

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON BUSINESS

January 27, 1993 Hearing Room F 8:30 a.m. Tape 14-16

MEMBERS PRESENT: Rep. Bob Repine, Chair Rep. Lisa Naito Rep. Hedy Rijken Rep. Liz VanLeeuwen Rep. Cindy Wooten

STAFF PRESENT: Jan McComb, Committee Administrator Annetta Mullins, Committee Coordinator

ISSUES DISCUSSED: Public Utility Commission overview Board of Accountancy overview Appraiser Certification and Licensure Board overview Building Codes Agency overview

[--- Unable To Translate Graphic ---]

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. [--- Unable To Translate Graphic ---]

TAPE 14, SIDE A

002 CHAIR REPINE: Calls the meeting to order at 8:38 a.m.

PUBLIC UTILITY COMMISSION OVERVIEW

020 RON EACHUS, Chair, PUC, JOAN SMITH, Commissioner and ROGER HAMILTON, Commissioner: Overview of the Public Utilities Commission and their general responsibilities.

MR. EACHUS explains they are the only three-member governing commission and are funded through "other Funds". -The total budget is \$66 million. -Functions are to regulate private energy and telecommunications utilities, and to collect the weight mile tax, regulate trucking safety and regulate intrastate trucking rates and entry in area of transportation. -The agency is quasi-judicial. Decisions are appealable through the courts. -Basic responsibility is to protect the customer and provide just and reasonable rates. -Two major obligations: to protect against unfair rates and discrimination and to provide opportunity to utilities for a fair return on investment. -Reviews packet of materials (EXHIBIT A) on regulated utilities.

079 REP. VANLEEUEWEN: Who regulates the public utilities?

MR. EACHUS: They are not regulated by the PUC.

115 REP. NAITO: Are you the entity that would look into the issue of electromagnetic radiation?

MR. EACHUS: It tends to be more of a health issue than a electrical safety.

217 REP. VANLEEUEWEN: Do you want US West to share trunk lines with the other independents?

MR. EACHUS: We are talking about enhanced services. The competitive provider can pick and choose what they want to provide. Unless the services are broken down into the basic elements the competitor is put in a position of buying the entire package in order to provide the service.

263 REP. VANLEEUEWEN: Does US West agree with what you are doing?

MR. EACHUS: They are participating in the process and taking a leadership role in the workshops.

283 REP. WOOTEN: How do local government fit in in terms of franchise fees? Do you regulate that portion of the access to the network system?

MR. EACHUS: PUC does not regulate the franchise fees set by the local governments. The only thing we determine is how much of the franchise fee would be spread among the rate payers of US West. There is definition of revenue; the franchise fee legislation specifies the revenue upon which the fees can be assessed.

315 REP. WOOTEN: What is an example of a competitor or unbundled service? As we expand the infrastructure system, are each of these services available for a fee from the local government for every service on the network?

331 MR. EACHUS: An example would be an information service offered, access to a bulletin board or voice messaging.

TAPE 15, SIDE A

003 MR. EACHUS reviews their 1993 objectives and proposed legislation, beginning on page 16 (EXHIBIT A).

085 CHAIR REPINE: Do you regulate cellular phones?

MR. EACHUS: We do not.

Continues with testimony.

179 CHAIR REPINE: What is the amount generated by the 25 cent surcharge.

MR. EACHUS: \$6.3 million biannually from the telephone access line assessment.

233 CHAIR REPINE: Is there anything we should be looking at, such as the ADA through other access for physically limited individuals?

MR. EACHUS: We have already expanded the base of access for the relay program. We are now looking at options if the relay system go to the 25 cents. We could find ourselves, in the future, pushing the 25 cent limit. At that time, we will have to determine if there is some more appropriate way to fund the program or to control costs.

283 REP. WOOTEN: How do we anticipate from a public interest point of view, the expanding and changes in the future?

293 MR. EACHUS: That is why we are requesting additional authority and discretion. It is difficult to anticipate anything other than the

fact that we know there will probably be increased local competition. We are approaching this in two ways: 1) through the rule making and workshops regarding open network architecture; and 2) setting up a framework to manage competition as it increases.

