

SENATE COMMITTEE ON  
BUSINESS AND CONSUMER AFFAIRS

March 7, 1995 3:00 p.m.

Hearing Room 137  
Tapes 37 & 38

MEMBERS PRESENT: Sen. Bill Kennemer, Chair  
Sen. John Lim, Vice-Chair  
Sen. Joan Dukes  
Sen. William McCoy

MEMBER EXCUSED: Sen. Gene Derfler

STAFF PRESENT: Darrell W. Fuller, Committee Administrator  
Carol A. Smith, Committee Assistant

MEASURES HEARD:

SB 462: Public Hearing  
SB 550: Public Hearing  
SB 548: Public Hearing  
SB 549: Public Hearing  
HB 2095: Public Hearing and Work Session

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TAPE 37, A

010 VICE-CHAIR LIM: Calls the meeting to order at 3:00 P.M, announces we will meet as a subcommittee until we have enough members for a quorum.

030 DARRELL FULLER, COMMITTEE ADMINISTRATOR: Gives information on HB 2094  
and  
HB 2098. Legislative Counsel says they conflict and one will need conflict  
amendments  
adopted at a future meeting States he anticipates second public hearing on  
SB 462

034 VICE-CHAIR LIM: Opens PUBLIC HEARING as sub-committee on SB 462.

035: FULLER: Gives overview of the bill

WITNESSES: Johanna Witzeg, on behalf of Senator Mae Yih  
Eileen Rasmussen  
Senator Ron Cease  
Representative Carolyn Oakley

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Marcia Martin, Oregon Commission for Child Care John Powell, State Farm  
Insurance

046 JOHANNA WITZEG, Assistant to Sen. Mae Yih: SEN. YIH is one of the  
sponsors of  
SB 462. Submits written testimony (EXHIBIT A). Speaks in support of SB 462.  
Explains  
difficulty of obtaining insurance relative to child care business; believes  
it is discouraging people from entering child care field. Similar  
legislation has been introduced in other states. SB 462 provides a fair way  
to provide service.

078 EILEEN RASMUSSEN: States 20 years in the business; after certification was notified of cancellation by insurance company; could not receive liability coverage for over a year. Gives examples of problems thereafter in obtaining insurance and subsequent jeopardy of losing home loan because fire insurance required by lender.

100 RASMUSSEN: Refers to written testimony (EXHIBIT B); a questionnaire sent to child care providers. Cites problems that child care givers had; agents lost interest when told her business was child care.

145 RASMUSSEN: Continues to give examples of problems inherent in obtaining insurance and statistics regarding child care need versus availability and mentions single parent households.

184 RASMUSSEN: Sums up, citing insurance data.

199 VICE-CHAIR LIM: Question regarding difference in commercial versus non-commercial rate.

200 RASMUSSEN: Responds to the question; cites information regarding certification; difference in family home child care versus certified coverage; says cost depends on how many children.

223 (At 3:25 CHAIR KENNEMER enters the meeting.)

231 RASMUSSEN: Reads written testimony in support of SB 462 (EXHIBIT B) submitted on behalf of a day care provider from Grants Pass and outlines the problem she ran into.

256 CHAIR KENNEMER: Asks REP. OAKLY and SEN. CEASE to offer testimony. Announces the committee now has a quorum.

258 CHAIR: Opens Public Hearing on SB 462.

265 SEN. CEASE: Submits written testimony (EXHIBIT C). Outlines SB 462, refers to CSD figures for Oregon family day care providers. Gives examples of requirements that are met by child care givers; for instance background checks. Refers to California legislation in place since 1985.

292 REP. OAKLEY: Testifies in support of SB 462; urges passage of the bill.

308 MARCIA MARTIN, Executive Officer ~vith Oregon Commission for Child Care: Submits written testimony (EXHIBIT D). Gives goals of the Commission for child care providers.

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Gives statistics of those registered with the State of Oregon. Refers to anecdotal information in regard to providers obtaining coverage.

362 SEN. LIM: Do you think it is right for the state to force the insurance company to provide this insurance?

378 MARTIN: Responds to SEN. LIM.'s question.

(3:32 SEN. DUKES joins the meeting.)

380 CHAIR: Your statement is this continues to be a serious problem for people who want to provide day care in their homes.

382 MARTIN: Yes, unfortunately do not have figures to tell you for how many people it is a problem.

388 CHAIR: I wish we had that number, it would be very helpful.  
399 JOHN POWELL, Representing State Farm Insurance: Refers to umbrella of homeowners policy, this is relatively cheap. When up to six children in family day care, this coverage is inexpensive. However, when one moves above that number of children, then the underwriting becomes different from most.

