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SENATE COMMITTEE ON BUSINESS, LAW, & GOVERNMENT

April 16, 1997 Hearing Room A

1:00 PM Tapes 164-167

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Randy Miller, Vice-Chair

Sen. Kate Brown

Sen. Gene Derfler

Sen. Randy Leonard

Sen. David Nelson

MEMBER EXCUSED:

STAFF PRESENT:

Brian Krieg, Administrator

Vicki Champ, Administrative Support

MEASURE/ISSUES HEARD:

SB 1104 Public Hearing and Work Session

SB 1105 Public Hearing

SB 656 Public Hearing and Work Session

SB 997 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.

Tape/#	Speaker	Comments
TAPE 164, A		
005	Chair Bryant	Opens the meeting and opens public hearing on SB 1104 and SB 1105.
<u>SB 1104 and SB 1105 PUBLIC HEARING</u>		
006		Staff presents proposed -2 amendments to SB 1104 and proposed -2 amendments to SB 1105 (EXHIBIT A).
007	Sen. Avel Gordly	Senate district 10. Presents and reads (EXHIBIT B) in support of SB 1104 and SB 1105. States small businesses are critical components to Oregon's economy. Explains the barriers to equal opportunities are minimized and eliminated.
053	Sen. Susan Castillo	Senate district 20. Presents and reads (EXHIBIT C) in support of SB 1104 and SB 1105.
071	Al Nunez	Governor's Advocate for Minority, Women and Emerging Small Business. Presents and reads (EXHIBIT D) in support of SB 1104 and SB 1105.
120	Chair Bryant	Asks about the certification.
130	Wendy Robinson	Assistant Attorney General, Department of Justice. Presents (EXHIBIT E) in support of SB 1104 and SB 1105. Explains these measures should help all small businesses and they are race and gender neutral.
180	Robinson	Explains the -2 amendments to SB 1104 and SB 1105 in the exhibit.
210	Chair Bryant	Asks about fees.
211	Robinson	States there would be a fee of less than \$25 per business to be certified.
224	Chair Bryant	Asks about the federal laws.
227	Robinson	Explains the federal laws and explains the amendments.
260	Robinson	Continues explaining the amendments.
272	Sen. Derfler	Asks why the figures were raised.
274	Robinson	Explains it reflects the realities of the marketplace at this point.
287	Madelyn	Chief Deputy, Portland City Attorney's office, and Project Manager, Oregon Research Disparity Study. Presents and explains hand

	Wessel	engrossed amendments (EXHIBIT F).
330	Wessel	Describes all of the parts of the exhibit. Details data and the findings of the disparity study.
440	Wessel	Continues explanation of the disparity study.
TAPE 165, A		
067	Wessel	Continues explanation of the disparity study.
115	Sue Klobertanz	Manager of Contractor Development Division, Bureau of Purchases for the City of Portland. Further explains data from (EXHIBIT F) in chart 6. Explains their program is assisting with the diversification of the work force. States there is a qualitative evaluation as well as a mathematical evaluation.
175	Bruce Watts	Coalition of Black Men, Portland, Oregon. Supports SB 1104 and SB 1105. States both measures need to be passed as SB 1104 will be ineffective without SB 1105.
207	Edward Holmes	Small business owner and former chairman , Black Contractors Alliance, Portland, Oregon. Supports SB 1104 and SB 1105. States the measures would promote the growth of small businesses.
240	Louis Montemayor	Small business owner and representative, Filipino Chamber of Commerce, Salem, Oregon. Supports SB 1104 and SB 1105.
260	James Posey	Chairman, National Association of Minority Contractors and small dump truck operator. Supports SB 1104 and SB 1105. States these measures only begin to hit at some of the current problems.
328	Sen. Leonard	Asks what additions Posey would like to see for these measures which would make them more effective.
330	Posey	States they should confront activities. States the legal framework should be narrowly tailored.
383	Sen. Leonard	States he agrees with Posey.
385	John Powell	Lobbyist for State Farm and North Pacific Insurance. Refers to page 2, section 4 of SB 1105. Comments on fees and assessments.
420	Powell	Comments on tax offsets.
445	Chair Bryant	Asks if he has talked with Nunez or Wessel.
447	Powell	States he has not.
455	Robinson	Discusses section 4. Cites an example.
TAPE 164, B		
040	Robinson	Comments on fees which may need to be paid.
049	Chair Bryant	Asks if she has a position on foreign versus domestic insurers.
051	Robinson	States she is not informed on this subject.
054	Powell	Comments on bonds.
069	Al Nunez	Comments on bonding companies.
098	Sen. Derfler	Asks Nunez about SB 1105, section 13.

