

SENATE COMMITTEE ON
BUSINESS AND CONSUMER AFFAIRS

Hearing Room
Tapes 76, 77 & 78

MEMBERS PRESENT:

Sen. Bill Kennemer, Chair
Sen. John Lim, Vice-Chair
Sen. Gene Derfler
Sen. Joan Dukes
Sen. William McCoy

MEMBER EXCUSED:

STAFF PRESENT:

Darrell W. Fuller, Committee Administrator
Carol A. Smith, Committee Assistant

MEASURES HEARD:

SB 1124 Informational Public Hearing
SB 81 Work Session
SB 2534 Public Hearing and Work Session
SB 969, 970 and 774 Public Hearing

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 76, A

004 CHAIR: Calls the meeting to order at 3:00 p.m. Announces we will start with an Informational Public Hearing.
Announces SB 942 is withdrawn and moved to Thursday.

005 CHAIR: Opens PUBLIC HEARING on SB 1124.

WITNESSES: Lynn Partin, Mobile Home Park Ombudsman
Patrick Lewis, Building Codes Division
Emily Cedarleaf
Jim Harrison
Virginia Schanzenback
Jack Rowley
Eldon Gossett
Jim Kolen
Salty & Lola
Pat Schwoch
Frank Burleson

010 LYNN PARTIN, Mobile Home Park Ombudsman: (EXHIBIT B) Defers to Pat Lewis for a slide show.

012 PATRICK LEWIS, Building Codes Division: (EXHIBIT A)1. Recreational vehicles. Gives size, description of units, expandable rooms, . This is on a slide projector and screen. Gives amenities, They are sold as vacation homes in recreational areas. They are also used as fill-in homes in existing neighborhoods. These are in RV parks. Amounts spent on surrounds are can be substantial. Gives codes that the units have to conform to, same as 1993 electrical code.

067 LEWIS: These are permanently sited units. They are not considered low income housing and is equivalent to lot of

luxury homes. Owner end up spending tremendous amounts of money. State laws have not caught up with them.
There is no eviction protection, can be lost if evicted, with no cause.

CHAIR: Question regarding amount spent, hardwire connections, sewer connections, are three traps built into the system?

Lewis: Explains why they don't need one.
(3:15 p.m. SEN. DUKES enters the meeting.)

SEN. DERFLER: what other restrictions are there?

LEWIS: Gives the restrictions and then refers to recreational property zoning.

CHAIR: They are neither fish nor fowl. They are falling through the cracks for some folks.

SEN. DERFLER: You would think...

115 LYNN PARTIN: Refers to Emily Cedarleaf who referred a number of calls to her found out that the people living in these had all the detriments as people in manufactured homes. They are paying at mobile home rates, but do not have landlord/tenant protections.

148 JIM HARRISON: Explains his exhibits of his park model which includes photographs. (EXHIBIT D) Refers to tax certificate and states they object to the taxation without representation. Has certificate of title showing they are mobile homes. Four: insured as a mobile home. five: listing of park models, in his park and another. We have a view and we paid an extra 10,000 for that view. My appearance here may cost me my eviction and gives his cost basis. The majority of the people are senior citizens. Many live there full time. Refers to the lack of protection under the landlord tenant act.

209 CHAIR: QUESTION.

SEN. DERFLER: A lot of these are permanent housing?

HARRISON: Responds, yes.

232 SEN. DUKES: Refers to her experience on the Transportation Committee for four years and history of work done on these. Until we get them up to a building standard where I can feel secure that people who are living in these in the winter months have insulation and all of that I am real hesitant to make them anymore legitimate than they already are.

220 VIRGINIA SCHANZENBACH: (EXHIBIT F) Gives testimony regarding their eviction. Purchased a unit. Left on vacation, then came home and found a something near. They next were asked to move their unit five feet into the air. When they were asked why they didn't get a notice that they were in violation. Was told they were out of there.

