

**HOUSE COMMITTEE ON COMMERCE**

**February 18, 1996 Hearing Room 357**

**8:30 A.M. Tapes 6 - 7**

**MEMBERS PRESENT:**

**Rep. Eldon Johnson, Chair**

**Rep. Cynthia Wooten, Vice-Chair**

**Rep. Roger Beyer**

**Rep. Richard Devlin**

**Rep. Jim Hill**

**Rep. Bob Montgomery**

**Rep. Jackie Taylor**

**Rep. Tom Whelan**

**STAFF PRESENT:**

**Keith Putman, Administrator**

**Julie Neburka, Administrator**

**Annetta Mullins, Administrative Support**

**MEASURE/ISSUES HEARD:**

**HB 2124 - Work Session**

**HB 2142 - Work Session**

**HB 2144 - Work Session**

**HB 2151 - Work Session**

**HB 2238 - Work Session**

**HB 2239 - Work Session**

**HB 2039 - Work Session**

**HB 2083 - 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 6, A		
006	Chair Johnson	Calls meeting to order at 8:39 a.m., explains procedures the committee will follow in considering measures reported from the subcommittees, and opens work session on HB 2124.
<u>HB 2124 - WORK SESSION</u>		
054	Rep. Hill	Reviews history and provisions of HB 2124. The bill harmonizes what is in practice through interagency agreement and does not affect the money nor FTE positions (EXHIBIT A). Explains amendments change the name of the council to make Oregon statutes consistent with federal legislation (EXHIBIT B).
080	Rep. Montgomery	Comments the Fiscal Statement shows the transfer of 15 FTE, that the Governor's budget says they are transferring 16 positions, and asks what happens to the additional position.
084	Chair Johnson	Asks that staff obtain the information on the one staff position.
088	Rep. Beyer	Asks why Section 21 is being deleted.
095	Neburka	Explains the Job Training Partnership Act is a federal program and the statutes that authorized it changed several years ago. This would make Oregon statutes consistent with the federal statute.
104	Rep. Beyer	Asks if the community colleges are now doing this.
	Rep. Hill	Responds affirmatively and explains it makes sense to put the leadership under their direction.
112	Rep. Adams	Comments Economic Development does not see themselves in the operation of the business and they totally support the bill. It is a practical place to put the program, and it melds with the JOBS and JOBS Plus programs
126	Rep. Hill	MOTION: Moves HB 2124 to the floor with a DO PASS AS AMENDED recommendation.
128		VOTE: 9-0  AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES.  REP. HILL will lead discussion on the floor.
136	Chair Johnson	Closes work session on HB 2124 and opens work session on HB 2142.

**HB 2142 -  
WORK  
SESSION**

135	Rep. Whelan	Explains purpose of HB 2142: it raises the grant from \$10,000 to \$20,000, and raises the population limit for a municipality eligible to receive the technical assistance grant and loans from \$5,000 to \$10,000, which picks up 13 cities and two counties who were not eligible for the loans previously. The amendments raise the maximum technical assistance grant from \$20,000 to \$25,000 and raise the maximum allowable expenditure per biennium from \$400,000 to \$500,000 (EXHIBIT C).
179	Rep. Beyer	Asks if there is a fiscal impact and what the rationale was for changing the numbers.
	Rep. Whelan	Explains there was sufficient money in the fund to expand it. The municipalities which were excluded in the past were Astoria, Ontario, Central Point, Wilsonville, Hermiston, Redmond, Dallas, Camby, The Dalles, Gladstone, Lebanon, LaGrande and Troutdale, and Jefferson and Crook counties. The idea was that these were the municipalities that otherwise had difficulty arranging for the technical surveys on their own.
	Neburka	Explains HB 2142 has no fiscal or revenue impact because the fund amount is not being increased. The increase is the amount that can be expended from the fund.
192	Rep. Hill	Notes the change from \$5,000 to \$15,000 and that 13 cities were added by going from \$10,000 to \$15,000. Testimony in committee was there would be no adverse impact on the program by the increase of the 13 cities and additional 19 cities in the 5,000 to 10,000 range.
210	Rep. Beyer	Comments he sees this being a rural, small-town concept and by bumping it up to 15,000 it seems to be losing that effect.
219	Rep. Whelan	Asks if the funds were exhausted in the last biennium.
227	Yvonne Addington	Manager, Regional Development Division, Economic Development Department, stated the history has been they use the funds for preliminary engineering and they have never reached the cap. The reason for increasing the \$400,000 to \$500,000 was the additional number of cities that could be served.
238	Rep. Beyer	Comments that by going from 5,000 to 15,000 the pot will be diluted and the larger cities have a better chance of raising the money and applying for the grants. Concern is we will open the funds and project up for people who don't need them as much as what they were intended for.
255	Rep. Adams	Comments it takes several thousand dollars to do the opening study. The rationale behind expanding it is a waste water treatment facility is only undertaken once over an extended period of time. It does expand it a little and thought it was useful.
276	Addington	