107	Nunez	Explains the bond guarantee versus the bond waiver.
113	Sen. Derfler	Comments the bond ensures the job will be completed.
114	Nunez	Agrees.
117	David Douthwaite	Government Relations Manager, Associated General Contractors (AGC), Oregon-Columbia Chapter. Presents and reads (EXHIBIT G) in support of principles behind SB 1104 and SB 1105, but not the bills as written.
170	Douthwaite	Continues to read testimony. Comments on performance bonds and payment bonds.
200	Sen. Leonard	Asks for suggestions on the issue of minority contractors.
206	Douthwaite	States there are current projects addressing the issue, one of which is a sheltered market program.
220	Sen. Leonard	Asks what AGC does to hire women and minority workers.
246	Douthwaite	States the agencies are working together to get programs which work.
258		Discussion of resolving the problems.
266	Sen. Brown	Asks how long the AGC's protégé program has been in effect.
269	Douthwaite	States it has been in effect for about three years.
282	Sen. Brown	Asks how many people have been through the program.
284	Douthwaite	States there are 11 at this time.
286		Discussion of other specifics of the program.
290	Edward Holmes	Comments on the protégé program and states he is a participant.
309	Sen. Brown	Asks for suggestions on how we can solve some of these problems.
330	Douthwaite	States the parties are working together.
345	Chair Bryant	Closes the public hearing on SB 1104 and SB 1105 and opens public hearing on SB 656.
<u>SB 656 PUBLIC HEARING</u>		
370	Paul Romain	Attorney, represents Oregon Pawnbrokers Association, Portland, Oregon. Presents (EXHIBIT H) in support of SB 656.
TAPE 165, B		
001	Romain	Explains what pawnbrokers do. States there are about 22 pawn shops in Oregon. Explains buyback shops, which have been mistaken for pawn shops.
041	Sen. Brown	Asks if pawn shops must retain the item for a certain amount of time.
044	Romain	Explains the pawn process. Explains the effects of SB 656.
090	Romain	Compares Oregon's pawn system to those of other states.
140	Romain	Continues to explain the exhibit.
		Asks about loan renewals in reference to minimum and maximum

163	Chair Bryant	charges.
167	Romain	Comments the charge would be based on the setup fee.
177	Flynn Case	Oregon Pawnbrokers Association. Comments on loans and renewals.
195	Chair Bryant	Asks about the storage fee.
201	Romain	Discusses the storage charge.
210		Discussion of the storage fee.
220	Cecil Monroe	Administrator, Division of Finance and Corporate Securities, Department of Consumer and Business Services. Supports SB 656.
242	Chair Bryant	Closes public hearing on SB 656 and opens work session on SB 656.
<u>SB 656 WORK SESSION</u>		
243	Sen. Leonard	MOTION: Moves SB 656 to the floor with a DO PASS recommendation.
	Chair Bryant	Hearing no objection, declares the motion CARRIED. SEN. LEONARD will lead discussion on the floor.
253	Chair Bryant	Closes work session on SB 656 and opens public hearing on SB 997.
<u>SB 997 PUBLIC HEARING</u>		
269	Josette Hugo	Presents and reads (EXHIBIT I) in support of SB 997. Explains Extended Area of Service (EAS).
320	Hugo	Continues to read from the exhibit. Discusses toll avoidance in the Scappoose area.
370	Hugo	Continues to read from the exhibit. Discusses EAS exchanges.
420	Hugo	Continues to read from the exhibit. Discusses Public Utility Commission (PUC) criteria.
<u>TAPE 166, A</u>		
030	Hugo	Details facts about Scappoose.
059	Hugo	Discusses students, telephone customers, and comments on problems which PUC may try to point out in opposition to SB 997.
110	Rep. Jackie Taylor	Senate district 1. Supports SB 997.
132	Chair Bryant	Comments on the status of a similar house measure.
135	Sen. Joan Dukes	District 1. Supports SB 997. Comments on problems with the PUC's rules changing.
175	Sen. Dukes	States the public needs should come before loops in the law.
185	Chair Bryant	Explains the committee's options for hearing measures.
		Business owner, Molalla, Oregon. Supports SB 997. States the

