

PUBLIC HEARING & WORK SESSION: HB 2139

PUBLIC HEARING: HB 715-A

WORK SESSION: SB 1012-A

TAPES 234, 235 A/B

HOUSE REVENUE COMMITTEE

JUNE 24, 1997, 3:30 PM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Randall Edwards

Rep. Leslie Lewis

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons

Rep. Ken Strobeck

MEMBERS EXCUSED: Rep. Tom Brian, Chair

Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran

WITNESSES PRESENT: Don Hull, Department of Geology

Joe Brewer, Building Codes Div.

Peggy Collins, Building Codes Div.

Sen. Joan Dukes, District 1

Sherry Patterson, Oregon Earthquake Preparedness Network

William Elliott, Oregon Seismic Safety Advisory Commission

Cathie Carlisle, City of Portland

Robert Walker, Oregon State Board Examiners

Wade Younie, Structural Engineers of Oregon

John DiLorenzo, Portland

Jo Bell, Oregon Association of Hospitals

Terry Witt, Oregonians for Food & Shelter

Lana Butterfield, N.W. Propane Gas Association

Steve Vincent, W. P. Natural Gas

Bill Cross, Building Owners & Managers Association

Peter Grundfossen, Association of Oregon Housing Authorities

James Bela, Oregon Earthquake Awareness

Mike Marsh, Department of Admin. Services

Rep. Jeff Kruse, District 45

STAFF PRESENT: Ed Waters, Economist

Barbara Guardino, Committee Assistant

-

TAPE 234 SIDE A

009 Rep. Strobeck Called meeting to order at 3:30 p.m. Opened public hearing on HB 2139.

PUBLIC HEARING -- HB 2139

018 Don Hull Testified in support of HB 2139 -4 amendments "House Committee on Revenue
Testimony on House Bill 2139 by Department of Geology & Mineral Industries

(EXHIBIT A).

- 050 Ed Waters Reviewed -4 amendments (EXHIBIT B). Remove original property tax exemption and income tax credits provided as incentives for seismic rehabilitation program. Amended bill has no revenue impact (EXHIBIT C). Carries subsequent referral to Ways and Means.
- 063 Joe Brewer Introduced Peggy Collins.
- Testified in support of HB 2139 -4. Refer to written testimony "Building Codes Division" paraphrased (EXHIBIT D). Directed members' attention to -4 amendments, Section 5, page 3.
- 065 Peggy Collins Refer to page 4, line 12, confusing language. Suggested delete word "special".
- Section 2(1)(e): Suggested retain original effective date.
- Section 2: Prefers this language to language in Section 6. Suggested delete Section 6.
- 140 Rep. Strobeck Committee recessed under a call of the floor at 3:40 p.m.
- 145 Rep. Strobeck Called committee to order at 4:00 p.m. Suspended public hearing on HB 2139; opened public hearing on SB 715A.

PUBLIC HEARING -- SB 715A

- Reviewed SB 715A, Senate Revenue inserted a section in M50 to facilitate this.
- 157 Sen. Joan Dukes Concerned with annexation in school District (K-12) in Clatsop, Columbia Counties. Considerable distance between two high schools, considerable financial problems. Statute will allow them to separate into two districts. Language in statute unclear, SB 715A clarifies statutes in order to avoid lawsuits. Three year sunset provision.
- 212 Sen. Dukes Requested, delete section Sections 3 - 5 first four lines (delete ESD's). This is done in SB 715 -A4 amendments (EXHIBIT E).

WORK SESSION SB 715A

- 223 Rep. Strobeck Opened work session on SB 715A.
- 225 Rep. Rasmussen **MOTION TO MOVE SB 715 -A4 AMENDMENTS INTO SB 715A.**
- 227 Rep. Strobeck **ASKED MEMBERS FOR ANY OBJECTIONS TO MOVING SB 715 -A4 AMENDMENTS INTO SB 715A. HEARING NO OBJECTION, CHAIR SO ORDERED.**
- 229 Rep. Rasmussen **MOTION TO MOVE SB 715A AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.**

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. EDWARDS, RASMUSSEN, SHETTERLY, SIMMONS, STROBECK.

