

SENATE COMMITTEE ON  
LABOR AND GOVERNMENT OPERATIONS

April 19, 1995 Hearing Room B  
8:00 AM Tapes 138 - 141

MEMBERS PRESENT:

Sen. Gene Derfler, Chair  
Sen. Bob Kintigh  
Sen. Neil Bryant  
Sen. Bill McCoy  
Sen. Randy Leonard

MEMBER EXCUSED:

STAFF PRESENT:

Rita Thomas, Committee Counsel  
Glenda Fields, Committee Assistant

MEASURES HEARD:

SB 706 WORK SESSION  
HB 2111 WORK SESSION  
SB 799 WORK SESSION  
SB 1047 PUBLIC HEARING / WORK SESSION  
HB 2554 PUBLIC HEARING / WORK SESSION  
HB 2237 PUBLIC HEARING  
HB 2318 PUBLIC HEARING / WORK SESSION  
HB 2988 PUBLIC HEARING / WORK SESSION  
HB 2583 PUBLIC HEARING / 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 138, A

006 CHAIR DERFLER: Calling meeting to order at 8:05 AM.

007 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2583.

012 LANA BUTTERFIELD: Presenting HB 2583.

020 BILL MARCOUX: Loyds of London, testifying in favor of HB 2583 (EXHIBIT  
A).

048 SEN. MCCOY: Do we have a statement from the Insurance Commissioner?

064 JIM GARDNER: NW Physicians, testifying in favor of HB 2583.  
070 CHAIR DERFLER: Closing PUBLIC HEARING on HB 2583.  
075 CHAIR DERFLER: Opening PUBLIC HEARING on SB 706.  
079 JOHN MCCULLY: Fruit Tree Growers, testifying on SB 706 (EXHIBIT B).  
100 RITA THOMAS: Reading letters into the record (EXHIBIT C & D).  
106 CHAIR DERFLER: Closing PUBLIC HEARING on SB 706.  
109 CHAIR DERFLER: Opening WORK SESSION on SB 706.

MOTION: SEN. KINTIGH moves that the Committee accept the SB 706-1 AMENDMENTS.

HEARING NO OBJECTIONS the SB 706-1 AMENDMENTS are ACCEPTED by the Committee.

MOTION: SEN. KINTIGH moves that SB 706 as AMENDED be moved to the Senate floor with a DO PASS recommendation.

VOTE: 3-1  
AYE: Bryant, Kintigh, Derfler  
NO: McCoy  
SEN. WALDEN will carry the bill.

118 SEN. MCCOY: Stating opposition for the record.  
128 CHAIR DERFLER: Closing WORK SESSION on SB 706.  
129 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2318.  
130 KEVIN MANNIX: Testifying on HB 2318.  
165 SEN. MCCOY: Could you explain the conflict of being a state or federal employee while serving in the National Guard?  
185 SEN. KINTIGH: Is the final criteria where their pay check comes from?  
220 MIKE CALDWELL: OR Nat. Guard, testifying in favor of HB 2318.  
260 LYNN ASHCROFT: OR Military Dept., testifying in favor of HB 2318.  
300 LYNN ASHCROFT: Explaining the roles of the National Guard.  
345 LYNN ASHCROFT: The National Guard should have the rights, remedies and benefits of every other soldier.  
362 SEN. MCCOY: When are you under title 10 or 32?  
395 CHAIR DERFLER: Closing PUBLIC HEARING on HB 2318.  
398 CHAIR DERFLER: Opening WORK SESSION on HB 2318.

MOTION: SEN. MCCOY moves HB 2318 to the Senate floor with a DO PASS recommendation.

VOTE: 4-0

AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. MCCOY will carry the bill.

418 CHAIR DERFLER: Closing WORK SESSION on HB 2318.

420 CHAIR DERFLER: Opening WORK SESSION on HB 2111.

421 RITA THOMAS: Explaining amendment to HB 2111.

MOTION: CHAIR DERFLER moves that the Committee Accept the HB 2111-A2 AMENDMENT.

HEARING NO OBJECTIONS the HB 2111-A2 AMENDMENT is ACCEPTED by the Committee.

MOTION: SEN. KINTIGH moves HB 2111-A as AMENDED to the Senate floor with a DO PASS recommendation.

VOTE: 4-0  
AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. LEONARD will carry the bill.

442 CHAIR DERFLER: Closing WORK SESSION on HB 2111.

445 CHAIR DERFLER: Opening WORK SESSION on SB 799.

450 RITA THOMAS: Explaining SB 799.

MOTION: SEN. KINTIGH moves the SB 799-1 AMENDMENTS be ACCEPTED by the Committee.

HEARING NO OBJECTIONS, the SB 799-1 AMENDMENTS are ACCEPTED by the Committee.

MOTION: SEN. KINTIGH moves SB 799 as AMENDED to the Senate floor with a DO PASS recommendation.

VOTE: 4-0  
AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. SHANNON will carry the bill.