203	Joe Mann	Molalla community is on hold until at least November 1999. Comments on a telephone survey. Requests Molalla be included with Scappoose.
255	Mann	Comments on new housing units in the Molalla area.
275	Chair Bryant	States SB 390 will be rescheduled with a time certain for the witnesses who were not able to speak during this meeting.
280	Mann	Continues to discuss Molalla's service area.
332	Sen. Brown	Comments on Molalla being more accessible to Salem.
339	Mann	Explains accessibility to Portland.
364	Dianne Helgerson	Molalla, Oregon. Presents and reads (EXHIBIT J) in support of SB 997 and the inclusion of Molalla in the measure. Discusses problems of changing the PUC's criteria and long application processes.
420	Helgerson	Continues to read testimony concerning the difficulties of the process.
TAPE 167, A		
037	Roger Hamilton	Chair, Oregon Public Utility Commission. Presents testimony in opposition to SB 997 (EXHIBIT K) . Comments EAS is not a free service. Explains the benefits and costs to all consumers must be considered.
090	Hamilton	Discusses EAS considerations and Scappoose's specific circumstance.
122	Sen. Brown	Comments on discrepancies between what is expected of Scappoose versus the benefits it receives.
136	Hamilton	Comments on different maps and regionalizations.
190	Hamilton	Discusses differences between sizes of companies. States there will always be cases which are on the margins of the standards, but there must be adherence to some set of standards.
240	Hamilton	Cites examples of people who would be impacted by SB 997.
273	Vice-Chair Miller	Acting Chair. Closes public hearing on SB 997 and adjourns meeting at 3:36 p.m.

Submitted By, Reviewed By,

Vicki Champ, Brian Krieg,

Administrative Support Administrator

Transcribed By,

Jennifer Peck,

Administrative Support

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EXHIBIT SUMMARY

A - SB 1104, proposed -2 amendments and SB 1105, proposed -2 amendments, staff, 3 pp

B - SB 1104 and SB 1105, written testimony, Sen. Gordly, 2 pp

C - SB 1104 and SB 1105, written testimony, Sen. Castillo, 1 p

D - SB 1104 and SB 1105, written testimony, Al Nunez, 2 pp

E - SB 1104 and SB 1105, proposed amendments to SB 1104 and SB 1105, Wendy Robinson, 12 pp

F - SB 1104 and SB 1105, city code, data, charts, study and letter, Madelyn Wessel, 57 pp

G - SB 1104 and SB 1105, written testimony, David Douthwaite, 2 pp

H - SB 656, summary and charts, Paul Romain, 3 pp

I - SB 997, written testimony, map, and charts, Josette Hugo, 7 pp

J - SB 997, written testimony, letters, analysis, charts and tables, Dianne Helgerson, 69 pp

K - SB 997, written testimony and charts, Roger Hamilton, 8 pp

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SENATE COMMITTEE ON BUSINESS, LAW, AND GOVERNMENT

April 16, 1997 Hearing Room A

5:00pm Tapes 168 - 169

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Randy Miller, Vice-Chair

Sen. Kate Brown

Sen. Gene Derfler

Sen. Randy Leonard

Sen. David Nelson

MEMBER EXCUSED:

STAFF PRESENT:

David J. Amesbury, Counsel

Andrea Terry, Administrative Support

MEASURE/ISSUES HEARD:

