

HOUSE COMMITTEE ON NATURAL RESOURCES ENVIRONMENT AND ENERGY SUBCOMMITTEE

June 8, 1993 Hearing Room D 6:30 p.m. Tapes 134 - 138

MEMBERS PRESENT: Rep. Bob Repine, Chair Rep. Marilyn Dell, Vice-Chair
Rep. Sam Dominy Rep. Bill Fisher Rep. Dennis Luke Rep. Nancy Peterson
Rep. Ray Baum

MEMBERS EXCUSED: Rep. Carl Hosticka Rep. Bill Markham

STAFF PRESENT: Kathryn Van Natta, Committee Administrator Karen
McCormac, Committee Clerk

MEASURES CONSIDERED: Work Session - HB 3667 - HB 3101

Public Hearing - HB 3177 - HB 3450 - HB 2130 - HB 2127

WITNESSES: DENNIS PROPST, Polk County Commissioner TED
MOLINARI, Citizen JIM CRAVEN, Oregon Council of the American Electronics
Association GARY WICKS, Administrator, Building Codes Agency ALAN
SEYMOUR, Building Codes Agency PAT BRIDGES, Director of Technology and
Codes, Oregon State Homebuilders Association LANA BUTTERFIELD, Northwest
Propane Gas Association

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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 ---]

TERRY WITT, Executive Director, Oregonians for Food and

Shelter TED HUGHES, Associated Business for Legislative Action BRYAN
DOHERTY, Western States Petroleum Association LARRY Von DOHERTY, Western
States Petroleum Association LARRY Von MOOS, City of Eugene MARTY
NELSON, Crow Valley Rural Fire Protection District LANE WINTERMUTE,
Fire Chief, City of Astoria Fire

Department JOHN ALTO, Petroleum Retailers of Oregon (PETRO) BILL
TUININGA, Board of Directors, Petroleum Retailers of Oregon (PETRO) BILL
MARBLE, Department of Revenue ROGER MARTIN, BP Oil FRED HANSEN,
Director, Department of Environmental

Quality LUCINDA MOYANO, Department of Justice DON CRUICKSHANK,
Associated Business for Legislative

Action (ABLA) JOHN BUCKINGER, President, Associated Business for

Legislative Action (ABLA) SUSAN BROWNING, Acting State Fire Marshal
DENNIS WALTHALL, Office of the State Fire Marshal JIM WHITTY, Associated

Oregon Industries JOHN DEER, Senior Inspector, Portland Bureau of Fire,

Rescue and Emergency Services TOM CARROLL, La Grande Resident TARI GLOCAR, Licensing and Permits Program Manager,

Office of the State Fire Marshal GARY UNDERWOOD, Bureau Manager, Office of the State Fire Marshal GROVER SIMMONS, Independent Adult Care Providers

Association; Independent Printing Association JOE GILLIAM, National Federation of Independent

Businesses FRED VAN NATTA, Oregon State Homebuilders Association

TAPE 134, SIDE A

005 CHAIR REPINE: Calls meeting to order at 6:37 p.m.

OPENS PUBLIC HEARING ON HB 3101

008 KATHRYN VAN NATTA, Committee Administrator: House Bill 3101 comes to us from Ted Molinari. We had a public hearing on the bill on June 2, and

at that time, the -1 amendments were discussed. Reads into the record a letter from 1000 Friends of Oregon in opposition to the bill dated June 8, 1993.

075 DENNIS PROPST, Polk County Commissioner: Polk's County's response to the -1 amendments are contained in our letter to legislative counsel

(EXHIBIT A). Ted Molinari will discuss his conversations with various departments, and will respond to the letter received from 1000 Friends of Oregon (EXHIBIT B), whose concerns we feel are addressed in the -1 amendments.

050 TED MOLINARI, Citizen: In the letter from 1000 Friends of Oregon, they state in the second paragraph that they don't believe it is necessary to have dwellings authorized outright in a wildlife conservation zone. We

believe the requirement that a parcel meet commercial agricultural or forestry requirements in a county's comprehensive plan makes it clear that this is not an outright provision. The purpose of the bill is to insure that a home will not be built where it could not already qualify.

