contractor within each business. Says that the law currently allows landscapers to perform construction as long as it relates to a landscaping project on the same site. Indicates that HB 2062 would allow landscapers to construct driveways and other related construction even if there is no actual landscaping project on site. Clarifies that the registration process will not affect licensing. Asserts that there will be negligible impact upon construction contractors.
050	Chair Duncan	Asks if there has been any opposition to the bill.
051	Keudall	Replies that there has been no opposition.
055	Larry Harvey	Representative, Oregon Landscape Contractors Association. Testifies in support of HB 2062 (EXHIBIT B). Indicates that there is widespread interest in passage of the bill within the landscaping industry.
060	Chair Duncan	Closes the public hearing on HB 2062 and opens a work session on HB 2062.
<u>HB 2062 WORK SESSION</u>		
065	Sen. Trow	MOTION: Moves HB 2062 to the floor with a DO PASS recommendation.
067		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Sen. Lim
	Chair Duncan	The motion CARRIES. SEN. DUNCAN will lead discussion on the floor.
080	Chair Duncan	Closes the work session on HB 2062 and opens a public hearing on HB 2489-A.
<u>HB 2489-A PUBLIC HEARING</u>		
090	Scott Barrie	Representative, Oregon Building Industry Association. Testifies in support of HB 2489-A. Says that the bill prohibits the CCB from performing the education of contractors entirely in-house and would allow outside providers of training, so long as the educator were approved by the board.
109	Stephen Kafoury	Representative, Oregon Remodelers Association. Testifies in support of HB

		2489-A. Indicates that the legislature has previously passed legislation that required a minimum level of training or certification in order to serve as a construction contractor. Adds that HB 2489-A would comply with those statutes.
122	Ken Keudall	Administrator, CCB. Testifies in support of HB 2489-A. Asserts that the CCB should not maintain the education of contractors strictly in-house and that the industry and community colleges should be allowed to educate contractors as well.
133	Sen. Trow	Inquires if there would be any reason to disqualify a private organization from providing education to contractors.
140	Keudall	Responds that failure to do a good job in contractor education would allow the CCB to disqualify an educator.
144	Sen. Trow	Wonders if the bill would allow unlicensed individuals to offer training to contractors.
145	Keudall	Replies that the CCB would be able to disqualify educators on the basis of administrative rule, which could be changed at the discretion of the CCB.
150	Sen. Trow	Asks if there is any known opposition to HB 2489-A.
151	Keudall	Replies that there is none.
155	Chair Duncan	Closes the public hearing on HB 2489-A and opens a work session on HB 2489-A.
<u>HB 2489-A WORK SESSION</u>		
160	Sen. Shields	MOTION: Moves HB 2489-A to the floor with a DO PASS recommendation.
162		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Sen. Lim
	Chair Duncan	The motion CARRIES. SEN. SHANNON will lead discussion on the floor.

170	Chair Duncan	Closes the work session on HB 2489-A and opens a public hearing on HB 2490-A.
<u>HB 2490-A PUBLIC HEARING</u>		
180	Scott Barrie	Representative, Oregon Building Industry Association. Testifies in support of HB 2490-A. States that the bill would require the CCB to keep a record of customer inquiries and claims against contractors. Indicates that the current practice is to list unverified and uninvestigated complaints as claims against contractors. Says that HB 2490-A would change the status to that of inquiry until such complaints can be investigated.
196	Stephen Kafoury	Representative, Oregon Remodelers Association. Explains that the issue of inquiries has been contentious for some time between the CCB and the industry. States that the conflict is between protecting contractors and serving the interest of the public.
205	Chair Duncan	Suggests that unfounded claims could damage contractors.
207	Kafoury	States that sometimes complaints do not accurately reflect the performance of the contractor.
216	Sen. Trow	Wonders if inquiry is the correct word to use. Asserts that making an inquiry about claims against a contractor is not making an accusation.
224	Kafoury	Replies that the word "inquiry," as defined by the bill, refers to inquiring whether a customer has a legitimate claim against a contractor with regards to a complaint.
232	Sen. Trow	Asks if an uninvestigated complaint is considered a claim or an inquiry.
237	Ken Keudall	Administrator, CCB. Replies that current practice is to consider all inquiries and complaints as claims, which is part of the problem that HB 2490-A is designed to address. Indicates that there has been a question as to what to report to the public without unjustly damaging contractors. Says that if a final order to pay damages is issued by the CCB there is a clear definition of any violations.
249	Sen. Trow	Suggests that the term "inquiry" should be replaced with something easier to understand, such as "complaint." Says that people calling in to ask questions are technically making an inquiry.
255	Kafoury	Explains that the word was chosen due to its neutrality. Indicates that five "complaints" about a contractor would make them seem untrustworthy, even if all were totally unfounded.
263	Sen. Trow	States that the word "inquiry" may be too neutral to be able to ascertain the meaning.

