

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

May 12, 1995 Hearing Room 357
1:30 pm Tapes 143 - 146

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice Chair
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Rep. Lonnie Roberts
Rep. Barbara Ross
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBER EXCUSED:

Rep. Bev Clarno

STAFF PRESENT:

Greg Moore, Committee Counsel
Anne Tweedt, Committee Counsel
Kay C. Shaw, Committee Assistant

MEASURES HEARD:

SB 34 Work Session
SB 36-A Work Session
SB 203-A Work Session
SB 588-A Reconsideration and Work Session
SB 719-A Work Session
SB 769-A Work Session
SB 1057-A Work Session

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 143, A

006 CHAIR TIERNAN: Calls meeting to order at 1:39 pm. REP. CLARNO is EXCUSED.

CHAIR TIERNAN: Opens work session on SB 719-A.
> Announcements

SB 719-A - WORK SESSION

Witness: Sen. Shirley Gold (D - District 7)

032 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT A).

051 MOTION: REP. JOHNSTON moves for reconsideration of SB 719-A.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares MOTION PASSED. REP. CLARNO is EXCUSED.

057 SEN. SHIRLEY GOLD (D - District 7): Testifies in support of SB 719-A. Submits prepared testimony (EXHIBIT B).
> Introductory comments.
> Provides history from 1993 session and interim committee work.
> Comments about the support by Governor Kitzhaber.
> Discusses document entitled Tax Credit and Exemption Criteria (Page 5).
> Says this is a bipartisan effort, because it is important for governmental accountability.

121 CHAIR TIERNAN: Questions the tax credit. Would the tax credit on troubled juveniles be included in this report?

SEN. GOLD: Assumes that whatever passes through the legislature and is already existing law would be included in such a report. It would be the task of Governor to ensure that was done.

136 REP. MARKHAM: Is the bill required to be due in the middle of biennium?

SEN. GOLD: The concept is that the report would be due at the same time the Governor submits his proposed budget.

144 MOTION: REP. ROBERTS moves SB 719-A to the Floor with a DO PASS recommendation.

REP. STROBECK: The Revenue Committee spent many hours on the document and it will be helpful to have such a report in conjunction with the proposed budget.

153 REP. WYLIE: Opines the report is not useful to the legislature only and that the document be available at libraries, etc.

163 MOTION RESTATED: REP. ROBERTS moves SB 719A to the Floor with DO PASS recommendation and that it be referred to the Committee on Ways and Means in accordance with its prior referral.

170 VOTE: 11-0
AYE: 11 - Grisham, Hayden, Johnston, Lehman, Markham, Roberts, Ross, Starr, Strobeck, Wylie and Tiernan
EXCUSED: 1 - Clarno

CHAIR TIERNAN: Declares the motion CARRIES. REP. Ken Strobeck will lead discussion on the floor.

CHAIR TIERNAN: Closes work session on SB 719-A and opens work session on SB 203-A.

SB 203-A - WORK SESSION

Witnesses: John Marshall, Oregon School Board Association
Harvey Rogers, Preston, Gates & Ellis (Portland)
Hassina E. Cassim, Special Districts Association and APCO

182 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT C).

222 CHAIR TIERNAN: Comments about the complexity of the bill. Requests a brief presentation about the bill.

233 JOHN MARSHALL, Oregon School Boards Association: Testifies in support of SB 203A.

- > Introduces Harvey Rogers, a bond counsel from Portland.
- > Represents 250 Oregon school districts with bonding authority.
- > The intent of the bill is to ensure that the statutes governing the issuance of bonds are clear and concise as possible so that when those bonds are approved by local voters, they are sold in a manner that gets the

bond proceeds back to the school district in order to fulfill its public purpose. Language in the bill relating to Education Services Districts merely clarifies that if those bonds are approved by local voters, then the

Education Service District has the authority to levy taxes for the repayment of the debt service on those bonds.

> Comments that Education Service Districts, prior to 1993, did not have bond levying or bond issuing authority. SB 26 granted that authority.