		Explains \$25,000 are grants and \$25,000 are loans and that the department analyzes the financial ability of a city to pay. Perhaps some of the larger cities will get loans instead of grants.
285	Rep. Taylor	Comments Astoria has just over 10,000 in population and has a very old infrastructure. These kinds of funds are extremely valuable to the efforts to heal the situation of some of the timber and fishery resources the community has relied on in the past.
307	Rep. Hill	Reads list of other cities that are between 5,000 and 10,000: Hood River, Brookings, Seaside, Sutherlin, Stayton, Milton Freewater, Prineville, Florence, Silverton, Sherwood, Lincoln City, Monmouth, Sweet Home, Cornelius, Cottage Grove, St. Helens, Newport, Baker City, and North Bend.
324	Rep. Beyer	Comments he does not have a problem with the 5,000 to 10,000 change; Wilsonville and Camby would not be considered rural towns and would not be in the scope of what the original law was meant to do.
345	Rep. Adams	Adds the changes did not come from the committee; the Economic Development asked for the increase.
359	Addington	Clarifies the department did not request an increase after the bill was drafted.
363	Rep. Whelan	Comments the League of Oregon Cities (LOC) testified there was consensus within the league for including cities below and above 10,000 to 15,000 and this would not unnecessarily dilute the availability of funds for all.
	Addington	Comments the department felt, and LOC supported it, it would not have significant impact on the set-aside for preliminary engineering or technical assistance, and would entitle many of the cities to be ready for the federal funds. The Department did support the amendments.
383	Whelan	Asks if it is anticipated the funds will be depleted this biennium even with the addition of the cities.
	Addington	Agrees and explains the department felt it is doable and supports the increase of the 13 cities.
117	Rep. Whelan	<b>MOTION: Moves HB 2142 to the floor with a DO PASS AS AMENDED recommendation.</b>
117		<b>VOTE: 8-1</b>  <b>AYE: 8 - Adams, Devlin, Hill, Montgomery, Taylor, Whelan, Wooten, Johnson</b>  <b>NAY: 1 - Beyer</b>
	Chair	<b>The motion CARRIES.</b>  <b>REP. WHELAN will lead discussion on the floor.</b>

429	Chair Johnson	Closes the work session on HB 2142 and opens the work session on HB 2144.
<b>TAPE 7, A</b>		
<b><u>HB 2144 - WORK SESSION</u></b>		
014	Rep. Montgomery	Reviews provisions of the bill and the HB 2144-2 amendments (EXHIBIT D), and advises there is no financial impact.
026	Rep. Montgomery	<b>MOTION: Moves HB 2144 to the floor with a DO PASS AS AMENDED recommendation.</b>
027		<b>VOTE: 9-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair	<b>The motion CARRIES.</b>  <b>REP. MONTGOMERY will lead discussion on the floor.</b>
046	Chair Johnson	Closes work session on HB 2144 and opens work session on HB 2151.
<b><u>HB 2151 - WORK SESSION</u></b>		
045	Rep. Devlin	Explains provisions of HB 2151.
061	Rep. Devlin	<b>MOTION: Moves HB 2151 to the floor with a DO PASS recommendation.</b>
062		<b>VOTE: 9-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair	<b>The motion CARRIES.</b>  <b>REP. DEVLIN will lead discussion on the floor.</b>
066	Chair Johnson	Closes work session on HB 2151 and opens work session on HB 2238.
<b><u>HB 2238 - WORK SESSION</u></b>		
070		Explains provisions of HB 2238.