265	Kafoury	Says that the CCB currently puts contractor records on the world wide web, including a differentiation between disputes that were amicably settled or where the contractor was exonerated. Says that the word inquiry is a neutral term.
286	Chair Duncan	Inquires how to classify when a customer calls to find out if there have been any complaints against a contractor.
289	Sen. Trow	Replies that such questions would not be listed in the record.
292	Keudall	Explains that the system, proposed in HB 2490-A, would require an inquiry to be submitted on the proper form.
302	Sen. Shannon	States that the proposed system seems acceptable.
306	Sen. Shields	Concurs with Sen. Shannon.
312	Chair Duncan	Closes the public hearing on HB 2490-A and opens a work session on HB 2490-A.
<u>HB 2490-A WORK SESSION</u>		
318	Sen. Shields	MOTION: Moves HB 2489A to the floor with a DO PASS recommendation.
321		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Duncan	The motion CARRIES. SEN. TROW will lead discussion on the floor.
330	Chair Duncan	Closes the work session on HB 2490-A and opens a public hearing on HB 2512.
<u>HB 2512 PUBLIC HEARING</u>		
338	Rep. Gary Hansen	House District 17. Testifies in support of HB 2512 (EXHIBIT C). States that there are a large number of districts within the Portland metro area, each of which previously required contractors to hold licenses to operate within their limits. Explains that a program implemented in 1988 allowed contractors with gross receipts totaling less than \$125,000 to hold a metro license, which would

		be honored by most of the metro area districts. Says that HB 2512 would raise the threshold for gross receipts limit to \$250,000. Says that the increase would open the system to other small contractors.
387	Chair Duncan	Says that HB 2512 is a "little man's bill."
390	Ray Phelps	Representative, Metro. Testifies in support of HB 2512.
395	Ken Keudall	Administrator, CCB. Testifies in support of HB 2512. Indicates that the bill will expand a good program.
405	Sen. Lim	Wonders if a contractor needs three licenses, from Metro, the city, and the contractors board, in order to operate. Inquires as to the cost of the licenses.
410	Phelps	Replies that the Metro license is \$110. Says that the city licenses vary, with Portland being about \$50. Explains that the office location determines the city where the business would have to hold a license. Indicates that 19 of the 21 cities in the Portland metro area participate in the program whereby the \$110 Metro license is acceptable within their limits. Suggests that it achieves compliance and revenue savings. Says that Metro disperses a percentage of the total fees according to the locations where contractor activities took place.
TAPE 42, A		
020	Rep. Hansen	Explains that contractors sometimes have difficulty finding out in which city a job is located. Adds that performing one job in a given town would currently require purchasing a license in that town for the entire year.
045	Sen. Lim	Asks if there is a statewide license.
046	Phelps	Replies that there is no such license.
		Additional testimony was submitted to the committee for the consideration of its members (EXHIBIT D).
048	Chair Duncan	Closes the public hearing on HB 2512 and opens a work session on HB 2512.
<u>HB 2512 WORK SESSION</u>		
050	Sen. Lim	MOTION: Moves HB 2512 to the floor with a DO PASS recommendation.
054		VOTE: 4-0-1

		<p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Sen. Shields</p>
	Chair Duncan	<p>The motion CARRIES.</p> <p>SEN. LIM will lead discussion on the floor.</p>
066	Chair Duncan	Closes the work session on HB 2512 and adjourns the meeting at 3:40 p.m.

Submitted By, Reviewed By,

Patrick Brennan, Marjorie Taylor,
Administrative Support Administrator

EXHIBIT SUMMARY

- A ñ HB 2062, testimony, Ken Keudell, 2 pp.**
- B ñ HB 2062, printed materials, Larry Harvey, 1 p.**
- C ñ HB 2512, testimony, Rep. Gary Hansen, 1 p.**
- D ñ HB 2512, testimony, Lynn McNamara, 2 pp.**