260 HARVEY ROGERS, Municipal Bond Attorney, Preston, Gates and Ellis (Portland). Testifies in support of SB 203-A:
> Introductory comments about the genesis of the bill was to make technical corrections.

> Describes specific features of the bill, particularly those provisions involving policy implications:
Section 2 of SB 203-A Engrossed is a modernization of the lease purchase financing provisions for local governments.
Section 35 grants authority to 911 Communications Districts to issue general obligation bonds if the voters so approve.

311 CHAIR TIERNAN: Were Sections 35 and 36 added by Senate amendment?

MR. ROGERS: Yes.

338 REP. MARKHAM: What is a 911 special district?

349 HASSINA E. CASSIM, Special Districts Association and APCO (911 managers in the state): Explains there are three 911 special communication districts

in the state. The formation of these districts was as a result of consolidation of multiple, primary safety answering points to reduce the costs of 911.

REP. ROBERTS: They had central locations?

MS. CASSIM: Exactly.

365 REP. MARKHAM: This allows them to borrow money?

MS. CASSIM: Yes. In order to form the district it was necessary to have a tax base voted in by the voters for the district. Once the tax base was in

place they formed a district. This measure allows them to issue general obligation bonds for capital construction.

REP. MARKHAM: Is it correct that they are not able to issue general obligation bonds unless this is passed?

MS. CASSIM: Correct.

REP. ROBERTS: Opines that if they are going to consolidate, it will be necessary to totally rework their information network.

MS. CASSIM: Correct.

377 CHAIR TIERNAN: Why is this bill needed?

MS. CASSIM: HB 2269 previously considered by the Committee was the 911 funding bill. 911 is not funded 100 percent by HB 2269, only partially. Local governments pick up the rest of 911 costs. In order for the rest of the cost of 911 and for these three districts to issue general obligation bonds, because they cannot issue them under a city or county, they need that voters be allowed to vote on general obligation bonds.

REP. MARKHAM: Was it a telephone surcharge that took care of all 911 costs through the years? Are these areas that didn't get the job done so now they want to be able to issue bonds?

412 MS. CASSIM: No. The 911 tax is distributed to the 911 agencies. In HB 2269 there was a portion discussed by this Committee for 911 consolidation in order to make the system more efficient, because the Committee was concerned that some counties have more than one 911 district. A portion of that bill asked for the 911 centers to submit a report to the Office of Emergency Management as to whether or not it is economically feasible to have more than one PCP in a county. These entities formed into one district in order to consolidate.

REP. MARKHAM: The telephone surcharge doesn't carry it?

TAPE 144, A

002 MS. CASSIM: Correct. Local governments pick up the rest of the funding for 911 that the telephone tax does not provide. The telephone tax does not provide for 100 percent funding for 911.

REP. HAYDEN: Why don't the local governments go ahead and bond for it then?

MS. CASSIM: That's why this section has been inserted. These three districts are separate from a city or a county.

MR. ROGERS: As a means of speculation, when general obligation bonds are authorized, the area that votes on it is the area where the tax is collected. That means it can be very awkward if a district includes several entities, because the wrong people get taxed for it. The people taxed are different than the people who benefit.

020 REP. JOHNSTON: This is consistent with HB 2269 that includes the requirement for consolidation. There are only two ways these get funded: (1) through the telephone surcharge and (2) through their own tax base. If

this authority is not granted, they need a special way to issue a general obligation bond.

037 REP. HAYDEN: Refers to testimony that two of the three districts were not going to use the general obligation bonds. How do they get their revenue?

MS. CASSIM: Corrects earlier testimony that they will never issue general obligation bonds. Klamath County was just formed and it is unlikely they will be issuing bonds in the near future. Tillamook County does not need any capital construction now.

CHAIR TIERNAN: Before 911 there were many little operators handling agencies, etc. and 911 was supposed to be a consolidation and an efficiency gathering. Where is the efficiency?

MS. CASSIM: Responds to the efficiency issue.

070 CHAIR TIERNAN: Continues questioning about police emergency handling.

REP. JOHNSTON: Discusses the three districts and the lack of funding for the three districts.