388 MR. EACHUS: Reviews the PUC budget.

TAPE 14, SIDE B

OVERVIEW OF BOARD OF ACCOUNTANCY

030 KAREN DELORENZO, ADMINISTRATOR, OREGON STATE BOARD OF ACCOUNTANCY: Introduces Carol Rives, Chair of the Board of Accountancy. -Submits and reviews overview of the State Board of Accountancy (EXHIBIT B).

088 REP. NAITO: What are the differences in qualifications for a PA and a CPA?

MS. DELORENZO: Certified Public Accountants must take the National Uniform CPA Exam. In addition to passing the exam they must also have two years of public accounting experience. -Public Accountant's have to take two parts of the four part exam and are only required to have one year of public experience. -Both of the classes of licensees have the exact same scope of practice.

190 CHAIR REPINE: What prompts 100 people to not move forward to the next level of excellence?

MS. DELORENZO: The 100 people would like to be grandparented as CPA's. Some are very close to being CPA's and other do not find it necessary for their business to have the title of CPA.

Continues testimony.

219 SB 166, recommended by the Governor, making this professional licensing board along with most other professional licensing boards, semi-independent. -SB 167 moves some agencies into the Department of Business and Consumer Services and SB 166 takes the Professional Licensing Boards and puts them on the outer circle of state government.

243 CHAIR REPINE: What are most of the complaints about?

MS. DELORENZO: Most complaints are driven by poor communication by the client and the licensee.

250 CHAIR REPINE: Is there a regulatory relationship with your agency and the tax preparers.

MS. DELORENZO: CPA's and PA's do tax preparation and are totally under the Accountancy Board's jurisdiction. Anyone else doing tax preparation in the state, with the exception of attorneys doing it for client only, has to be regulated by the tax board.

322 CHAIR REPINE: Recesses the meeting at 9:56 a.m.

Reconvenes the meeting at 10:02 a.m.

328 CAL HENRY, ADMINISTRATOR, APPRAISER CERTIFICATION AND LICENSURE BOARD: Submits and reviews an overview of the appraiser

certification program, a newsletter and budget information (EXHIBIT C).

TAPE 15, SIDE B

001 HENRY: Continues testimony. 091 REP. RIJKEN: What is the federal base at which an appraisal must be done.

MR. HENRY: There is no minimum level in Oregon. Every type of real estate appraisal activity has to be performed by a licensed or certified appraiser.

100 REP. WOOTEN: Can you comment on freezing property assessment on the market place or the impact it may have on appraisers?

113 MIKE CLARK, CHAIR, BOARD OF APPRAISER CERTIFICATION AND LICENSURE BOARD: The Board, as a regulatory agency, has no effect in this area. Any freeze on property values would not negatively impact the appraisal industry. They would continue to appraise property at market value.

148 REP. REPINE: Expresses concern with the fees generated in the agency. -Questions the shortness of FTEs and the excess of half-million dollars. Did you go to the E-Board?

MR. HENRY: The E-Board turned the request down in April.

177 MR. CLARK: We went to the E-Board twice. We have had a number of complaints. This complicated our lives and we remain with the problems.

225 CHAIR REPINE: 174 complaints on file. What is the nature and process on complaints.

MR. HENRY: Anyone can file a complaint. Complaints deal with people disagreeing with value, violations of the law, uniform practices, and ethical violations.

269 CHAIR REPINE: What is your position on the proposal to move the agency.

MR. HENRY: The Board should be totally independent of any regulated functions.

MR. CLARK: The Board took a position; they are concerned with their independence and the enforcement aspects.

CHAIR REPINE requests criteria used by the agency for evaluation of complaints.

BUILDING CODES AGENCY OVERVIEW

382 GARY WICKS, ADMINISTRATOR, BUILDING CODES AGENCY: Submits and reviews an overview of the agency programs, budget and proposed program changes (EXHIBIT D).

TAPE 16, SIDE A

282 CHAIR REPINE adjourns the meeting at 10:56 a.m.

Submitted by:

Reviewed by:

Debbie Schieno
Administrator

Janet McComb Clerk

EXHIBIT LOG:

A - Testimony on HB 2020 - name - # pages B - Testimony on HB 2020 -
name - # pages C - Amendments to HB 2021 - name - # pages