231 VOTE MEMBERS EXCUSED: REPS. CORCORAN, LEWIS; VICE CHAIR BEYER, CHAIR BRIAN.

MOTION CARRIED.

241 Rep. Strobeck Closed work session on SB 715A. Reopened public hearing on HB 2139.

CONTINUED PUBLIC HEARING HB 2139

245 Sherry Patterson Testified in opposition to HB 2139 -4 amendments. (Refer to EXHIBITS G - M). Bill provides money to Oregon Department of Geology & Mineral Industries (DOGOMI) for seismic education purposes. This is not adequate to meet needs of state and to keep public safe. Local fire departments and other agencies need funds to educate citizens. Asked that money be allocated for local jurisdictions.

292 Patterson Believes bill allows for continued negligence by property owners. Does not address adequately, gas and electric companies that need to seismically strengthen their utilities. Essential buildings should also include jails and dams.

342 Patterson Addressed bill, page 3, line 12, "hazardous buildings." Bill fails to identify buildings that are vulnerable to explosions.

342 Patterson Page 3, line 31: Standards apply to existing buildings when change in occupancy use.

387 Patterson Page 4, line 11: Eases the way for City of Portland to continue substandard practices. Supports continuing education for structural engineers. Microwave engineers must have continuing education too.

429 William Elliott Refer to written testimony (EXHIBIT N) in support of HB 2139 -4 amendments.

460 Cathie Carlisle Testified in support of HB 2139 -4 amendments (EXHIBIT O) verbatim.

TAPE 235 SIDE A

056 Robert Walker Testified in support of HB 2149 -4 amendments. They will strengthen engineering laws. Believes bill is important life-saving issue.

068 Rep. Shetterly Regarding -4 amendments Section 10: Asked for definition of "structural engineering services".

080 Walker There is no clear definition in statutes.

099 Rep. Edwards Asked for an estimate of size of seismic disturbance for which state is trying to plan.

- 110 Walker Approximately "zone 3" level (.3 times gravity).
- 148 Wade
Younie Structural Engineers of Oregon strongly support legislation. First step in putting together state-wide policy to develop consistent manner in which engineers address existing buildings. If serious earthquake, will be huge problem for state.
- 193 Younie Concerning question about size of seismic safety Oregon needs, codes are being rewritten for new standards. These codes will look at each building on its own merit and decide if it has the ability to resist an earthquake.
- 193 Younie Three major standards being developed on national basis:
- 1) National Earthquake Hazard Reduction Program (NEHRP) for new buildings
 - 2) FEMA 178, currently being rewritten. Handbook for evaluation of existing buildings
 - 3) FEMA 273, provision for upgrading existing buildings
- 230 All Questions and discussion concerning new building codes.
- 289 John
DiLorenzo Testified in opposition to HB 2139. Gave perspective of owner of apartment buildings concerning regulations. Each regulation has significant economic consequence. Warned, if bill passes, apartments will be abandoned as has occurred in downtown Portland.
- 344 DiLorenzo Concerning HB 2139 -4 amendments, Section 5: Requires code whenever there is a change in occupancy or significant alteration. What does "significant alteration" mean?
- 403 DiLorenzo Other undefined terms: Special occupancy structure, irregular feature. Summarized: Bill needs lot of work. For every regulation, there are economic consequences. Urged committee to examine whether unintended economic behavior changes will result.
- 427 Jo Bell Testified in opposition to bill on behalf of hospitals. Objected to unintended consequences, one size fits all standard. Asked committee to distinguish between critical services and other services. Noted, Oregon Association of Hospitals is not opposed to preparing for earthquakes, many hospitals are already doing it.