137 REP. GRISHAM: Reviews the issue of funding of the 911 issue.

MOTION: REP. GRISHAM moves to amend SB 203-A to delete sections 35 and 36.

REP. ROBERTS: Explains that when districts cross city and county lines, there are special problems.

REP. GRISHAM: Explains position there are only so many tax dollars available. Continues to debate the issue of funding.

REP. JOHNSTON: Reviews the history that created the communication districts. The issue should be what is in the best interest to do?

251 REP. GRISHAM: Responds to Rep. Johnston's comments.

REP. LEHMAN: Reiterates Rep. Johnston's comments that it seems unreasonable to be putting more restrictions on local government.

279 COUNSEL MOORE: Reviews the testimony in the Subcommittee on Regulatory Reform regarding the efficiency of going to a 911 system.

302 MR. MARSHALL: Emphasizes the importance of the foundation legislation.

SB 203 is important and opines it is unfortunate that the controversy seems

centered around the Senate amendments. Encourages amendments if necessary, but to allow SB 203 as originally introduced to go forward as it

is important for all bond issuing units of local governments.

324 MR. ROGERS: No additional testimony is offered. All the policy issues have been described.

MS. CASSIM: Reiterates that all other 911 agencies are able to issue general obligation bonds. It is not the best approach to single out three agencies, because of a decision to consolidate and promote government efficiency.

CHAIR TIERNAN: Explains the three options (i.e., run the bill as is plus a Minority Report, or delete sections 35 and 36 plus a Minority Report or delete sections 35 and 36 then schedule a conference committee).

362 REP. ROBERTS: Opposes the proposed deletions, because efforts to deliver a service will be hampered.

REP. STROBECK: Reviews the history in the Subcommittee on Regulatory Reform. Why penalize those districts that have consolidated?

TAPE 143, B

010 CHAIR TIERNAN: If sections 35 and 36 regarding 911 are deleted, 911 is not included. It will be the original Senate bill. If the vote is affirmative, it is the original Senate bill without 911. If the vote is negative, the bill remains the same.

REP. STROBECK: Is it correct that if sections 35 and 36 are removed, the 911 districts cannot go to the voters and ask for a levy that the voters would then have to approve?

CHAIR TIERNAN: That's correct.

023 VOTE: 4-7
AYE: 4 - Grisham, Hayden, Markham and Tiernan
NAY: 7 - Johnston, Lehman, Roberts, Ross, Starr, Strobeck and Wylie
EXCUSED: 1 - Clarno

CHAIR TIERNAN Declares motion FAILS.

029 MOTION: REP. JOHNSTON moves SB 203-A to the Floor with a DO PASS recommendation.

034 VOTE: 9-2
AYE: 9 - Hayden, Johnston, Lehman, Markham, Roberts, Ross, Starr, Strobeck and Wylie
NAY: 2 - Grisham and Tiernan (Chair Tiernan changes vote to NAY. See tape at 051.)
EXCUSED: 1 - Clarno

CHAIR TIERNAN: Declares motion CARRIES.

043 MOTION: CHAIR TIERNAN moves for unanimous consent to suspend the rules.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares MOTION PASSED.

051 CHAIR TIERNAN: Changes vote to NAY.

055 REP. GRISHAM: Serves Notice of a Minority Report.

CHAIR TIERNAN: Joins in the Minority Report.

071 CHAIR TIERNAN: Closes work session on SB 203-A.

077 CHAIR TIERNAN: Are your objections to SB 769-A regarding pay and benefits or the amendments that discuss any amount in excess?

RICH PEPPERS, Oregon Public Employees Union: Testifies in opposition to SB

769-A.

> Objects to Section 2 primarily.

CHAIR TIERNAN: There are no objections to Section 3?

MR. PEPPERS: That's correct.

093 CHAIR TIERNAN: Opens work session on SB 769-A.

SB 769-A - WORK SESSION

Witness: Rich Peppers, Oregon Public Employees Union

099 CHAIR TIERNAN moves to conceptually amend SB 769-A4 amendments to strike
Section 2.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares
MOTION PASSED. REPS. CLARNO, MARKHAM, ROBERTS and STROBECK are EXCUSED.

