

**HOUSE COMMITTEE ON AGENCY OVERSIGHT AND EFFICIENCY**

**May 20, 1997 Hearing Room H-170**

**1:00 PM Tapes 53-54**

**MEMBERS PRESENT:**

**Rep. Jane Lokan, Chair**

**Rep. Richard Devlin, Vice-Chair**

**Rep. Tom Brian**

**Rep. Ryan Deckert**

**Rep. Steve Harper**

**Rep. Eldon Johnson**

**Rep. Mike Lehman**

**MEMBER EXCUSED:**

**None.**

**STAFF PRESENT:**

**Brad Harper, Administrator**

**Valerie Luhr, Administrative Support**

**MEASURE/ISSUES HEARD:**

**SB 512A - Work Session**

**HB 3562 - Public Hearing**

**HB 3731 - 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 53, A</b>		
<b>003</b>	<b>Chair Lokan</b>	<b>Calls meeting to order, 1:20 p.m. Opens work session, SB 512.</b>

<b><u>SB 512 - WORK SESSION</u></b>		
<b>018</b>	<b>Brad Harper</b>	<b>Committee Administrator, reviews provisions of the bill, amendments.</b>
<b>023</b>	<b>Rep. Lehman</b>	<b>MOTION: Moves to ADOPT SB 512-A7 amendments dated 5/6/97 [EXHIBIT A].</b>
<b>026</b>	<b>Kevin Mannix</b>	<b>Attorney, Salem, Oregon, testifies to original bill.</b>
<b>036</b>	<b>Rep. Lehman</b>	<b>Comments Mannix has made a good point, but not worth risk of losing federal unemployment benefits.</b>
<b>040</b>	<b>Chair Lokan</b>	<b>Feels should be consistency in way language is handled between agencies.</b>
<b>046</b>	<b>Chair Loken</b>	<b>VOTE: Hearing no objection, declares the motion CARRIED.  EXCUSED: 2- Brian, Harper, Johnson</b>
<b>051</b>	<b>Rep. Lehman</b>	<b>MOTION: Moves SB 512A to the floor with a DO PASS AS AMENDED recommendation.</b>
<b>053</b>		<b>VOTE: 4-0  AYE: In a roll call vote, all members present vote Aye.  EXCUSED: 3-Brian, Harper, Johnson</b>
<b>056</b>	<b>Chair Lokan</b>	<b>The motion CARRIES.  Rep. Deckert will lead discussion on the floor.  Closes work, SB 512A; opens public hearing with invited testimony, HB 3562.</b>
<b><u>HB 3562 - PUBLIC HEARING</u></b>		
<b>065</b>	<b>Brad Harper</b>	<b>Committee Administrator, reviews the provisions of the bill.</b>
<b>076</b>	<b>Chair Lokan</b>	<b>Discusses proposed amendments [EXHIBIT B].</b>
<b>098</b>	<b>Lisa Sorensen</b>	<b>General Systems Solutions, Inc., gives brief background of her company which develops on-line registration programs. Submits [EXHIBIT C].</b>
<b>147</b>	<b>Sorensen</b>	<b>Discusses how program works.</b>
<b>166</b>	<b>Chair Lokan</b>	<b>Asks if it was a legislative group that met to put this together.</b>
<b>168</b>	<b>Sorensen</b>	

		Discusses in California legislation was not required, program came out of Department of Motor Vehicles. Discusses program in California.
196	Sorensen	Continues discussing how program works.
207	Chair Lokan	Asks for clarification of "vendor" and "integrator."
210	Sorensen	Explains. Continues testimony.
225	Chair Lokan	Asks for clarification of "dealers."
227	Sorensen	Responds. Continues explanation of how program works, inventory, audits, fee responsibility.
245	Vice Chair Devlin	Asks when remitting full amount of fee, what premium are you charging consumer.
250	Sorensen	Discusses collecting transaction fee, passing on to customer. States fee varies depending on marketplace. Discusses number of different things dictate fee.
274	Vice-Chair Devlin	Asks if consumer given option of not using vendor.
278	Sorensen	States program is voluntary. Comments on how fees can be charged.
300	Chair Lokan	Asks what has been the response of people coming in.
309	Sorensen	Comments being positive response--"one-stop shopping."
330	Chair Lokan	Asks what cost is to the state.
332	Sorensen	Responds cost would be manpower to come up with policy. Continues presentation, advantages for state.
358	Rep. Harper	Asks if there is more than one vendor per state.
359	Sorensen	Replies yes, can vary. Continues discussing advantages for state.
394	Chair Lokan	Asks about paperless title.
396	Sorensen	Comments her company is not participating in that; some vendors are. Comments on paperless title. Continues testimony, discusses software.
TAPE 54, A		
003	Chair Lokan	Comments accessibility to records has been an issue in Oregon.
004	Sorensen	Continues testimony, advantages to customer.
018	Chair Lokan	Asks who recruits customers.
020	Sorensen	Replies has sales staff.
027		

