

SENATE COMMITTEE ON
BUSINESS AND CONSUMER AFFAIRS

Hearing Room
Tapes , 40

MEMBERS PRESENT:

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

MEMBER EXCUSED:

Sen. William McCoy

STAFF PRESENT:

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

MEASURES HEARD:

SB 473: Public Hearing
SB 544: Public Hearing
HB 2135: Public Hearing and Work Session
HB 2094: Introduction of proposed amendments

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 , A

002 CHAIR KENNEMER: Calls the meeting to order at 3:10 as a subcommittee until others arrive. (SENATORS DUKES and DERFLER have not arrived; SEN. MCCOY is excused.)

003 CHAIR: Opens PUBLIC HEARING on HB 2135.

WITNESS: Ed Graham, Board of Geologist Examiners

004 ED GRAHAM, Board of Geologist Examiners: Submits written testimony (EXHIBIT*). Explains purpose of the bill; Board has no authority to act until it gets to gross negligence.

014 CHAIR: This will increase your authority rather than decrease it?

015 GRAHAM: Yes, it will.

013 (3:15 p.m. - SEN. DERFLER joins the meeting.)

014 CHAIR: Announces now in full committee hearing for HB 2135.

028 SEN. LIM: What kind of fraud, deceit and negligence are we talking about?

030 GRAHAM: Gives an example. The Board occasionally will encounter an individual who will tailor a geological report to fit the developer's application.

(3:18 p.m. SEN. DUKES joins the meeting.).

044 SEN. DERFLER: Asks for clarification of negligence versus gross negligence.

054 CHAIR: Elaborates on the witnesses answer.

058 GRAHAM: Responds to question from SEN. DERFLER. They have the authority to discipline, however they don't have the authority to address ordinary negligence.

066 SEN. LIM: Where do we find the definition of negligence and gross negligence?

068 GRAHAM: Explains that first they rely on Black's Law Dictionary then through administrative hearings in the Attorney General's Office.

075 SEN. DUKES: Maybe they just made a mistake.

080 GRAHAM: Elaborates for SEN. Dukes. It would have to be known to the individual.

088 SEN. DERFLER: How much of a problem in numbers?

092 GRAHAM: Explains and states a hearing would be needed to determine that.

101 CHAIR: Remarks regarding threshold level; creates flexibility to help avoid something more serious. The complaints are filed and valid, but are unable to do anything as far as enforcement.

000 CHAIR: Closes PUBLIC HEARING on SB 2135.

000 CHAIR: Opens WORK SESSION on SB 2135.

114 MOTIONS: SEN. LIM Moves SB 2135 to the floor with a DO PASS recommendation.

VOTE: MOTION CARRIES

AYES: DERFLER, DUKES, LIM & KENNEMER

NAY: NONE

EXCUSED: MCCOY

CARRIER: LIM

000 CHAIR: Closes WORK SESSION on HB 2135.

148 CHAIR: Opens PUBLIC HEARING on SB 544

WITNESSES: Robin White, Portland Building Owners and Managers Association

Glenn Havener, Oregon Building Officials Association

Burton Weast, Plumbing & Heating Contractors

Gary Wright, Local 290

Peter Grundfossen, Associated Oregon Housing Authorities

Eugene Organ, Oregon Disabilities Commission

John Gervais, National Electrical Contractors Association

148 ROBIN WHITE, Portland Building Owners and Managers Association: Submits written testimony (EXHIBIT *) on behalf of BILL CROSS. Explains the bill from Building Codes Division perspective. Cites Americans with Disabilities Act, The Commercial Energy Code and others directly impacting the development of commercial office buildings.

175 WHITE: Refers to a an earlier task force, point of view brought out. Believed it made for a balanced discussion. Problems inherent in buildings are known to people familiar with the buildings. Gives example of person who is an expert on Americans with Disabilities Act at Boeing Aircraft.

230 GLENN HAVENER, Oregon Building Officials Association: Addresses building codes, and boards, building officials. Plumbing Board does not want to share that seat on the board.

277 PETER GRUNDFOSEN, Association of Oregon Housing Authorities: Speaks in support of SB 544. The policies of Building Codes Structures Board impinge on what we do. Our issues do relate more broadly to multiple family

dwellings. Refers to ROBIN WHITE's verbal testimony.

305 EUGEN ORGAN, Executive Director of Oregon Disabilities Commission:
Submits written testimony (EXHIBIT
*). We currently have a member serving on the Structural board and this
particular bill would include representation
on the Electrical Elevators Board. We are the organization that has been
given responsibility for coordinating the
implementation of the ADA and we support it.

345 BURTON WEAST, Plumbing and Heating Contractors: Voices concern with
issues to do with the plumbing
board. Questions where do we stop with advisory boards. Refers to SB 35.
Refers to ROBIN WHITE's testimony on
advisory boards.

395 WEAST: Addresses concern regarding city and county taking over
implementation and later adding more people to
the boards.

435 GARY WRIGHT, Local 290, Plumbers and Pipefitters: Mirrors WEAST's
comments.

TAPE 40, SIDE A

002 WRIGHT: As a specialty board it needs to be just that. The building
official slot is a shared slot.

014 JOHN GERVAIS, Electrical Contractor's Association: Have tried to create
a diverse board. Refers to an area in the
bill, makes a suggestion, and gives reason behind it. States they now have
two elevator people on the board who have a
tremendous amount of expertise and feel they are well represented. Refers
to another part of the bill.

048 CHAIR: Closes the PUBLIC HEARING on SB 544

050 FULLER: Announces there is information in files referring to conflict
amendments on
HB 2094. Will have a work session to recall bill and make necessary
changes. .