107 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure
Summary and the SB 769-A4 amendments, as now amended. The Preliminary
Staff Measure Summary and proposed SB 769-A4 amendments are hereby made a
part of these Minutes (EXHIBIT D).

CHAIR BOB TIERNAN: Submits prepared testimony on SB 769-A (EXHIBIT E).

MOTION: REP. JOHNSTON moves ADOPTION of SB 769-A4 amendments, as amended.

CHAIR TIERNAN: Hearing no objection from ALL MEMBERS PRESENT, declares
MOTION ADOPTED. REPS. CLARNO, ROBERTS and STROBECK are EXCUSED.

132 MOTION: REP. JOHNSTON moves SB 769-A, as amended, to the Floor with a
DO PASS recommendation.

135 VOTE: 9-0
AYE: 9 - Grisham, Hayden, Johnston, Lehman, Markham, Ross, Starr, Wylie
and Tiernan
EXCUSED: 3 - Clarno, Roberts and Strobeck

CHAIR TIERNAN: Declares motion CARRIES. CHAIR Bob Tiernan will lead
discussion on the floor.

CHAIR TIERNAN: Closes work session on SB 769-A and opens work session on
SB 1057-A.

SB 1057-A - WORK SESSION

Witnesses: Bill Cross, Building Owners and Managers Association (BOMA)
Jim Bell, President and Founder of Earthquake Awareness
Jane C. Cummins, League of Oregon Cities
Sherry Patterson, Oregon Earthquake Preparedness Network
Margaret Mahoney, Bureau of Buildings, City of Portland
Donald A. Hull, Department of Geology and Mineral Industries
Roger McGarrigle, Oregon Seismic Safety Policy Advisory Commission

147 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure
Summary and proposed conceptual SB 1057-A amendments submitted by Building
Owners and Managers Association (see Exhibit G). The Preliminary Staff
Measure Summary is hereby made a part of these Minutes (EXHIBIT F).

BILL CROSS, Building Owners and Managers Association (BOMA): Submits
proposed SB _1057-A amendments (EXHIBIT G).

JIM BELA, President and Founder of Earthquake Awareness: Submits prepared
testimony on SB 1057-A (EXHIBIT H)

JANE C. CUMMINS, Senior Staff Associate, League of Oregon Cities: Submits
prepared testimony in support of SB 1057-A (EXHIBIT I).

182 REP. ROSS: Are there other amendments?

COUNSEL TWEEDT: You have a similar amendment proposed by the Workers'
Compensation Division.

191 REP. MARKHAM: Reads from SMS. What is a seismic rehab agreement?

REP. JOHNSTON: It serves as an inducement to get building owners to do
this and if they do this and agree to do certain things with the buildings,
they will be held harmless. If there is an earthquake and the building
shakes, falls and injures someone and there is such an agreement in effect
in which there has been compliance, they will be held harmless.

REP. MARKHAM: What if someone couldn't afford it?

REP. JOHNSTON: Understands from reading the bill, that it would be
voluntary.

216 REP. ROSS: The intent of the bill is to let owners of buildings do less than the absolute maximum in order to improve their situation and the building owners would be protected in case there was an earthquake.

252 SHERRY PATTERSON, Director, Oregon Earthquake Preparedness Network (Lake Oswego): Testifies in opposition to SB 1057-A. Submits prepared testimony (EXHIBIT J).

> The bill could allow a local entity to declare that a higher percent of the state standard could be implemented.

> Under the guise of "privileged information", seismic rehabilitation data becomes secret. Any information can be included in the data and this would not allow for professional engineers to have the ability to peer review the standards that are being practiced in the community.

> The potential exists for tremendous control of utilizing seismic information to reduce the financial exposure of property owners while maintaining the hazard exposure to the public. Literally, there would be no way to hold either the property owner liable for negligence or the local

government accountable, because all the seismic data could be tied up under a restricted status.

> Says there could be increased injuries and loss of life to emergency responders and firefighters, because of inaccessibility to restricted seismic hazard information.