276 JACK ROWLEY: Gives description of his unit and his story. Built ancillary appointments. When he came back to stay, . Gave notice, owner said he owed him \$5,000 because of the view. I had to give the Burgesses money to sell the unit he had been paying for. States problem with a neighbor or with a problem, they are fearful of the thirty day eviction rule.

316 ELDON GOSSET: Gives details of what the mobile homes have. Says they are affordable, something. Gives benefits for owners and renters. The park provides year around income for tenants. Gives rent amounts. They fill out permits forms, et cetera. Asks what are the rules that are going to govern this. Refers to the bill number. thinks it would solve a major problem.

380 SEN. DERFLER: Question, why not limit them to x number of square feet?

390 GOSSET: Explains regarding size of lots, versus units. and the reasoning that created this.

411 GOSSETT: Responds to question from SEN. DERFLER regarding year round occupancy.

424 JIM KOLEN, Curry County Assessor: (EXHIBIT G)

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005 JIM KOLEN continues: Refers to his written testimony, gives definitions of something, manufactured homes, on highways. One of the things that sets park models away from others is.. Refers to assessors throughout Oregon. assessing them the same as he does.

0331 SEN. DUKES: Refers to reasons for past legislation and a specific thing. We had instances where they were moved to forested areas, and literally paying no taxes. Problem was they were not personal property. That is why they were called mobile homes.

057 EMILY CEDARLEAF, Multnomah County Housing Council: Refers to 1991 legislation. It removed mobile home parks from something. Refers to landlord tenant protection; expanded protections of mobile home something. Talks too fast. Park model. Looked at admin. something. RV doesn't come under mobile home. ... Man who was selling park models where there were views and adding structural requirements. Some of the improvements were thirty to eighty-five thousand dollars. Dispute followed gives details of that. There has been intimidation involved with the tenants. Also refers to letter from Pete Shepherd, Department of Justice and reads from it. (EXHIBIT #)

120 SEN. LIM: Question about other states, do they also have the problem.

127 CEDARLEAF: Refers to Arizona, she did go there and inspect.

134 SEN. DERFLER: Dilemma; we are taking the authority from the property owner.

146 CEDARLEAF: Has a problem the requirement by the landlord to ask for these attachments. One of the calls was from a month to month agreement. Was in Arizona when he received a thirty day no ... eviction.

174 CEDARLEAF: Refers to statement of policy and how rental agreement reads. Those protections have been built into for mobile homes. But, RV parks, are not treated the same. A landlord doesn't, a park owner does. Discussion continues.

197 HAROLD SINCLAIR, (Salty) (EXHIBIT H) Gives story about and refers to his written testimony.

221 CHAIR: Question regarding assessment as personal property. He believes it is CurryCounty only.

240 SINCLAIR: missed questions between KENNEMER and ?. discussion about terms, specifications, rules, .

259 SEN. DERFLER: You did not ask about these kinds of things?

264 JACK ROWLEY: Explains he asked for a list. The man said they didn't need a lease, no problems, for two years.

282 PAT SCHWOCH: Testimony in support of the bill.

287 FRANK BURLESON, Greenway something, floating home and marine way resident, of Oregon.

293 ALLEN CONLEY: Submits written testimony in opposition to the bill (EXHIBIT I). Am in the minority. 35,000 spaces, some mobile homes, park trailers. Refers to written testimony, It was never intended for these to be full-time dwelling units in these parks. Gives other history and spec. Two. Everything is coming from Curry county. It will bring ramifications to people all over the state. States what people are living in that are not park models. If we create restrictions that are under the landlord/tenant act, it will affect the attitudes of owners of the parks. These are the thing that the bill says if you allow them to come under the landlord tenant act.

366 SEN. DERFLER: Would you object to something? (use this. 370

376 CONLEY: continues:

384 SEN. DERFLER; (NEED THIS).

393 Response at 393 on counter. We are asking to be allowed some time to work with people to address the permanent and long term use and still recognize that many of these are mobile units, and not create impact on those people who are transient.