HB 2509

SB 660

SB 443

SB 601

SB 733

SB 502

SB 677

SB 1106

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Tape/#	Speaker	Comments
Tape 168, A		
004	Chair Bryant	opens meeting at 5:10pm
<u>SB 677--PUBLIC HEARING AND WORK SESSION</u>		
019	Bryant	opens public hearing on SB 677
024	John Powell	representing State Farm Insurance
025	Powell	EXHIBIT A
058	Sen. Brown	what is done in California on this issue
059	Powell	this language is taken directly from California
061	Bryant	close public hearing on SB 677
063	Bryant	open work session on SB 677
066	Sen. Derfler	MOTION: Moves SB 677 to the floor with a DO PASS recommendation.
070	Bryant	no discussion; no objection Sen. Derfler will carry
075	Bryant	close work session on SB 677
<u>SB 1106--PUBLIC HEARING AND WORK</u>		

SESSION		
080	Bryant	open public hearing on SB 1106
082	Margaret Carlen	Oregon Medical Association
087	Carlen	in support of SB 1106
088	Ken Sherman	Oregon Bankers Association
089	Sherman	EXHIBIT B
130	Craig Chisolm	representing Oregon Land Title Association
135	Chisolm	supports SB 1106
140	Bryant	close public hearing on SB 1106 open work sessions on SB 1106
145	Sen. BROWN:	MOTION: Moves SB 1106 be sent to the floor with a BE ADOPTED recommendation.
150	Bryant	no discussion; no objection Sen. Brown will carry
160	Bryant	close work session on SB 1106
<u>HB 2509--PUBLIC HEARING AND WORK SESSION</u>		
171	Bryant	open public hearing on HB 2509
174	Staff	EXHIBIT C
178	David Amesbury	explanation of EXHIBIT C
184	Bryant	suspension of rules to reconsider HB 2509
187	Sen. Brown	MOTION: Moves to ADOPT HB 2509-A5 amendments dated 4/8/97.
189	Bryant	no discussion; no objection
191	Sen. Brown	MOTION: Moves SB 2509 to the floor with a DO PASS AS AMENDED recommendation.
194	Bryant	no discussion; no objection Sen. Brown will carry
<u>SB 601--PUBLIC HEARING AND WORK SESSION</u>		
200	Bryant	open work session on SB 601
202	Staff	EXHIBIT D
211	Jeff Watkins	representing Oregon Trial Lawyers

215	Watkins	SB 601 is a very bad bill and the amendments make it a little better
220	Bill Perry	Oregon Restaurant Association
223	Perry	we like the amendments
234	Sen. Brown	agrees with Mr. Watkins
241	Sen. Bryant	MOTION: Moves to ADOPT SB 601-1 amendments dated 4/3/97.
245	Bryant	no discussion; no objection
250	Sen. Bryant	MOTION: Moves SB 601 to the floor with a DO PASS AS AMENDED recommendation.
255	Bryant	Sen. Brown and Sen. Leonard oppose the amendments Sen. Miller will carry
<u>SB 733--WORK SESSION</u>		
271	Bryant	open work session on SB 733
280	Maria Keltner	Association of Oregon Counties
290	John Hartner	Washington County
292	Hartner	we support SB 733 we have no plans to go and hire a number of part time employees example of retired parole officer who is working 16 hours per week
330	Hartner	no one is talking about removing BPSST certification
381	Sen. Leonard	in the example you gave regarding the retired parole officer did this involve collective bargaining
384	Hartner	anyone who works more than 20 hours a week receives a benefit package
390	Leonard	your complaint then is about the rules of your union
Tape 169, A		
004	Hartner	we don't want to offer a benefit package to anyone who works less than 20 hours a week
010	Bryant	sometimes who the employer's health care package requires that you provide benefits for everyone
018	Hartner	depends on who provides the benefits
037	Sen. Leonard	do you do a background check on potential employees; good moral character
065	Hartner	yes