> There is complete restriction of a tenant from accessing vital documents which could be used as a basis to initiate constructive eviction legal action to break a tenants lease due to continued dangerous building conditions. The owner is not obligated to agree to a seismic rehabilitation agreement.

> Urges nonpassage of the bill as it will increase the "body bag count in this state."

312 MARGARET MAHONEY, Director, Bureau of Buildings, City of Portland: Testifies in support of SB 1057:

> Bill represents a consensus of the Building Owners and Managers Association, the City of Portland, the Department of Geology and Mineral Industries, and the Building Codes Division.

> Accomplishes three things:
Establishes a task force to look at the issue of upgrading existing buildings for seismic safety in the state.
Clarifies that municipalities dealing with dangerous, existing building code provisions may accept improvement plans that are less than the State's

building code.

Provides an incentive to building owners in limiting liability by allowing owners to enter into agreements to improve their buildings up to a 10-year period.

REP. MARKHAM: Does the City of Portland accept less than standard today?

MS. MAHONEY: Efforts toward this bill are for the purpose of clarifying the problems between the State's building code and the City of Portland's dangerous building code as well as working with building owners to engage in long-term, incremental improvement plans.

365 DONALD A. HULL, Director, Department of Geology and Mineral Industries:

Testifies from prepared testimony in support of SB 1057. Submits (EXHIBIT K).

> Says the consensus group described is a beginning toward providing better public protection in a reasonable manner.

> Doubts anyone has all of the answers to the difficult question of what to do with old buildings that possibly are unsafe.

> FOR THE RECORD: The Department of Geology and Mineral Industries supports passage.

384 ROGER MCGARRIGLE, P.E., Chair, Oregon Seismic Safety Policy Advisory Commission: Testifies in support of part of SB 1057 (i.e., giving building owners some protection). Submits (EXHIBIT L).

> Says the problem that the condition of the building should be kept a secret from the public doesn't make sense. Opines that if the building is evaluated and it is determined there is a weakness, the tenants should have

access to that information. Discourages suing the owner if they are attempting to strengthen their building according to a program.

> Question of the level of strengthening of the building should not be answered by the legislature; that should be the issue of a study for the next couple of years with a subsequent reporting to the legislature.

> Explains the difference of opinion among structural engineers as to whether or not a lower or higher standard is appropriate.

TAPE 144, B

004 CHAIR TIERNAN: Why don't you like this bill?

005 MS. PATTERSON: One key issue is the lack of public disclosure. The Building Safety Committee literally would be unable to access the critically important information, the hazard information, to develop a reasonable earthquake response plan, because this hazard information would be secret.

009 REP. JOHNSTON: Refers to testimony about concerns with the confidentiality of the report. Is that from Section 2 of the bill?

MS. PATTERSON: It is taken from the definition of "privileged" information. Explains that any data is privileged and cannot be used to prove any negligence or culpable acts. Section 2 is the key.

REP. JOHNSTON: A reading of that section discusses that it is only privileged in any legal action. Is that your understanding?

MS. PATTERSON: No, because how the information can be used can be determined by the local entity. Each local entity has the ability to develop its own seismic rehabilitation program, their own definitions.

024 REP. JOHNSTON: If the bill says that the only thing that can be done with information in terms of keeping it secret is for its courtroom use, would that be okay?

MS. PATTERSON: No. The definition of the data that would be included could be identified as in the restricted report. That information could not be used.

REP. JOHNSTON: What would be the use of that information?

MS. PATTERSON: There needs to be a balance. Tenants spend \$300,000 on tenant improvements and learn they are in a building that is dangerous, but the owner still chooses to not act responsibly.

REP. JOHNSTON: Acknowledges the information should be available for that purpose and "we're going to make it available for that purpose."

040 COUNSEL TWEEDT: Explains the conceptual amendments (see Exhibit G).

CHAIR TIERNAN: What is the difference between Sections 1 and 2?

072 TOM MATTIS, Manager, Compliance Section, Workers' Compensation Division:

Testifies about the amendments. Submits prepared testimony on SB 1057-A (EXHIBIT M).