	Rep. Montgomery	
087	Chair Johnson	Notes the emergency clause and advises that the carrier should be prepared to respond to questions about it.
096	Rep. Montgomery	Explains the emergency clause is included to deal with the May 15 semi-annual interest rate setting.
095	Rep. Adams	Asks why the language is being deleted on page 1 in lines 10 and 11.
099	Rep. Beyer	Explains the language is not found anywhere in the bills we are trying to base interest rates on.
106	Frank Brawner	Oregon Bankers Association, explains they are trying to have something that anybody can look at and know what it says. This does not change the Oregon interest rate. It makes it simpler to come to the conclusion of what it is. The three-month treasury does not have the discount language.
128	Rep. Montgomery	<b>MOTION: Moves HB 2238 to the floor with a DO PASS recommendation.</b>
130		<b>VOTE: 9-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair	<b>The motion CARRIES.</b>  <b>REP. MONTGOMERY will lead discussion on the floor.</b>
133	Chair Johnson	<b>Closes the work session on HB 2238 and opens work session on HB 2239.</b>
<b><u>HB 2239 - WORK SESSION</u></b>		
132	Rep. Taylor	<b>Explains provisions of HB 2239.</b>
155	Rep. Wooten	<b>Asks how fraudulent drafts are discovered in the process.</b>
160	Rep. Taylor	<b>Explains it is not until the customer gets his/her statement and realize there is an unauthorized draw against the account.</b>
173	Frank Brawner	<b>Oregon Bankers Association, explains the bill moves the unsigned demand drafts into the Uniform Commercial Code (UCC). All the remedies to the financial institutions and the customer contained in the UCC will apply to unsigned bank drafts. Similar legislation is passing or has passed across the country. It adds to the remedies a customer would have.</b>
184	Rep. Johnson	<b>Comments this follows the practices that we are seeing, and we are doing things by verbal agreement.</b>
204	Rep. Hill	<b>Asks if the ability of a consumer to use this as an option would be diminished.</b>

205	Brawner	Responds he believes this will encourage banks to serve their customers but be a little more careful. Adds he believes this fits correctly with the move to digital signatures.
214	Rep. Taylor	<b>MOTION: Moves HB 2239 to the floor with a DO PASS recommendation.</b>
216		<b>VOTE: 9-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair	<b>The motion CARRIES.</b> <b>REP. TAYLOR will lead discussion on the floor.</b>
220	Chair Johnson	<b>Closes work session on HB 2239 and opens work session on HB 2039.</b>
<b><u>HB 2039 - WORK SESSION</u></b>		
224	Rep. Montgomery	<b>Explains provisions of HB 2039 and amendments adopted by the Subcommittee on Business (EXHIBIT E).</b>
251	Rep. Whelan	<b>Asks if somebody would have to register as a contractor if he/she were to buy, fix up and sell more than one house in a year.</b>
268	Rep. Montgomery	<b>Responds affirmatively.</b>
	Rep. Adams	<b>Asks if building more than one house a year makes one a contractor.</b>
266	Ken Keudell	<b>Administrator, Construction Contractors Board (CCB), explains the reason for the amendment was that people routinely make repairs to their home, then sell it. The questions is when the repair becomes a major improvement. The amendment would allow a homeowner a little more leeway in making repairs to the home and then selling the home. The person buying it will not have the benefit of being able to file against somebody's bond because the work may have been done by the homeowner or in another manner.</b>
290	Rep. Adams	<b>Asks if there is any testing or certification that the person doing the remodeling or repair is capable--whether it is implied.</b>
	Keudell	<b>Explains requirements for registration include 16 class room hours but there is no competency testing.</b>
304	Rep. Wooten	<b>Comments she feels the bill may go too far as intrusion into opportunity for homeowners to improve and sell property and will vote no.</b>
	Rep. Hill	<b>Asks what the bill is trying to fix.</b>