TAPE 38, SIDE A

011 POWELL: Wishes more data gathered; worries about undoing the present coverage that applies for the 1 to 6 category; State Farm presently has over 900 policies with those endorsements on it. Suggests obtaining information from the 13,000 certified providers to find out how many currently do not have their home covered.  
022 CHAIR: Refers to a suggestion for an amendment from RASMUSSEN.  
029 POWELL: Believes it is a technical amendment.  
031 SEN. DUKES: Question regarding cancellation of these policies.  
035 POWELL: Beyond six, it becomes a commercial risk.  
039 SEN. DUKES: State Farm only does the above; a rider to homeowner's policy?  
043 SEN. DUKES: What would cause the insurance company to cancel?  
051 POWELL: States reasons. A questionnaire is sent to insured for current information.  
052 SEN. DUKES: They do not investigate the home for risk of accidents?  
054 POWELL: That is precisely the problem; the risk then needs to be assessed.

063 SEN. DUKES: So State Farm does it as long as it is limited to six children.

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069 POWELL: Reiterates the problem with risk, background checks, insuring that risk requires development of expertise in that area, because it is a commercial risk.

080 MARTIN: Refers to written testimony ~:MIIBIT D) from Department of Business and Consumer Services, states law allows ten children in the home.

100 CHAIR: Closes PUBLIC HEARING on SB 462.

101 CHAIR: Opens PUBLIC HEARING on SB 548.

109 FULLER: Gives overview of the bills.

WITNESSES: Stephen Kafoury, Architects Council of Oregon  
Bill Seider, Legislative Committee Chair for Architects Council of Oregon

126 STEPHEN KAFOURY, Architects Council of Oregon: Requests that the hearing take the two bills sequentially because they are very closely tied to each other.

130 CHAIR: Adds SB 549 to the PUBLIC HEARING on SB S48.

132 FULLER: Mentions that SB 549 has no revenue or fiscal impact and has a subsequent referral with the Senate Judiciary Committee.

133 KAFOURY: Gives history of reason for the bill. Says they have introduced this bill as a way of bringing ourselves up to date with what's happening in the rest of the country regarding ownership of architectural firms. Points out error on line 9 of SB 548 states how it should read.

165 KAFOURY: Explains fluid nature of the work; requirements of architects versus that for engineers.

175 BILL SEIDER, Legislative Chair for Architects Council of Oregon: Explains most architecture firms are small businesses. States SB 548 allows for reciprocity with other states and firm ownership. The main language of our changes that are shown in SB 548, are really the language in the National Council of Architectural Registration Boards model rules. States 20 states have adopted the NCARB rule and 20 more have similar language.

214 SEIDER: Explains practice of reciprocity, ownership and projects done with temporary reciprocity.

227 KAFOURY: Gives added protection on firm to be behind individual, rather than just a single individual.

237 SEIDER: Would also allow greater flexibility in practice; aids small businesses.

253 CHAIR: States having trouble understanding historical separation of the two professions.

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283 SEIDER: Speaks to limited liability organizations. States promotes longevity of the company to the benefit of the customer; believes it would not affect the insurability of the firms; have consulted with their agents, no problem there.

321 CHAIR: Greater parity also.

326 SEN. DUKES: Gives hypothetical problem with architect in a single professional practice; what is client's recourse in this example.

350 KAFOURY: Very small unless you checked if the individual was insured beforehand.

360 CHAIR: Question regarding insurability.

380 SEN. DUKES: Pursues question of recourse when working with an individual.

389 KAFOURY: If the person was not insured, there is no recourse.

400 SEIDER: This will not change the above case. Most single practitioners

do not incorporate.

TAPE 37, SIDE B

020 KAFOURY: Continues to address different aspects, including vicarious liability.

020 SEIDER: Refers to reasons and need for professional liability.

( SEN. MCCOY: Leaves the meeting at 4:00 p.m.)

025 CHAIR: Closes PUBLIC HEARING on SB 548 and SB 549.

026 CHAIR: Opens PUBLIC HEARING on SB 550.

WITNESSES: Richard Sadler, Dundee Brandied Fruit  
David Fox, OLCC  
Paul Lamb, OLCC

045 RICHARD SADLER, Dundee Brandied Fruit: Submits written testimony  
(EXHIBIT E).

Explains purpose of the bill and gives examples of violations of current regulations regarding alcohol content of 1/2 of 1 percent. Shows item purchased in Oregon at Washington Square; they are widespread and illegal.

095 SADLER: Continues, would like to have the OLCC out of the food business. Suggests an

approach to get them out of it.

122 SADLER: By adopting we can piggyback genuine foods, and qualify them as foodstuff, not

alcohol. The advantage is it does not force the state to come up with definitions.

140 SEN. DUKES: Refers to labeling and voices concern of parent being able to recognize by

label that danger is there.

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150 SADLER: Refers to provision where it exceeds 1/2 of 1 percent and the problem inherent;  
states sellers could be given notification.

184 SADLER: Refers to the label, feels risk is mostly modest.

201 SEN. DUKES: Refers to parental responsibility, item being given as a gift, parent being innocent of alcohol content.

211 SADLER: Believes OLCC has no objection. Gives motivation behind his desire to pass the

bill; wishes to enter into brandied fruit products. Oregon is ideal state for product origination.