> Reviews the only conceptual amendment offered (i.e., Section(2), beginning on Page 2, Line 2 of the bill).

> Explains the concerns raised by the Workers' Compensation Division and its general counsel at the Department of Justice regarding the language that says "A person may not maintain a cause of action against a building owner for injury," etc. The language could be construed as precluding the

worker of an employer, who owns the building which is in one of these rehab agreements, from filing a worker's compensation claim. Opines that it was not probably the intent, but in order to avoid any such conclusion the clarifying amendment was offered to make it clear that a worker, who was injured in the course of an earthquake by the collapse of the owner's building, would be able to file for compensation under the Workers' Compensation Law.

094 CHAIR TIERNAN: What does Section 2 (1) mean?

MS. MAHONEY: It is the provisions that basically limits the ability to use this data in a lawsuit against an owner.

CHAIR TIERNAN: Is it correct that if the owner signs a rehabilitation agreement, it will not be used against him?

MS. MAHONEY: That's correct.

CHAIR TIERNAN: Is it correct that Section 2(2) says basically that if the owner completes the agreement and does the rehab, the owner will not be liable?

MS. MAHONEY: That's correct.

CHAIR TIERNAN: If the owner is in the process of building or retrofitting, this agreement will not be admissible against the individual or the company.

MS. MAHONEY: That's correct. The two conceptual amendments were intended to limit.

110 REP. JOHNSTON: Refers to Committee Counsel's review of the amendments, particularly the worker's compensation portion. Points to another sentence in the May 12th amendments that attempts to apply Section 5 only during the

duration of the seismic rehabilitation agreement.

COUNSEL TWEEDT: Comments about the confusion.

120 REP. GRISHAM: Remarks about the creation of another task force.

MS. PATTERSON: Opines that it is a duplication of effort.

REP. GRISHAM: Opines the task force is "a total waste of money and time."

MS. PATTERSON: The key issue is that the task force could function as a subcommittee of the Oregon Seismic Safety Policy Advisory Commission rather

than duplicating OSSPAC who has responsibility to advise the State and legislature on seismic issues. OSSPAC is not precluded from identifying a seismic rehabilitation task force.

140 MR. MCGARRIGLE: OSSPAC believes it is a duplication and a charge of OSSPAC.

MR. HULL: Disagrees, because this is a single task that the City of Portland and other prospective participants have agreed to share the cost of this issue. Provides experience with interim task forces. Urges passage of the A-Engrossed bill.

160 MS. MAHONEY: Provides background about the Portland Task Force in effect for two years. Agrees with Mr. Hull and staff that all of the work by the Portland Task Force will be shared, including coordinating their ongoing work.

REP. GRISHAM: Opines that it is an important issue. Seems to be a multitude of task forces who are "tripping over each other". Desires to support the bill and remove the portion that creates the task force.

REP. ROSS: Rep. Grisham, do you support the portions that provide more flexibility in opportunities for the rehabilitative agreement?

REP. GRISHAM: Not supportive of the duplication (i.e., the task force).

REP. ROSS: Would it damage the bill seriously and the effort of the City of Portland's Bureau of Buildings if the task force was removed from the legislation?

178 MS. MAHONEY: The other two provisions are important to Portland; however, would prefer support for the task force for two reasons: The scope of work before the Oregon Seismic Safety Policy Advisory Commission is very broad and they already have an existing work plan. The task force in question is for about 12 months in order to produce a detailed report. The focus on the existing building issue is narrower than all the topics before OSSPAC.

191 MOTION: REP. JOHNSTON moves to amend SB 1057-A by striking Section 4.

REP. HAYDEN: Mr. Hull, what is your opinion about striking Section 4?

MR. HUFF: Recommends that Section 4 not be stricken from the bill.

MR. HAYDEN: Comments about the essence of a small, very efficient unit of government that operates on a very tight budget. They do not ever waste money -- good stewards. Intends to support the bill based on the opinion of Mr. Hull that the measure is good.

