

HOUSE COMMITTEE ON COMMERCE SUBCOMMITTEE ON LABOR

May 25, 1993 Hearing Room D 8:30 a.m. Tapes 121 - 122

MEMBERS PRESENT: Rep. John Watt, Chair

Rep. Lee Beyer Rep. Michael Payne

Rep. Charles Starr

Rep. Bob Tiernan

STAFF PRESENT: Marilyn Johnston, Committee Administrator Kristina
McNitt, Committee Assistant

MEASURES CONSIDERED: HB 3114 HB 2282 HB 3113 HB 2019

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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 121, SIDE A

010 CHAIR WATT calls the meeting to order at 8:35 a.m. and opens the public hearing on HB 3114.

HB 3114 - PUBLIC HEARING

Witnesses: Kim Mingo, Associated General Contractors Jack Pompei, Administrator, Oregon OSHA, Department of Insurance and Finance Greg Teeple, Oregon State Building Trades Council Gary Wright, Local 290, Plumbers and Pipefitters

The Preliminary Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT A).

010 MARILYN JOHNSTON, Administrator, explains the provisions of the bill.

018 KIM MINGO, Associated General Contractors, testifies in support of HB 3114. >the cost of renting the modern sanitation facilities is approximately five times the cost of chemical facilities used in 1975

044 JACK POMPEI, Administrator, Oregon OSHA, Department of Insurance and Finance testifies without taking a position on the bill. >would not see a problem by raising the dollar amount of the project >\$500,000 is a minimal project today

061 GREG TEEPLE, Oregon State Building Trades Council, testifies in

opposition to HB 3114. >has objection because more concern has been given to costs than health and safety issues. >offers to meet with contractor representatives to work out a compromise on the bill

126 GARY WRIGHT, Local 290, Plumbers and Pipefitters, testifies in opposition to HB 3114. >concerns are the health issues

142 CHAIR WATT requests that Mr. Wright work with Ms. Mingo and Mr. Teeple to work out a compromise on the bill.

146 CHAIR WATT closes the public hearing on HB 3114 and opens the public hearing on HB 2282.

(Tape 121, Side A) HB 2282 - PUBLIC HEARING

Witnesses: Gary Weeks, Dept. of Insurance and Finance John Butten, Ombudsman for Small Businesses, Department of Insurance and Finance

The Preliminary Staff Measure Summary, Legislative Revenue statement and news clippings are hereby made a part of these minutes (EXHIBIT B).

152 MS. JOHNSTON reviews the provisions of HB 2282.

162 GARY WEEKS, Director, Department of Insurance and Finance explains the purpose and operations of employee leasing companies. >nationally, last year there were about 1,200 leasing companies leasing over one million employees >it relieves small businesses of items that allow them to concentrate on their business operations >the downside is they operate in a near vacuum because there is no state or federal regulations. >some have collapsed leaving liabilities of unpaid medical and workers' compensation premiums and unpaid medical bills to the small employer; there are no guarantee funds >purpose of the bill is to assure that lease companies that operate in Oregon are not permitted to abuse the workers' compensation system by letting small employers with bad ratings go into them and escape their fair share of the workers' compensation system.

289 CHAIR WATT asks what the difference is between a leasing company and a temp and are the temps being regulated the way the department is proposing the leasing companies be regulated.

301 MR. WEEKS explains that temporary services lease their own employees generally for very short durations. Generally, they do not provide employee welfare benefit programs. This bill is not to regulate the temporary service people.

330 JOHN BUTTEN, Ombudsman for Small Businesses, Department of Insurance and Finance, points out that the temporary company does the hiring. In the leasing industry, in many cases, the client hires and channels the worker through the leasing company back to the work place. >Explains provisions of the bill and proposed amendments (EXHIBIT C).

423 CHAIR WATT requests that Mr. Butten have the amendments put in proper form prior to the next meeting.

TAPE 122, SIDE A

035 CHAIR WATT closes the public hearing on HB 2282 and opens a work session on HB 3114.

(Tape 122, Side A) HB 3114 - WORK SESSION

040 GREG TEEPLE, Oregon Building Trades Council, reports to the committee that he and Ms. Mingo have agreed upon a figure of \$1 million.

042 KIM MINGO, Associated General Contractors, confirms they have agreed to the \$1 million figure.

047 MOTION: REP. BEYER moves that HB 3114 be amended: in line 5 of the bill, delete "\$3" and insert "\$1".

053 VOTE: In a roll call vote, all members are present and vote AYE.

057 CHAIR WATT declares the motion PASSED.

058 MOTION: REP. BEYER moves that HB 3114, as amended, be sent to the Full Commerce Committee with a DO PASS recommendation.