TAPE 234 SIDE B

- 041 Terry Witt Concurred with DiLorenzo's comments. Has three basic concerns:
- 1) Lack of specificity - terminology is too broad
 - 2) Section 5: Adopting standards per municipalities
 - 3) Blanks for cost to administer these programs; compliance costs

- Testified in opposition to HB 2139. Noted, Joe Gilliam from National Federation of Independent Businesses asked her to reiterate his opposition for the record, particularly -4 amendments page 3, definition of hazardous buildings, lines 12 - 15; and line 3, change in occupancy use.
- 092 Lana Butterfield
On behalf of Propane Gas Association, expressed concern that bill is too broad and too late. Propane is flammable, but does this mean it is toxic?
- Also concurred with DiLorenzo's comments.
- 120 Steve Vincent
Testified in opposition to HB 2139 -4 amendments. Raised question of defining hazardous buildings. Also, change in occupancy. If it becomes cost-prohibitive, does building owner just shut off gas and buy space heaters? Natural gas companies lose, electric companies gain. Asked committee to consider unintended consequences.
- Testified in support of provisions in HB 2139 -4 amendments:
- Sections 5 - 6: Adopt rule to define building code requirements for certain situations
- 182 Bill Cross
Section 11: Liability situations, including seismic activity while building is in process of rehabilitation
- Association of Oregon Housing Authorities takes no position on this legislation. Has not studied issue long enough. Does not like:
- 230 Peter Grundfossen
Section 5, adopting rules for establishing safety standards for seismic rehabilitation of existing buildings etc. AOHA has no money to fund rehabilitation, no tax base.
- Section 7: Appropriation from state to manage rehabilitation. Cannot say how much money will be needed. Bill needs further development before passage.
- Testified in opposition to HB 2139 -4. Warned, earthquakes are possible in Oregon. Refer to written testimony, "Summary of Coastal Geologic Evidence for Past Great Earthquakes at the Cascadia Subduction Zone" (EXHIBIT M). -4 amendments have gutted original intent of bill.
- 333 James Bela
Disservice to safety and health of Oregonians to put earthquake safety under two state agencies. Both have downgraded level of construction from zone 4 to zone 3.

TAPE 235 SIDE B

- A building has two lives, economic and seismic. When disaster strikes we all pay. Expressed disappointment bill has been gutted and stuffed.
- 054 Bela
Codes are just guidelines, not codes. Oregon cannot postpone this any longer, need seismic hazard rating formula today.
- Language in bill is vague. There is no certification in Oregon of structural engineer.
- 097 Bela
All engineers should have continuing education.

Testified in favor of HB 2139. Two points:

- 135 Mike Marsh (Bill allows for reasonable seismic process that involves legislative review.
(Good first step in right direction.
- 149 Rep. Shetterly Asked fiscal impact of bill.
- 151 Marsh Initially, it would have had significant fiscal impact. Amended bill allows for a timeline to plan, prioritize.
- 161 Rep. Strobeck Closed public hearing on HB 2139. Opened work session.

WORK SESSION HB 2139

- 163 Rep. Strobeck **MOTION TO SUSPEND RULES FOR PURPOSES OF AMENDING HB 2139 -4 AMENDMENTS. ASKED MEMBERS FOR ANY OBJECTIONS. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- 165 Rep. Strobeck **MOTION TO FOR CONCEPTUAL AMENDMENT TO DELETE SENTENCE ON PAGE 3, LINE 30 THAT BEGINS "THE STANDARDS ADOPTED UNDER THIS SECTION SHALL APPLY TO EXISTING BUILDINGS ..." ASKED MEMBERS FOR ANY OBJECTIONSTO THIS AMENDMENT. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- 176 Rep. Strobeck **MOTION FOR CONCEPTUAL AMENDMENT ON PAGE 4, LINE 12, DELETE "SPECIAL". ASKED FOR ANY OBJECTIONS TO THIS AMENDMENT. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**
- 183 Rep. Rasmussen **MOTION TO MOVE HB 2139 -4 AMENDMENTS AS AMENDED INTO HB 2139.**
- 184 Rep. Strobeck **ASKED MEMBERS FOR ANY OBJECTIONS TO MOVING HB 2139 -4 AMENDMENTS AS AMENDED INTO HB 2139. NOTING THE OBJECTIONS OF REP. SIMMON, CHAIR SO ORDERED.**
- 211 Rep. Lewis **MOTION TO MOVE HB 2139 AS AMENDED TO COMMITTEE ON WAYS AND MEANS WITHOUT RECOMMENDATION. REPS. SHETTERLY AND STROBECK CONCURRED.**

4 - 1 - 4 (Refer to meter # 230 for final vote)

219 VOTE **IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. LEWIS, RASMUSSEN, SHETTERLY, STROBECK.**

MEMBERS VOTING NO: REP. SIMMONS.