205 REP. JOHNSTON withdraws motion.

MOTION: REP. JOHNSTON moves to conceptually amend SB 1057-A, by amending Section 5 and adding Section 6, as proposed in the amendments submitted by Bill Cross and the Building Owners and Managers Association (BOMA) dated May 12, 1995 (Exhibit G).

221 CHAIR TIERNAN: Hearing no objections from ALL MEMBERS PRESENT, declares

MOTION CARRIES. REP. CLARNO, ROBERTS and STARR are EXCUSED.

MOTION: REP. JOHNSTON moves SB 1057-A, as amended, to the Floor with a DO PASS recommendation.

REP. JOHNSTON: The confidentiality that is referred to in this bill only extends to information at trial. It is not available for evidentiary purposes. It is available and should be public information for all other purposes (i.e., tenants, etc.). "That is the way I read the statute and I think it is the clear intent of this committee."

249 VOTE: 8-1

Tiernan AYE: 8 - Hayden, Johnston, Lehman, Markham, Ross, Strobeck, Wylie and

NAY: 1 - Grisham
EXCUSED: 3 - Clarno, Roberts and Starr

CHAIR TIERNAN: Declares motion CARRIES. REP. Cedric Hayden will lead discussion on the floor.

CHAIR TIERNAN: Closes work session on SB 1057-A and opens work session on SB 36-A.

SB 36-A - WORK SESSION

264 ANNE TWEEDT, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT N).

280 MOTION: REP. ROSS moves SB 36-A to the Floor with a DO PASS recommendation.

283 VOTE: 9-0
AYE: 9 - Grisham, Hayden, Johnston, Lehman, Markham, Ross, Strobeck, Wylie and Tiernan
EXCUSED: 3 - Clarno, Roberts and Starr

CHAIR TIERNAN: Declares motion CARRIES. REP. SHARON WYLIE will lead discussion on the floor.

CHAIR TIERNAN: Closes work session on SB 36-A and opens work session on SB 34.

SB 34 - WORK SESSION

Witnesses: Joseph A. Brewer, III, Building Codes Division, Oregon Department of Consumer and Business Services
Peggy A. Collins, Building Codes Division, Oregon Department of Consumer and Business Services
Joe Brewer, Building Codes Division, Department of Consumer and Business Services

303 GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT O)

JOSEPH A. BREWER, III, Administrator, Building Codes Division, Oregon Department of Consumer and Business Services: Submits prepared testimony in support of SB 34 (EXHIBIT_P)

369 REP. STROBECK: Is the home-building industry satisfied with this bill?

CHAIR TIERNAN: Yes.

REP. GRISHAM: Rep. Luke is satisfied; however, Rep. VanLeeuwen may still not be satisfied.

382 REP. HAYDEN: Would the Chair consider a motion that the proceeds from fines go to the General Fund rather than the agency that imposes them?

CHAIR TIERNAN: Do the proceeds from fines go to the General Fund now?

394 PEGGY A. COLLINS, Building Codes Division, Oregon Department of Consumer and Business Services: Testifies in support of SB 34. Submits prepared testimony (EXHIBIT Q) No, the proceeds from fines do not go to the General Fund -- they go back into the Building Codes Division's funds and are not program specific in most cases except in electrical.

CHAIR TIERNAN: What does the Building Codes Division do with the money?

MS. COLLINS: It goes to support about half of the efforts of compliance (i.e., activities of the hearing officer and the people who process the paperwork in the Division, not for the field investigators).

408 MOTION: REP. HAYDEN: Moves to amend SB 34 to direct that proceeds from fines go to the General Fund rather than the agency that imposes them

CHAIR TIERNAN: Is that a problem with the Building Codes Division?

MS. COLLINS: Refers to a bill during last session in which the legislature wanted to put the monies back into the Building Codes Division, because it was felt to be more appropriate to help offset the costs of the Division's activities. It is a very small amount of money in comparison to the rest of the budget and "we don't use it as a 'bounty' program."