070 VOTE: In a roll call vote, all members are present and vote AYE.

073 CHAIR WATT declares the motion PASSED. REP. STARR will lead discussion in the Full Commerce Committee.

(Tape 122, Side A) HB 3113 - PUBLIC HEARING

Witnesses: Ray Gribbling, Northwest Line Constructors Association Jack Pompai, Oregon OSHA, Department of Insurance and Finance

074 CHAIR WATT opens a public hearing on HB 3113.

The Preliminary Staff Measure Summary and Revenue Impact statement are hereby made a part of these minutes (EXHIBIT D).

075 MS. JOHNSTON gives an overview of the bill.

089 RAY GRIBLING, Northwest Line Constructors Association, submits and reads a prepared statement in support of HB 3113 and proposing amendments (EXHIBIT E).

165 Summary of discussion: >Inspector has 180 days in which to issue a citation

195 JACK POMPAI, Oregon OSHA, Department of Insurance and Finance: There are two different scenarios. One is the employer is notified at the site and 100 percent of the time they rectify the problem immediately. However, the agency has 180 day period to go back and research to see if this company is involved with repeats, wilful violations, probability of severity, company history. Opposes the bill because it could be worked out administratively; it is a management problem that a foreman on the site does not discuss with the general that there has been a visit by Oregon OSHA and possible citations and penalties.

250 Discussion continues about the feasibility of an immediate citation and penalty process similar to state police procedures.

324 REP. TIERNAN states he would propose that the 180 days be reduce to something more reasonable--30 or 45 days.

440 CHAIR WATT requests that the witnesses meet with him to further discuss the citation process.

445 MR. GRIBLING explains what can happen on the job site when a violation is identified.

476 CHAIR WATT declares the public hearing on HB 3113 closed and opens a public hearing on HB 2019.

(Tape 121, Side B) HB 2019 - PUBLIC HEARING

Witnesses: David Nebel, Oregon Legal Services
Christine Chute, Employment Division

The Preliminary Staff Measure Summary, Legislative Fiscal and Revenue statements, HB 2019-1 amendments, HB 2019-1 electronically-engrossed bill, HB 2019-2 amendments and HB 2019-2 electronically-engrossed bill are hereby made a part of these minutes (EXHIBIT F).

030 MS. JOHNSTON gives an overview of HB 2019 and reminds Chair Watt that Rep. Payne served on a work group on this bill, that the -1 amendments were proposed at the first hearing and that the -2 amendments are from the work group.

038 REP PAYNE: There is no fiscal impact on this measure. The work group has decided the -1 amendment is not applicable; the group would like to go ahead with the -2 amendments which says employment does not include child care services provided through Adult and Family Services Division. There are an estimated 10,000 child care providers who receive direct payments from AFS each month.

072 DAVID NEBEL, Oregon Legal Services, testifies in support of the -2 amendments to HB 2019.

097 REP. TIERNAN asks why the amendments include fraternity, sorority and clubs and not churches or other places where it would be natural to have child care.

100 MR. NEBEL responds he believes it may be a requirement of federal law. The other parts of the -2 amendments say child care services provided through AFS did not apply to services performed by non-profit employing units which may be part of the federal unemployment act.

CHAIR WATT asks if the lady who has been found to owe taxes will have to pay them.

143 CHRISTINE CHUTE, Employment Division: It is our opinion that Ms. Russins will not be relieved of the charges she has been found to be responsible for under this provision.

Discussion continues on coverage of providers of day care services to AFS clients.

202 CHAIR WATT closes the public hearing and opens the work session on HB 2019.

205 MOTION: REP. PAYNE moves that the HB 2019-2 amendments BE ADOPTED.

208 VOTE: In a roll call vote, all members present vote AYE.
REP. BEYER is EXCUSED.

213 CHAIR WATT declares the motion PASSED.

214 MOTION: REP. PAYNE moves that HB 2019, as amended, be
sent to the Full Commerce Committee with a DO PASS recommendation.

216 VOTE: In a roll call vote, all members present vote AYE.
REP. BEYER is EXCUSED.

221 CHAIR WATT declares the motion PASSED. REP. PAYNE will lead
discussion in the Full Committee.

223 CHAIR WATT closes the work session on HB 2019 and declares the
meeting adjourned.

Respectfully submitted,

Reviewed by,

Annetta Mullins
Coordinator

Marilyn Johnston
Administrator

EXHIBIT SUMMARY

A - HB 3114, Preliminary Staff Measure Summary and Legislative Fiscal
and Revenue statements, staff, 2 pp B - HB 2282, Preliminary Staff
Measure Summary, Legislative Revenue statement and news clippings,
staff, 4 pp C - HB 2282, prepared statement, John Butten, 2 pp D - HB
3113, Preliminary Staff Measure Summary and Revenue Impact statement,
staff, 2 pp E - HB 3113, prepared statement, Ray Gribbling, 2 pp F - HB
2019, Preliminary Staff Measure Summary, Legislative Fiscal and Revenue
statements, HB 2019-1 amendments, HB 2019-1 electronically-engrossed
bill, HB 2019-2 amendments and HB 2019-2 electronically-engrossed bill,
staff, 10 pp