319	Keudell	Explains the amendment was brought to the board by Mr. Briggs of the Eugene-Springfield area. The current law is not clear at the present time as to when the homeowner who makes repairs to his/her home steps over the line and becomes a contractor. The intent of the amendment is to make it clear that if you repair one home and sell it, there will be no question whether the person had to be registered with the board.
332	Rep. Hill	Asks why not say a person can do what he/she wants to his/her primary residence.
349	Keudell	Responds the intent is to clarify the language so people will know when they have to register. People will offer more than one for sale. There are people who do this.
369	Rep. Montgomery	Notes there is no revenue impact and comments he would assume there aren't that many people doing this.
	Keudell	Responds the board finds out after the fact when the homeowner is unhappy with a situation. There are not that many people doing this. This was brought to the board by an individual who convinced the board there should be an amendment.
382	Rep. Wooten	Comments to her knowledge there are no complaints and the initiation of the bill by a contractor is not a consumer protection issue, but one of business to try to encourage the use of contractors to make it more onerous for owner-occupied residents to do improvements on their own homes.
395	Rep. Adams	Comments he thinks the crucial part in the language is "who offers more than one remodeled or repaired structure in a year", and that someone who is doing this is buying houses that need repair, repairing them and putting them up for resale, and they should be registered. Section 6 is being removed.
433	Rep. Montgomery	Comments he has not previously seen the amendments, that some contractor doesn't like it because someone else is out making a living and has brought this before the legislature, and believes one house a year is enough and will support it.
<b>TAPE 6, B</b>		
025	Chair Johnson	Reminds members the committee can send the bill back to subcommittee, approve it, or not approve it. Gives scenario where a person may sell more than one house a year and be in violation of the statute, and asks who HB 2039 would benefit
042	Rep. Montgomery	Concurs with Chair Johnson and adds he would be happy with two houses and if the limit were one, someone could be in violation
049	Rep. Wooten	<b>MOTION: Moves to TABLE HB 2039.</b>
057		<b>VOTE: 1-8</b>  <b>AYE: 1 - Wooten</b>



		<b>NAY: 8 - Adams, Beyer, Devlin, Hill, Montgomery, Taylor, Whelan, Johnson</b>
	<b>Chair</b>	<b>The motion FAILS.</b>
<b>063</b>	<b>Rep. Adams</b>	<b>MOTION: Moves HB 2039 back to the Subcommittee on Business for substantive change.</b>
<b>069</b>	<b>Rep. Montgomery</b>	<b>Asks if the intent is to have the subcommittee amend the bill from "one" to "two."</b>
<b>077</b>	<b>Rep. Hill</b>	<b>Responds he would be interested in an exemption for a primary residence.</b>
<b>080</b>	<b>Rep. Whelan</b>	<b>Responds he would be satisfied if it were more than two houses a year, and asks what becoming a registered contractor means for the contractor and the benefits for the public.</b>
<b>087</b>	<b>Rep. Taylor</b>	<b>Comments she is interested in saving HB 2039 because the attorney general's office has said there are four claims and two have resulted in tort claims for advice given by the attorney general's office. Part of the bill clarifies some things that are needed by the attorney general, and would hope to amend the other parts of the bill to the members' satisfaction.</b>
<b>099</b>		<b>VOTE: 7-2</b> <b>AYE: 7 - Adams, Hill, Montgomery, Taylor, Whelan, Wooten, Johnson</b> <b>NAY: 2 - Beyer, Devlin</b>
	<b>Chair</b>	<b>The motion CARRIES.</b>
<b>105</b>	<b>Chair Johnson</b>	<b>Closes the work session on HB 2039 and announces a problem exists with the amendments to HB 2040 and therefore the measure will not be considered today.</b>
<b><u>HB 2083 - WORK SESSION</u></b>		
<b>127</b>	<b>Rep. Montgomery</b>	<b>Explains provisions of HB 2083.</b>
<b>138</b>	<b>Rep. Montgomery</b>	<b>MOTION: Moves HB 2083 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 9-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
		<b>The motion CARRIES.</b>

	<b>Chair</b>	
		<b>REP. MONTGOMERY will lead discussion on the floor</b>
<b>141</b>	<b>Chair Johnson</b>	<b>Announces the committee will not act on HB 2040 today.</b>
		<b>Discussion is held on whether a roll call vote is required.</b>
<b>170</b>	<b>Chair Johnson</b>	<b>Adjourns meeting at 9:48 a.m.</b>

**Submitted By, Reviewed By, Reviewed By,**

**Annetta Mullins, Julie Neburka, Keith Putman,**

**Administrative Support Administrator Administrator**

**EXHIBIT SUMMARY**

**A - HB 2124, Fiscal Impact Statement, staff, 1 p**

**B - HB 2124, HB 2421-1 amendments, staff, 2 pp**

**C - HB 2142, HB 2142-1 amendments, staff, 1 p**

**D - HB 2144-2, HB 2144-2 amendments, staff, 2 pp**

**E - HB 2039, HB 2039-1 amendments, staff, 1 p**