	<b>Rep. Harper</b>	<b>Asks Brad Harper to outline difference between third party in Arizona and this type of program.</b>
<b>030</b>	<b>Harper</b>	<b>Responds, discusses Arizona not using middleman.</b>
<b>037</b>	<b>Rep. Harper</b>	<b>Asks about advantages of middle person.</b>
<b>038</b>	<b>Sorensen</b>	<b>Responds.</b>
<b>045</b>	<b>Rep. Harper</b>	<b>Asks if DMV eager to come talk about this.</b>
<b>049</b>	<b>Chair Lokan</b>	<b>Responds, discusses time frame.</b>
<b>062</b>	<b>Jan Curry</b>	<b>Driver and Motor Vehicle Services Branch Manager. States on-line title, registration not new to DMV. Programming will take some time to do because of the state of their information systems. States they are reasonable requests, but does not know if can be completed during next biennium.</b>
<b>088</b>	<b>Chair Lokan</b>	<b>Asks Lisa Sorensen about time frame for implementation.</b>
<b>096</b>	<b>Sorensen</b>	<b>Replies a full year at point, another few months to finalize.</b>
<b>105</b>	<b>Chair Lokan</b>	<b>Asks if integrating with their computers.</b>
<b>106</b>	<b>Sorensen</b>	<b>Replies.</b>
<b>121</b>	<b>Chair Lokan</b>	<b>Closes public hearing, HB 3562. Asks Brad Harper to put together comparison between Arizona program and Sorensen's program. Opens public hearing, HB 3731.</b>
<b><u>HB 3731 - PUBLIC HEARING</u></b>		
<b>132</b>	<b>Brad Harper</b>	<b>Committee Administrator, reviews provisions of HB 3731 and comments on the HB 3731-1 amendments [EXHIBIT D].</b>
<b>155</b>	<b>Kevin Mannix</b>	<b>Salem, Oregon, representing himself as interested citizen, testifies in support of the bill, -1 amendments. Discusses effect of bill.</b>
<b>205</b>	<b>Mannix</b>	<b>Continues testimony.</b>
<b>248</b>	<b>Rep. Deckert</b>	<b>Explains his reservations about HB 3731.</b>
<b>257</b>	<b>Mannix</b>	<b>Responds campaigns are not run for profit, have limited life. Discusses "non-profits." Discusses Oregon law regarding employees.</b>
<b>303</b>	<b>Chair Lokan</b>	<b>Comments -1 amendments set some time limits for being campaign worker.</b>
<b>309</b>	<b>Mannix</b>	<b>Responds. Discusses emergency clause.</b>
<b>322</b>	<b>Rep. Lehman</b>	<b>Question regarding elected officials "carving out" own special exemptions.</b>
<b>337</b>	<b>Mannix</b>	<b>Responds.</b>

350	Rep. Lehman	Asks if nonprofit organizations putting fund raisers on, having to go through hiring process, would be frustrated by this process.
358	Mannix	Responds. Discusses looking at non-profits and whether they deserve some consideration.
368	Chair Lokan	Asks if additional costs frighten away some candidates.
391	Mannix	Responds some people "frightened away" by bureaucracy.
412	Mannix	Discusses reading SAIF's testimony, their appropriate concern.
418	Rep. Johnson	Comments on workers' compensation.
432	Vice Chair Devlin	Question about workers' compensation as shield.
436	Mannix	Responds.
TAPE 53, B		
010	John Pumilia	Paid petitioner, Grants Pass, Oregon, submits and presents testimony [EXHIBIT E] in support of HB 3731.
050	Pumilia	Continues testimony.
075	Rep. Deckert	Asks when he is paid. Asks if those he petitions for have influence in affecting political process.
080	Pumilia	Responds.
089	Rep. Lehman	Asks what distinguishes what you are doing from any other business enterprise.
093	Pumilia	Discusses being short term, not for profit.
102	Rep. Lehman	Questions about laborer going from job to job being an independent contractor such as you are.
106	Pumilia	Responds.
120	Donna Sandoval	Employment attorney and adjunct employment law professor, Willamette Law School, testifies in support of HB 3731.
164	Vice-Chair Devlin	Asks if she would distinguish between the group that wants to put an initiative on the ballot and a for-profit firm that hires petitioners.
177	Sandoval	States will not make a distinction between those two. Discusses eight factor analysis of an independent contractor.
212	Rep. Lehman	Asks for clarification of her purpose being here.
213	Sandoval	States to advocate that canvassers are independent contractors.
217	Rep. Lehman	Discusses previous speaker being independent contractor.
220	Sandoval	Discusses that being her interpretation but not official position of State of Oregon.
223	Rep. Lehman	Question regarding being an independent contractor - gives scenario.