MEMBERS EXCUSED: REPS. CORCORAN, EDWARDS; VICE CHAIR BEYER, CHAIR BRIAN.

AFTER MEMBERS CHANGED VOTES, FINAL VOTE: 5 - 1 - 3

230 VOTE

CHANGING VOTE: REP EDWARDS, AYE

WORK SESSION -- SB 1012A

253 Rep. Strobeck Closed work session on HB 2139. Opened work session on SB 1012A.

286 Rep. Strobeck Committee stand at ease.

312 Rep. Jeff Kruse Requested that committee move SB 1012 -A2 amendments and SB 1012 -A6 amendments.

328 Rep. Lewis **MOTION TO MOVE SB 1012 -A2 AMENDMENTS INTO SB 1012A.**

330 Rep. Strobeck **ASKED MEMBERS FOR ANY OBJECTION TO MOVING SB 1012 -A2 AMENDMENTS INTO SB 1012A. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

334 Rep. Shetterly **MOTION TO MOVE SB 1012 -A6 AMENDMENTS INTO SB 1012A.**

336 Rep. Strobeck **ASKED MEMBERS FOR ANY OBJECTION TO MOVING SB 1012 -A6 AMENDMENTS INTO SB 1012A. HEARING NO OBJECTIONS, CHAIR SO ORDERED.**

340 Rep. Shetterly **MOTION TO MOVE SB 1012A AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.**
5 - 0 - 4

IN A ROLL CALL VOTE, MEMBERS VOTING AYE: REPS. LEWIS, RASMUSSEN, SHETTERLY, SIMMONS, STROBECK.

342 VOTE **MEMBERS EXCUSED: REPS. CORCORAN, EDWARDS; VICE CHAIR BEYER, CHAIR BRIAN.**

MOTION CARRIED. REP. KRUSE WILL LEAD DISCUSSION ON THE FLOOR.

356 Rep. Strobeck Closed work session on SB 1012A. Adjourned meeting at 5:35 p.m.

Submitted by, Reviewed by,

Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

-

EXHIBIT SUMMARY:

A. HB 2139, Hull, House Committee on Revenue Testimony on House Bill 2139 by Oregon Department of Geology & Mineral Industries, 6 pp.

B. HB 2139, Waters, Proposed Amendments: HB 2139 -4, 6 pp.

C. HB 2139, Waters, Revenue Impact of Proposed Legislation, 1 p.

D. HB 2139, Brewer/Collins, Written Testimony, House Bill 2139-4 by Building Codes Division, 2 pp.

E. SB 715, Dukes, Proposed Amendments: SB 715-A4, 1 p.

F. SB 715, Waters: Status Display, Staff Measure Summary, etc., 4 pp.

G. HB 2139, Patterson/Bela, California Institute of Technology, letter to Joseph Brewer, 3 pp.

H. HB 2139, Patterson/Bela, Living with Unreinforced Masonry Buildings, 6 pp.

I. HB 2139, Patterson/Bela, Oregon Earthquake Awareness, 38 pp.

J. HB 2139, Patterson/Bela, San Francisco Chronicle, "Why Coast Can Expect Huge Quake," 1 p.

K. HB 2139, Patterson/Bela, Earthquake Survival pamphlet, 2 pp.

L. HB 2139, Patterson/Bela, The Quake Northwest, 15 pp.

M. HB 2139, Patterson/Bela, Summary of Coastal Geologic Evidence for Past Great Earthquakes at the Cascadia Subduction Zone, 21,

N. HB 2139, Elliott, Testimony of William M. Elliott, Vice Chair for the Oregon Seismic Safety Policy Advisory Commission, 3 pp.

O. HB 2139, Carlisle, City of Portland, Oregon, Government Relations, 1 p.

P. SB 1012, Kruse, Proposed Amendments: SB 1912-A2, 1 p.

AG. SB 1012, Beck, Proposed Amendments: SB 1012-A6, 12 pp.