419 SEN. DERFLER

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009 Discussion continues between SEN. DERFLER and CONLEY.

016 CHAIR: Addresses problem in Brookings, and also throughout the state. Would like each of the committee to discuss their thoughts and suggests some options. Believes it would be hard to do nothing, but at what pace and what something?

032 SEN. LIM: Comments, cites problems with some of his constituents.

042 CHAIR: Closes INFORMATIONAL HEARING on SB 1124.

046 CHAIR: Opens WORK SESSION on SB 81.

WITNESSES: Jim Carlson, Oregon Health Care Association
Margaret Carlie, Oregon Health Care Association
Pete Shepherd, Department of Justice

066 MARGARET CARLIE: Problem regulatory scheme involving inspections from OSHA, civil penalties, this is on another tape previous meeting, good testimony. Fee there is a misuse of the statue. We are trying to protect long term care facilities. Gives these. Addresses Attorney General's office, first amendment re. disclosures. second amendment, double jeopardy problem. Care problem on survey.

091 PETE SHEPHERD, Department of Justice: opposes these. Refers to disclosure; current ongoing cases; institutional promises of certain kinds of services, not delivered; incontinent care; evidence exceeded 24 hours in own body fluids; remedy under UTPA.

131 CARLIE: Responds, refers to Medicare fraud unit; patient abuse, criminal abuse, existing mechanisms that can be used when it is not the appropriate vehicle. Use the appropriate vehicle. Medical fraud unit; services, unfair trade practices; insurance company ? missed this one. \$100,000 lawsuits.

166 CHAIR: Refers to previous to Carlie's past testimony.

182 CARLIE: Refers to nurse chain provider leaving the sate. Good testimony.

190 SEN. DERFLER: Makes statement about survey done by Senior and Disable Services Division then sent to Medicare Fraud unit. Addressing PETE SHEPHERD asks if there is another way to prosecute this.

DERFLER: Nursing homes are highly regulated. They are underpaid for the services that we provide.

224 SHEPHERD: Reiterates why they want the bill.

231 SEN. DERFLER: Agency trying to beat you up. Use this.

236 SHEPHERD: Our concern focuses on what these institutions promise. If they promised and instead they deliver x-, then we don't see any reason to treat them differently that any other business.

248 SEN. DERFLER: Refers to a personal experience.

264 SEN. DUKES: Question about an example SHEPHERD had used.

273 SHEPHERD: Describes the information they use.

283 SEN. DUKES: Does the state give business a survey and then say we might

come after you and bring a lawsuit. Seems to me if we want people to fill out forms accurately, threatening them with prosecution isn't really a very good way of going away about it.

300 SHEPHERD: If that is the problem we would talk to them about use of the forms. Still wants them under the Unfair Trade Practices Act.

311 SEN. DUKES: The part that troubles her is the survey asked for then used against provider.

328 SEN. MCCOY: Refers to the association. It isn't just the state looking for someone to hit over the head. It surprises me you want to seek immunity from something others are subject to.

369 CHAIR: Would like the two parties to have a little visit.

392 CARLSON: Addresses clarity on integrity of survey process; concerns for providers protection.

TAPE 77, SIDE B

008 SEN. MCCOY: The ombudsperson cannot go out and act like a lawyer; they have to turn them over to the Justice Department. Refers to a case in Multnomah County where thirty people were living in a basement; that case went to the county first.

014 CARLSON: Refers to new enforcement regulations, delicensing.

025 SEN. LIM: What are the major complaints?

030 SHEPHERD: Out of 20 complaints about nursing homes, 16 don't merit the attention of the Department of Justice. Generic case is services promised and not delivered.