425 JOE BREWER, Administrator, Building Codes Division, Department of Consumer and Business Services: Testifies that currently the Division has the perception that it is "better to take your chance at not buying a permit and going ahead and building your structure illegally. So, if the only way we can get this bill is to have the funds go to the General Fund, that's fine with me, because what we are interested in is seeing that the structures are inspected, that people of the state enjoy the safety that we can help provide."

REP. MARKHAM: How many violations per biennium are reviewed?

MR. BREWER: Something less than 1,000 last year. The total collected by the Division for all penalties, including licensing and permit violations, was about \$170,000 for the biennium.

TAPE 146, A

008 CHAIR TIERNAN: Restates Rep. Hayden's motion to conceptually amend SB 34 to direct that the funds collected by the agency will go into the General Fund.

016 REP. JOHNSTON: What is the impact on the budget of the Building Codes Division? Is there in place a mechanism to return to them from the General

Fund their needs or does this need to be referred to the Committee on Ways and Means?

CHAIR TIERNAN: The proper forum is the Emergency Board.

024 MR. BREWER: Adds that the Division has not had the opportunity to represent this newest amendment to the Homebuilders Association or any other stakeholders involved in the bill.

035 VOTE: 7-3
AYE: 7 - Grisham, Hayden, Lehman, Markham, Starr, Strobeck and Tiernan
NAY: 3 - Johnston, Ross and Wylie
EXCUSED: 2 - Clarno and Roberts

CHAIR TIERNAN: Declares motion CARRIES.

042 MOTION: REP. HAYDEN moves SB 34, as amended, to the Floor with a DO
PASS recommendation.

044 VOTE: 10-0
AYE: 10 - Grisham, Hayden, Johnston, Lehman, Markham, Ross, Starr,
Strobeck, Wylie and Tiernan
EXCUSED: 2 - Clarno and Roberts

CHAIR TIERNAN: Declares motion CARRIES. REP. CEDRIC HAYDEN will lead discussion on the Floor.

051 REP. MARKHAM: Presents statement about the background history of the building codes beginning in the early 1970s. What has been done by administrative rule to prevent the imposition of onerous rules?

MS. COLLINS: Oregon state law currently has an exemption for portions of work related to single family dwellings that are exempt from permit (e.g., re-roofs, fences, patios, walkways, etc.). The building codes have been amended to make that work exempt from code.

CHAIR TIERNAN: Adjourns the meeting at 3:35 pm.

Submitted by, Reviewed by, Reviewed by,

Kay C. Shaw Gregory G. Moore Anne E. Tweedt
Committee Assistant Committee Counsel Committee Counsel

EXHIBIT SUMMARY:

A - Preliminary Staff Measure Summary on SB 719 -- Staff -- 4 Pages
B - Prepared Testimony on SB 719 -- Sen. Shirley Gold -- 151 Pages
C - Preliminary Staff Measure Summary on SB 203 -- Staff -- 3 Pages
D - Preliminary Staff Measure Summary on SB 769 -- Staff -- 3 Pages
E - Prepared Testimony on SB 769 -- Rep. Bob Tiernan -- 1 Page
F - Preliminary Staff Measure Summary on SB 1057 -- Staff -- 1 Page
G - Proposed Conceptual SB 1057-Amendments -- Bill Cross -- 1 Page
H - Prepared Testimony on SB 1057 -- Jim Bela -- 84 Pages
I - Prepared Testimony on SB 1057 -- Jane C. Cummins -- 1 Page
J - Prepared Testimony on SB 1057 -- Sherry Patterson -- 3 Pages
K - Prepared Testimony on SB 1057 -- Donald A. Hull -- 2 Pages
L - Prepared Testimony on SB 1057 -- Roger McGarrigle -- 3 Pages
M - Prepared Testimony on SB 1057 -- Tom Mattis -- 2 Pages
N - Preliminary Staff Measure Summary on SB 36 -- Staff -- 1 Page

- O - Preliminary Staff Measure Summary on SB 34 -- Staff -- 2 Pages
- P - Prepared Testimony on SB 34 -- Joseph A. Brewer -- 6 Pages
- Q - Prepared Testimony on SB 34 -- Peggy A. Collins -- 2 Pages