240	Sandoval	Responds according to the law, they are not an independent contractor if they work exclusively for you. States people who work with many different causes, candidates, are not employees. Employees signify long-term relationship.
262	Ruth Bendl	Submits and presents testimony [EXHIBIT F] in support of HB 3731.
306	Rep. Lehman	Asks if people don't supply their own table, supplies, are directed where to go, paid at hourly rate, are they independent contractor.
310	Bendl	Responds.
346	Rep. Johnson	Asks if signature collecting firm pays by the signature.
348	Bendl	Responds.
370	Rep. Harper	Asks if she has any comments on campaign managers.
376	Bendl	States no. Comments on making sure people are not being harassed, this being one step into containment of campaign costs.
396	Michelle Kennedy	Manager, Fiscal, Performance and Planning, Oregon Employment Department, submits and presents testimony [EXHIBIT G] on HB 3731.
TAPE 54, B		
003	Kennedy	Continues testimony, discusses conformity issue.
021	Rep. Harper	Asks about looking at four cases, ruling on two cases.
024	Rep. Lehman	Asks what criteria not met in those two cases.
025	Donna Hunter	Employment Department. Responds, states right to hire and fire and not representing to public as established business.
033	Rep. Lehman	Comments assumes there are hundreds of examples of petition gatherers that have not come into question as independent contractors.
037	Kennedy	Discusses how department becomes aware of these cases. Discusses unemployment claims. Discusses concern with Section 2 (b). Discusses with -1 amendments, department does not have an issue with that. Discusses concern with unequal treatment among similar individuals within group.
068	Chair Lokan	Asks for clarification.
071	Kennedy	States bill as drafted recognizes these individuals as independent contractors unless a written agreement is established.
083	Chair Lokan	Questions about department having problem with written agreement but could work with it if it were not a written agreement.
086	Hunter	Responds.

097	Kennedy	Discusses concern with not knowing how IRS will treat this.
111	Chair Lokan	Asks if know of situations where investigated.
112	Hunter	Responds.
120	Kennedy	Discusses concern with government's specific requirements about non-profit entities and exemptions. Discusses providing language to allow to conform with federal law.
133	Rep. Harper	Asks what the eight-point test would do to campaign managers.
144	Rep. Lehman	Question about being independent contractor under current law.
149	Chair Lokan	Asks if they saw previous people testifying as independent contractors.
153	Hunter	Responds.
172	Chris Davie	SAIF Corporation, submits and presents testimony [EXHIBIT H] on HB 3731. Speaks only to mechanics of bill.
211	Chair Lokan	Question about protection with workers' compensation.
218	Susan Browning	Department of Revenue, submits, presents testimony [EXHIBIT I] on HB 3731.
261	Chair Lokan	Closes public hearing, HB 3731; adjourns, 3:02 p.m.
		Written testimony of Patrick F. Donaldson on HB 3731 submitted into record [EXHIBIT J]; written testimony of Michael Balanesi on HB 3731 submitted into record [EXHIBIT K]; written testimony of Virlena Crosley on SB 512A submitted into record [EXHIBIT L].

Submitted by, Reviewed by,

Valerie H. Luhr Brad Harper

Administrative Support Specialist Administrator

Transcribed by,

Shirley Spendal

Administrative Support Specialist

### **EXHIBIT SUMMARY**

A - SB 512, -7 Amendments, staff, 1 pg.

B - HB 3562, Proposed -3 Amendments, staff, 4 pg.

C - HB 3562, Handout, Lisa Sorensen, 2 pg.

**D - HB 3731, Proposed -1 Amendments, Kevin Mannix, 2 pg.**

**E - HB 3731, Written testimony, John Pumilia, 1 pg.**

**F - HB 3731, Written testimony, Ruth Bendl, 1 pg.**

**G - HB 3731, Written testimony, Michelle Kennedy, 5 pg.**

**H - HB 3731, Written testimony, Chris Davie, 1 pg.**

**I - HB 3731, Written testimony, Susan Browning, 1 pg.**

**J - HB 3731, Written testimony, Patrick Donaldson, 1 pg.**

**K - HB 3731, Written testimony, Michael Balanesi, 1 pg.**

**L - SB 512, Written testimony, Virlena Crosley, 6 pg.**