243 DARRELL FULLER: Comments regarding minors and alcohol, OLCC.

252 CHAIR: Question regarding brandied fruits; what percentage of alcohol would be in these

items? The Bureau of Alcohol, Tobacco and Firearms has existing standard now.

268 SADLER: Believes the liquid would be 14%, but in the fruit would probably be 5~ percent.

BATF has a very complicated system for determination, it is not a universal system.

284 SEN. DUKES: That would be higher than beer content; i.e., outside of liquor store sales.

300 SADLER: Would argue that in Oregon we have prohibited people from buying these. You

are not going to be able to sell them in a liquor store; the only legal place to sell is in a liquor store and they won't handle them.

335 FULLER: Residual liquid in jars could be 21 percent.

359 SADLER: Gives several examples, content by volume.

380 DAVID FOX, OLCC: Commission's position is neutral on this issue. There has been a declining demand for these products and gives data; they are depreciable, storage is a problem; gives an example of the product.

412 CHAIR: Asks OLCC's opinion of SADLER's plan.

TAPE 38, SIDE B.

012 SEN. DUKES: Question regarding alcohol, what the limit is. What is it for beer; what is tops for beer-like beverage?

020 PAUL LAMB, OLCC: In response to SEN. DUKES suggests may want to require these sellers to be licensed; believes some labeling would be appropriate.

040 STEVE MCCOID, Oregon Food Industries: Alcohol content is a labeling concern to make salesperson aware. OLCC would have no purview over this. Requiring retailers to have

another license is a non-issue; they already have to have a license. States concern regarding subsection 2; sales to someone under 21. Misdemeanor penalty will prevent business selling it. Is in support of the bill and the concept; there probably is a market for it.

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090 SADLER: Wants to assure committee the two provisions suggested are okay, i.e., labeling alcohol content, and selling through stores that already have beer and alcohol license. Thinks commission should consider taking a look at the overall problem with the strict rules in Oregon. Supports the two amendments and will help redraft the language if desired.

119 SEN. MCCOY: Are the stores selling the jam in violation of current OLCC requirements?

127 SADLER: Probably through innocence; called BATF and asked about Oregon law and was given the wrong information. Only after talking with OLCC did he discover the restriction.

The BATF is unaware they are in violation.

147 SEN. MCCOY: A danger can exist.

160 SEN. DUKES: Has concern because of amount of alcohol; would like to hear more from OLCC. Refers to amendments.

177 SEN. MCCOY: Concern regarding lack of knowledge of what is out there.

185 CHAIR: Asks OLCC to talk with SADLER; coordinate through FULLER.

195 CHAIR: Closes PUBLIC HEARING on SB 550.

199 CHAIR: Opens PUBLIC HEARING on HB 2095.

200 DARRELL FULLER: Gives an overview of the bill, and measure it amends.

WITNESS: Ed Graham, Board of Geologist Examiners

210 ED GRAHAM, Board of Geologist Examiners: Submits written testimony (EXHIBIT G). Gives history and reasons for the bill; it amends an oversight in the original 1977 legislation and clarifies.

256 CHAIR: How many engineering geologists in Oregon?

257 GRAHAM: Approximately 400 engineering geologists. They are registered professional geologists first, then they go on for further certification.  
259 CHAIR: How many geologists?

260 GRAHAM: About 1,100 geologists of which about 400 are also certified as engineering geologists.

269 GRAHAM: The testimony distributed included comments on HB 2135 which I was given to understand would also be heard, so I apologize for doubling up on the paper.

275 CHAIR: Closes PUBLIC HEARING on HB 2095.

285 CHAIR: Opens WORK SESSION on HB 2095.

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MOTION: SEN. LIM moves HB 2095 to floor with a DO PASS recommendation.

VOTE: MOTION CARRIES  
AYE: DUKES, LIM, KENNEMER  
NAY: NONE  
EXCUSED: DERFLER & MCCOY  
CARRIER: LIM

CHAIR: Closes WORK SESSION on HB 2095.

300 CHAIR: Adjourns the meeting at 4:50 p.m.

Submitted by,

Carol A. Smith  
Committee Assistant

Reviewed by,

Darrell W. Fuller  
Committee Administrator

#### EXHIBIT SUMMARY:

A - Testimony, SB 462 - Johanna Witzig, Assistant to Sen. Mae Yih, - 5 pages

B Testimony, SB 462 - Eileen Rasmussen and requestors - 14 pages

C - Testimony, SB 462 - Senator Ron Cease - 1 page

D - Testimony, SB 462 - Marcia Martin - 3 page

E - Testimony, SB 550 - Richard Sadler - 7 pages

F - Testimony, SB 550 OLCC - 1 page

G - Testimony, HB 2095 - Ed Graham, Board of Geologist Examiners - 1 page

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