070	Leonard	I assume you have the same background check that we do when hiring a firefighter or police person
078	Hartner	we are after the same things which is quality of employees
085	Sen. Brown	I thought what you said was having part time people and not having to pay them benefits saves money
090	Hartner	yes that is accurate
100	Brown	I assume you currently employ part time people
102	Hartner	yes those under 20 hours don't get benefits
113	Lucinda Carroll	part time probation officer in Washington County
117	Carroll	I believe the counties could do other things to save money
156	Sen. Brown	do you share a caseload with another
158	Carroll	yes, I share with another woman
160	Brown	is it your experience that most of the part time employees are women
163	Carroll	yes, most of the part time employees are women
166	Bryant	you waived the benefits for what reason
168	Carroll	I get health insurance from my husband
195	Dick Powell	20 year veteran of Marion County
198	Powell	several concerns about Mr. Hartner's testimony
250	Sen. Derfler	you don't have to have any qualifications to work less than 20 hours per week
255	Powell	under this bill that is correct there would be very few qualifications
299	Derfler	would you object to a retired officer doing 6 hours worth of work if they had done a good job while employed full time
304	Powell	an officer working 6 hours a week we don't feel that person gets the training
312	Brian Delashmutt	the standards set by BPSST are for employees who are employed 20 hours or more a work
349	David Amesbury	explanation of BPSST
390	Leonard	EXHIBIT E
Tape 168, B		
002	Delashmutt	Eastern Oregon would like to hire part time individuals
010	Bryant	why do we need these amendments, aren't these counties doing this already

015	Delashmutt	we want it clear in the statutes
025	Brown	don't we have a chicken and egg argument here we need parole and probation officers with some one over looking their shoulders
040	Powell	doctor/medical assistant example
048	Delashmutt	our concern is with the bold language on lines 24 - 28
060	Maria Keltner	LC redrafted what I had originally drafted explanation of BPSST certification I believe everyone hired, whether part time or full time must be BPSST certified
084	Bryant	how long is a BPSST certification good for
090	Keltner	one year
110	Bryant	amendments
115	Sen. Bryant	MOTION: Moves SB 733 to the floor with a DO PASS AS AMENDED recommendation.
120	Bryant	Senator Brown and Senator Leonard are voting no Senator Leonard may be filing a minority report, joined by Senator Brown the motion carries Sen. Derfler will carry SB 733
130	Bryant	close work session on SB 733
<u>SB 443-- WORK SESSION</u>		
150	Bryant	opens work session on SB 443
154	Amesbury	EXHIBIT F
158	Amesbury	explains EXHIBIT F
170	Brown	I assume by doing this we avoid fiscal impact on the state
174	Sen. Brown	MOTION: Moves to ADOPT SB 443-1 amendments dated 3/31/97.
176	Bryant	no discussion; no objection
180	Sen. Brown	MOTION: Moves SB 443 to the floor with a DO PASS AS AMENDED recommendation.
181	Bryant	no discussion; no objection
<u>SB 660--WORK SESSION</u>		
185	Bryant	opens work session on SB 660

190	Sen Brown	discusses Steve Dean news article
216	Amesbury	EXHIBIT G
217	Amesbury	explains EXHIBIT G
259	Amesbury	spoke with Judge Yuragen about -1 amendments
283	Brown	isn't it still within the court's discretion to impose a judgment against the non custodial parent I think it is a good idea to leave this in the juvenile court
290	Bryant	the only problem is in Eastern Oregon where the juvenile court is part of the district court
300	Amesbury	would there then be an automatic referral from the juvenile court to the circuit court
302	Bryant	yes
310	Amesbury	if the committee is to move on this, I believe we need a conceptual amendment stating which judge will have the authority in these cases
325	Sen. Bryant	MOTION: Moves to ADOPT SB 660-1 amendments dated 4/7/97 with the addition of a conceptual amendment.
330	Bryant	no discussion; no objections we will bring that bill back with the amendments for a vote
332	Bryant	adjourns meeting at 6:40 pm

Submitted By, Reviewed By,

Andrea Terry, David J. Amesbury,

Administrative Support Counsel

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EXHIBIT SUMMARY

A - letter from MANA - introduced by John Powell - 1 page

B - testimony of Kenneth Sherman, Jr. - introduced by Kenneth Sherman - 3 pages

C - -A5 amendments to HB 2509 - introduced by legislative counsel - 1 page

D - -1 amendments to SB 601 - introduced by legislative counsel - 1 page

E - -1 amendments to SB 733 - introduced by Sen. Leonard - 1 page

F - -1 amendments to SB 443 - introduced by Legislative Counsel - 3 pages

G - -1 amendments to SB 660 - introduced by Legislative Counsel - 2 pages