TAPE 139, A

030 CHAIR DERFLER: Closing WORK SESSION on SB 799.

031 CHAIR DERFLER: Opening PUBLIC HEARING on SB 1047.

040 RITA THOMAS: Explaining the bill.

044 BRAD HIGBEE: Testifying in favor of SB 1047 (EXHIBIT F & G).

083 BRAD HIGBEE: Explaining amendments to SB 1047.

090 JACK MONROE: Testifying in favor of SB 1047.

117 JIM CRAVEN: American Electronics Assn., testifying in favor of SB 1047.

125 SEN. MCCOY: These amendments are not in the proper form.

133 BRAD HIGBEE: Explaining amendments.

147 SEN. MCCOY: My problem is with Section 2 A.

173 CHAIR DERFLER: Closing PUBLIC HEARING on SB 1047.

175 CHAIR DERFLER: Opening WORK SESSION on SB 1047.

MOTION: SEN. BRYANT moves that the SB 1047 proposed AMENDMENTS in the hand engrossed bill be ACCEPTED by the Committee.

HEARING NO OBJECTIONS the proposed AMENDMENTS to SB 1047 are ACCEPTED by the Committee.

MOTION: SEN. BRYANT moves SB 1047 as AMENDED to the Senate floor with a DO PASS recommendation.

VOTE: 4-0  
AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. BRYANT will carry the bill

190 CHAIR DERFLER: Closing WORK SESSION on SB 1047.

193 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2554.

199 REP. TIERNAN: Explaining HB 2554.

234 REP. TIERNAN: Discussing complaints he has received about government waste.

260 SEN. MCCOY: Was that a state employee? What happened to him?

295 REP. TIERNAN: It is frustrating for me to receive calls of complaints and I can not do anything about it.

318 CHAIR DERFLER: How would the public be made aware of this hot line?

340 CHAIR DERFLER: Does the Secretary of State have the right to sanction an agency?

360 MIKE GREENFIELD: Deputy, Sec of State, testifying in support of HB 2554.

370 SEN. KINTIGH: I am confused why we need this bill if we already have a hot line.

390 MIKE GREENFIELD: Having the legislatures support is a big help. With this bill complaints can be followed up.

410 SEN. MCCOY: Do you want this bill Mike?

416 SEN. KINTIGH: Will this hot line be for public complaints about state

agencies customer service.

TAPE 138, B

023 CHAIR DERFLER: Closing PUBLIC HEARING on HB 2554.

024 CHAIR DERFLER: Opening WORK SESSION on HB 2554.

MOTION: SEN. KINTIGH moves HB 2554 to the Senate floor with a DO PASS recommendation.

VOTE: 4-1  
AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. BRYANT will carry the bill.

029 CHAIR DERFLER: Closing WORK SESSION on HB 2554.

030 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2988.

039 HASINA CASSIM: OFCA/OFDDA, testifying in favor of HB 2988.

054 SCOTT ALVORD: Sunriver Fire Dept., testifying in favor of HB 2988

100 SCOTT ALVORD: Explaining the certificate process.

116 ROBERT KING: BPSST, testifying in favor of HB 2988.

127 REP. LUKE: Testifying in favor of HB 2988.

132 CHAIR DERFLER: Closing PUBLIC HEARING on HB 2988.

133 CHAIR DERFLER: Opening WORK SESSION on HB 2988.

MOTION: SEN. KINTIGH moves HB 2988 to the Senate floor with a DO PASS recommendation.

VOTE: 4-0  
AYE: Bryant, Kintigh, McCoy, Derfler  
NO: None  
SEN. BRYANT will carry the bill.

138 CHAIR DERFLER: Closing WORK SESSION on HB 2988.

140 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2237.

150 REP. LUKE: Testifying on HB 2237 (EXHIBIT I).

200 REP. LUKE: The CCB Board voted to oppose this bill.

248 CHAIR DERFLER: Can anyone sign up as an independent contractor?

274 REP. LUKE: Explaining possible situation of general contractor being liable because of violation of sub contractor.

310 RITA THOMAS: Explaining conflict amendment - HB 2237-4.

320 CHRIS DAVIE: SAIF, explaining other bills that have passes this session

that are in conflict (EXHIBIT J).

371 CHRIS DAVIE: Discussing Amendment.

400 FRED VAN NATTA: Homes Builder's, testifying in favor of HB 2237 (EXHIBIT K).

450 FRED VAN NATTA: Explaining blue chart.

TAPE 139, B

040 FRED VAN NATTA: Explaining who is responsible for worker's compensation.

071 FRED VAN NATTA: Discussing how many contractors can work on a job at the same time.

105 FRED VAN NATTA: This issue is only a problem when there is an injury and someone raises the question of responsibility.

137 CHAIR DERFLER: Is that legal?

160 SEN. BRYANT: If you have 2 independent contractors working together, would one of them be considered the employee of the other?

176 CHAIR DERFLER: If you have 3 independent contractors working on the same job do you have a workers compensation issue?