060 CHAIR: Opens PUBLIC HEARING on SB 473

FULLER: Gives sponsor and overview of bill. States we have -1 amendments
to this bill.

WITNESSES:

Genoa Ingram Read, Oregon Association of Realtors
Scott Taylor, Oregon Association of Realtors
Frank Broderson, Oregon Association of Realtors
Morella Larsen, Real Estate Commission
Steve Hawes, Real Estate Commission

070 GENOA INGRAM-READ, Oregon Association of Realtors: Submits written
testimony (EXHIBIT **).
Explains the bill, regarding hours required. Brings brokers into continuing
education requirements. Expresses concern
regarding core courses, each group wants to make certain these requirements
are relative.

095 INGRAM-REED: Explains background of need; Cites information and refers
to her written testimony. States realtors
requested the requirements.

122 INGRAM-REED: Refers to past reciprocity agreements; had a problem with
Idaho. Is concerned we will jeopardize
our reciprocal agreements. Refers to two boards in Portland area that were
combined; refers to Ed Tyler's letter and
blue sheet in her written testimony. Gives Oregon's standing in continuing
education; wants to see brought up to the
standards in other states.

165 SCOTT TAYLOR, Oregon Association of Realtors: Submits written
testimony (EXHIBIT **). Teaches courses
in Oregon and in other states. Refers to 1983 versus today. Cites
comments and problems coming from sales people
and the problems created by brokers not keeping up. Gives reasons why the

educational requirements are getting harder. Makes remarks relative to CPA requirements, bar requirements, et cetera.

215 TAYLOR: Gives reasons why he is unable to recruit people for his classes. Says it isn't him that suffers, it is others. Explains hardship of others in teaching area.

263 CAROL DUZOIS, Oregon Association of Realtors: Chaired Continuing Education Task Force. Explains support for bill, refers to most people's largest investment, etc. etc. etc. etc. wants to protect and take care of the public.

290 DUZOIS: Refers to members surveys, doesn't tell what percentage of answers make up this response. Says realtors just don't care.

310 SEN. DERFLER: States he is a real estate licensee. Asks whether people who don't continue education are the ones causing the problem.

325 DUZOIS: States the problems committed by salespeople are not being caught by brokers.

334 SEN. DERFLER: Is reciprocity going to cure the problem?

340 DUZOIS: We want a balanced core group of education.

348 SEN. DERFLER: If they take the hours and still have a problem, then what happens?

355 DUZOIS: If they do, we won't.

359 SEN. DERFLER: If not, then what kind of enforcement?

365 DUZOIS: This won't clear the problem, but will help.

380 FRANK BRODERSON, Oregon Association of Realtors: Submits written testimony (EXHIBIT **). Gives anecdotal evidence of surveys given at seminars, states respondents overwhelmingly said they were the problem.

008 TAPE 39, SIDE B

010 BRODERSON: Gives example of going to lunch as a continuing education requirement.

011 BRODERSON We just want to help you, the public.

026 MORELLA LARSEN, REAL ESTATE COMMISSIONER:. With the -1 amendments we can support the bill. Refers to an area in the bill, regarding hours for property managers. You will have individuals needing different levels of education. Can do this under property management or sales people. Refers to Page Two explains changes needed there. For brokers it would step up to 30 hours every year. Explains the language; just discovered this afternoon.

058 SEN. DERFLER: What do you mean by forced?

063 LARSEN: Responds to the question.

(CHAIR KENNEMER returns to the meeting.)

073 SEN. DERFLER: Have you had lots of complaints about forms not being filled out properly?

078 LARSEN: Yes, there were lots of problems. Just a brave new world; had to get used to agent status under the new agency disclosure law.

097 **LARSEN: This law the broker is still responsible for what, refer to tape. responds to another from SEN. DERFLER this is not in all fairness a priority problem.

120 SEN. DERFLER: Expands on same question and subject. Refers to sale associates; licenses; etc. How are you going

to keep their interest?

131 LARSEN: Yes, this has been a problem; the topics have been the same.

(CHAIR KENNEMER: Leaves the meeting at 4:12 p.m. VICE-CHAIR LIM now presides over the meeting.)

LARSEN: They could use a long laundry list..

155 DERFLER: How many classes are your going to have to design. Gives a suggestion. *SEE TAPE**problem with.

166 LARSEN: Would be up to brokers to enforce. We would be developing the core list of topics.

176 SEN. DERFLER: I did introduce this bill, but I have some concerns, if we have trouble with brokers not doing their job.
I did not realize **REFER TO TAPE**

195 VICE-CHAIR LIM: Someone might be less qualified, or overly qualified; for instance a lawyer/broker. Is it possible to just take the examination?

208 LARSEN: There is no examination. They do it at lunch, normally. The classes could be cross-educational for the people. Refers to core 15; states others are elective.

221 VICE-CHAIR LIM: Don't you think our state is going beyond the requirements of the other states?

225 LARSEN: States she hasn't seen the chart. (Is handed a copy by committee staff) Makes comments regarding altering the hours and bringing in the brokers.

241 VICE-CHAIR LIM Closes PUBLIC HEARING on SB 473

VICE-CHAIR LIM: Adjourns the meeting at 4:30 p.m.

Submitted by, Reviewed by,

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

EXHIBIT SUMMARY:

A - Proposed amendments to HB 2094 (-1)
HB 2135: Testimony - Edward B. Graham, Board of Geologist Examiners-1 page
SB 544: Eugene Organ, Oregon Disabilities Commission-1 page
SB 473: Genoa Ingram Read- ??pages
SB 473 Scott Taylor - 1 page
SB 473: Frank Brodersen - 1 page
SB 473: Carol Duzois - 2 pages