065 CARLIE: They go about it backward, they get the surveys first, find a problem, then they go look for representation.

066 SHEPHERD: The surveys are a source of information for us, but they are not the sole source.

0067 CHAIR: Closes WORK SESSION on SB 81.
CHAIR: Opens PUBLIC HEARING on SB 2534-A.

WITNESSES: Tim Martinez
Jenny Ulum, Sacred Heart Medical Facility

070 TIM MARTINEZ, Oregon Medical Association: Refers to his written testimony and changes made. (EXHIBIT K) Refers to coded procedures; feels shouldn't be public information. Refers to piece added by the house which perfects the lien. This amendment from Sacred Heart and Oregon Assoc. Of Hospitals and Health Systems. There was no opposition testimony on the House side. missed some here.... privacy issue on blood tests. The patient and insurance carrier would also.

097 JENNY ULUM: Sacred Heart Medical Facility. (EXHIBIT J).

102 SEN. DERFLER: Tell us what the bill does.

112 MARTINEZ: Explains referring to exhibit of itemized statement. When these medical service liens are filed with the county all the items are in there, so you are laying out what treatment, what condition the person was seen for. Anyone can go in and search that and see what kind of condition or disease that person individual has. It is a privacy issue.

107 ULUM: In response to the chair the amendment was a clarification of the notification of the lien, bringing it in conformity with other lien statutes.

134 CHAIR: Closes PUBLIC HEARING on SB 2534-A.
CHAIR: Opens WORK SESSION on SB 2534-A.

MOTION: SEN. DERFLER moves SB 2534 -A to Floor with a DO PASS recommendation.

VOTE: MOTION PASSES UNANIMOUSLY, all members are present.

CARRIER: SEN. LIM

135 CHAIR: Opens PUBLIC HEARING on 969, 970 and 774.

FULLER: We have -1 amendments on SB 969 in response to a question from SEN. DERFLER and gives result of that in regard to fiscal impact and indigent defense.
(EXHIBITS ?)

150 WITNESSES: Bob Amy
Mary Alice Bjork, Department of Consumer and Business Services
Pete Shepherd, Department of Justice
Tom Irwin, Oregon Insurance Consumer Advocate

182 BOB AMY, ARP and Oregon Consumer League: Refers to information from previous meeting that applied to SB 774. Gives history of some previous legislation and claims handling. Refers to sweetheart agreements; that legislation was to clear up consumer rights. Refers to Lester Rawls time as commissioner and what happened then. Refers to time period of Josephine Driscoll. After-market parts issue.

194 --total rights issue;

--people in trades that fought for consumer rights, against the insurance industry.

--1988 was list of things discussed with Tom Irwin, consumer advocate;

--inaction on the items listed in 1988.

--refers to two surveys and questions therein.

--contrary to Oregon law;

--insurance companies with closed shop agreements which are against Oregon

law.

--controlling of the consumer with possibly his not understanding. If

there is a closing of a shop agreement, what could

be the benefit. mentions after market parts;

--shortsheeting consumer;

--personal service or quality of parts;

--right of choice;

--consumer division of something office, insurance commissioner's office;

--makes point here, quote.

--Gary Weeks, insurance commissioner.

276 AMY, continues:

--Barnett's survey

--didn't believe anything had been done, none of these people had been

called;

--moving consumer advocacy to Attorney General's office;

--very few complaints come out in a positive manner;

321 --independent insurance agent;

--requirements in writing;

350 Mary Alice Bjork, Department of Consumer and Business Services:

Explains the consumer advocacy program

and what that office does. It does not have staff or resources for liaison.

Refers to insurance advisory program. Refers

to:

--consumer committee; ARC, OSPIRG;

--compliance committee meetings;

--financial planning;

--internal role in policy decisions;

-- long term, rules, legislation, etc;

--concerns regarding losing internal advisory role;

--position would become outside lobbyist.

END OF TAPE 77, SIDE B.

TAPE 78, SIDE A

BJORK: Continues, mentioning conflict, need to hear tape. 014 sums up. Refers to regulators sometimes lose the consumer viewpoint.