184 FRED VAN NATTA: No, it would be a violation of the code but not a workers compensation issue.

199 SEN. BRYANT: Was there any consideration of the size of the job?

240 FRED VAN NATTA: Discussing the family member exemption.

280 TOM BERRY: NW Natural Gas, testifying in favor of HB 2237.

290 Carla Kelley: Legal Counsel, NW Natural Gas, testifying in favor of HB 2237 (EXHIBIT L).

340 TOM KELLY: Construction Contractors Board, testifying on HB 2237 (EXHIBIT M).

400 TOM KELLY: Reading letter from Atiyeh Brothers.

435 SANDRA. BISHOP: Independent Contractors Research Institute, testifying in favor of HB 2237 (EXHIBIT N).

TAPE 140, A

050 SANDRA BISHOP: Continuing testimony on HB 2237.

086 SANDRA BISHOP: Discussing letter sent out by Mr. Kelly to non-exempt employees (EXHIBIT O).

130 MARY MANN: President, Independent Contractors, testifying against HB 2237 (EXHIBIT P).

180 MARY MANN: Questioning section of bill that deals with number of  
contractors that can be on a job at the same time.

220 MARY MANN: This is not just a problem for construction employers.

275 MARY MANN: I did a study on this and no other state has a law like  
this. Other states only regulate contractors for the purpose of worker's  
compensation.

305 JOHN CRUTCHER: Best Plumbing, testifying against HB 2237.

313 BONNIE SULLIVAN: Testifying against HB 2237 (EXHIBIT Q).

350 BONNIE SULLIVAN: Continuing testimony.

400 BONNIE SULLIVAN: Motivation is a key factor in getting the job done.

425 BOB SHIPRACK: Testifying on HB 2237.

474 BOB SHIPRACK: Telling the history of HB 2237.

TAPE 141, A

044 BOB SHIPRACK: The independent contractor bill we passed deals with all  
employers in this state.

085 BOB SHIPRACK: Non-complying employers cost the state millions of  
dollars.

090 CHAIR DERFLER: This has been a problem for years.

125 CHAIR DERFLER: Closing PUBLIC HEARING on HB 2237.

132 CHAIR DERFLER: Opening WORK SESSION on HB 2583.

134 CHAIR DERFLER: Presenting letter from Commissioner (EXHIBIT S).

MOTION: SEN. BRYANT moves HB 2583 to the Senate floor with a DO PASS  
recommendation.

VOTE: 4-0

AYE: Bryant, Leonard, Kintigh, Derfler

NO: None

SEN. DERFLER will carry the bill.

138 CHAIR DERFLER: Closing WORK SESSION on HB 2583.

140 CHAIR DERFLER: Opening PUBLIC HEARING on HB 2237.

142 TOM MATTIS: Workers' Compensation Division, testifying on HB 2237  
(EXHIBIT R).

182 TOM MATTIS: Discussing the "conclusive presumption" in Section 2.

190 CHAIR DERFLER: How would an employee who felt he was coerced into  
filing as an independent contractor handle an injury situation?

220 CHAIR DERFLER: How would you handle an employee who had a permanent

disability and said they were coerced.

125        TOM MATTIS: If they registered as an independent contractor, they would  
have no recourse but to test us in the courts.

250        CHAIR DERFLER: Closing PUBLIC HEARING on SB 2237.

251        CHAIR DERFLER: Meeting is adjourned at 10:45 AM.

Submitted by,    Reviewed by,

Glenda Fields    Rita Thomas  
Committee Assistant      Committee Counsel

#### EXHIBIT SUMMARY:

A - Testimony on HB 2583 - William Marcoux, Loyds of London - 3 pages  
B - Hand Engrossed SB 706 - John McCulley - 4 pages  
C - Testimony on SB 706 - Peggy Collins, Building Codes - 1 pages  
D - Testimony on SB 706 - Ron Anderson, IECO - 1 page  
E - Testimony on SB 2111A - Dick Van Pelt, Employment Dept. - 3 pages  
F - Testimony on SB 1047 - James Davis, Argonaut - 2 pages  
G - Testimony on SB 1047 - Philip Grattan, Marsh & McLennan - 2 pages  
H - Testimony on HB 2988 - Burton Weast, Oregon Fire Chiefs - 4 pages  
I - Testimony on HB 2237 - Representative Luke - 5 pages  
J - HB 2237 Hand engrossed amendments - Chris Davie, SAIF - 2 pages  
K - Charts on HB 2237 - Fred Van Atta - 2 pages  
L - Testimony on HB 2237 - Carla Kelley, NW Natural Gas - 1 page  
M - Testimony on HB 2237 - Tom Kelly, Construction Contractors Board - 2  
pages  
N - Testimony on HB 2237-A - Sandra Bishop, ICRI - 24 pages  
O - Letter from Tom Kelly - Sandra Bishop, Independent Contractors Research  
- 1 page  
P - Testimony on HB 2237-A - Mary Mann, Independent Contractors - 4 pages  
Q - Testimony on HB 2237-A - Bonnie Sullivan, Sullivan's Carpet Service - 2  
pages  
R - Testimony on HB 2237-A - Tom Mattis, Worker's Comp. Division - 3 pages  
S - Letter RE HB 2583 from Kerry Barnett, Dept. of Consumer and Business  
Services - Lanna Butterfield - 1 page