025 SEN. DUKES: I haven't heard what your department is going to do about the problems we have heard here.

Complaints and no resolution, or satisfaction. Perhaps that is not a statutory obligation. I'd like to believe that if the problem is out there, you would look at that and find resolution.

039 BJORK: There is a person assigned to this. One of the problems I have found. Thinks the satisfaction is that the consumer doesn't get what they want because they are not adjusters.

063 SEN. DUKES: Does the agency believe there isn't a problem? In not addressing the complaints, there are areas where you don't have the ability to do anything. In the areas where you do, you don't think there is a problem?

072 BJORK: Thinks we are doing a good job, with the resources that we have allocated to us.

078 CHAIR: Comments upon authority of the consumer advocacy group.

085 SEN. DERFLER: Comments regarding the treatment, or the answers they needed. The comments were positive.

095 SEN. MCCOY: Do you think you are adequately funded?

099 BJORK: We do feel that at the present time we do a good job.

109 PETE SHEPHERD, Oregon Department of Justice: Testimony in opposition to the bill. . Two points, refers to a previous exhibit. We seldom hear back and we don't follow-up. Secondly, we would like to emulate the publications they have at consumer advocates office. The Department is opposed to the bill.

j138 CHAIR: Question regarding consumer advocacy move.

146 SHEPHERD: Responds, referring to:
--criminal sanctions;
--infractions;
--felony;
--misdemeanor.

160 CHAIR: Question regarding Unfair Trade Practices Act.

166 SHEPHERD: Insurance does not come under the UFTPA. We don't have resources.

190 TOM IRWIN, Oregon Insurance Consumer Advocate: re SB 774. States he is the only one to hold this position; has held from 1977. There is nothing in the statutes that delineates the responsibilities. I have a small staff of five people, including myself. Federal grant helps, specifically SHB HCAS. Senior something, senior health care products(?). We do a lot of publications. Refers to:

- consumer outreach;
- senior population;
- senior products;
- Medicare supplements and the like;
- Medicare guidebook-contains premiums, plans available from companies;
- complaint report form;
- premium comparisons on auto insurance;

266 IRWIN: We don't just do publications. We also are allowed and encouraged to introduce legislation. We have had some success in that regard.

268 CHAIR: Are you totally independent?

273 IRWIN: Responds, is very dependent upon the director. I am allowed to put forward legislative concepts and once approved can go forward on them. Try to be pragmatic as possible. Refers to:

304 --informational meetings, public policy discussions;
--internal contributions to the process internally;
--less likely to occur if moved to the Attorney General's office;
--budget reductions in 1980;
--possible discussion with Mr. Amy;
--authority limited by statute or finances.

end of TAPE 78, SIDE A.

381 CHAIR: Closes PUBLIC HEARING on SB 969, 970 and 774.

387 CHAIR: Adjourns the meeting at 5:25 p.m.

Submitted by, Reviewed by,

Carol A. Smith Darrell W. Fuller

EXHIBIT SUMMARY:

A - Testimony on SB 1124, Building Codes Division - 1 page
B - Testimony on SB 1124, Lynn Partin, Mobile Home Ombudsman - 3 page
C - Testimony on SB 1124, no name given on sheet - 1 page
D - Testimony on SB 1124, Jim Harrison - 5 pages
E - None?
F - Testimony on SB 1124, Mahlon Schanzenbach - 2 pages
G - Testimony on SB 1124, Jim Kolen, Curry county assessor - 3 page
H - Testimony on SB 1124, on behalf of Lola Jones by - 4 pages
I - Testimony on SB 1124, Allen Conley - 2 pages
J - Testimony on HB 2534-A, Jennifer Ulum - 1 page
K -Testimony on HB 2534-A, Oregon Medical Association 4 pages
L- Testimony on SB 774, 969 and 970, on behalf of William Brooks Survey
letter - 6 pages