A letter dated June 8, 1993 from the Oregon Department of Fish and Wildlife (ODFW) shows that they support the program (EXHIBIT C).

138 PROPST: If a parcel already has a home on it, another home cannot be placed on that parcel. This bill provides an option for

commercial

farmers and foresters to use their property in a different way.

147 MOTION: REP. BAUM: Moves the -1 AMENDMENTS (LC 2830), dated 4-16-93 to HB 3101.

150 CHAIR REPINE: Restates motion and calls for discussion.

156 REP. BAUM: Moves HB 3101 to the Full Committee on Natural Resources with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE HB 3101

AMENDMENTS (LC 2830), dated 4-16-93.

159 CHAIR REPINE: Restates motion and calls for discussion.

161 VOTE: REPS. BAUM, DELL, DOMINY, FISHER, LUKE, PETERSON and CHAIR REPINE vote AYE. REPS. HOSTICKA and MARKHAM are EXCUSED.

167 CHAIR REPINE: The motion CARRIES.

168 VAN NATTA: The committee has just received a copy of a letter dated June 8, 1993 from Richard Benner of the Department of Land Conservation and Development regarding HB 3101 and their concerns with the bill

(EXHIBIT D).

Additions to the record: HB 3101 Staff Measure Summary and Notice of Possible Revenue Impact

(EXHIBIT E) HB 3101 Hand-Engrossed with HB 3101-1 Amendments (LC 2830), 4-16-93

(EXHIBIT F)

172 CHAIR REPINE: CLOSES WORK SESSION ON HB 3101

OPENS PUBLIC HEARING ON HB 3177

175 VAN NATTA: House Bill 3177 is a vehicle for amendments from the Department of Environmental Quality and the State Fire Marshal's Office. This bill was in public hearing on June 3, but not all testimony was

heard due to time constraints. We have prepared a staff measure summary on the -2 amendments, and the projected fiscal impact statement for the -2 amendments should also be reviewed since it differs from the analysis for the original bill (EXHIBIT G).

On Line 13, Page 8 of the -2 amendments (EXHIBIT H), legislative counsel has brought to my attention that after the reference to ORS 465.131, it should continue with, "and Sections 162 to 168, Chapter 833 Oregon Laws 1989." Also, on Page 9, Section 10(2), this paragraph should reference

language in ORS 465.385(2)(b), regarding reporting to the legislative assembly and approval language, which was not included in the draft.

Section 15 of this bill is an emergency clause. This bill could be viewed as a tax measure, and to limit challenge to the bill, the emergency clause should probably be removed from these amendments.

246 JIM CRAVEN, Oregon Council of the American Electronics Association: Presents written testimony (EXHIBIT I) in opposition to HB 3177. Our

major concern is that the chemical companies not be left with the sole responsibility of funding the state's Orphan Site Account bond program.

290 REP. BAUM: How do you attempt to address that in this bill?

292 CRAVEN: There may be more equitable ways to address this issue. Without some other kind of contribution, the chemical companies are left holding the bag.

CLOSES PUBLIC HEARING ON HB 3177

OPENS WORK SESSION ON HB 3667

320 VAN NATTA: House Bill 3667 comes to us from Rep. Repine. This bill was in public hearing on June 2 and deals with windows. It has a minimal

fiscal impact and no revenue impact. There are currently -1, -2 and -3 amendments. We recently received the -4 amendments, which will now be under discussion.

357 REP. PETERSON: How do the -4 amendments differ from previous amendments?

361 VAN NATTA: The -1 amendments dealt with a reference to the two agencies other than the Building Codes Agency which can make changes to the Oregon Building Codes which deal with windows. The -2 amendments

provides that the U-value on windows is a minimum qualified value, and allows window manufacturers who voluntarily choose to show that their product has a higher thermal value to do so. The -4 amendments address the ability of the Building Codes Agency to allow more than five windows to be exempt, and to allow them rule-making authority to determine how to allow more than a small quantity of windows.

424 CHAIR REPINE: The Building Codes Agency has been discussing the issuance of stickers to be used for windows manufactured in limited runs which would show that the windows are outside of Oregon's efficiency

standards. This allows small-volume manufacturers to take an alternate

route.

TAPE 135, SIDE A

014 REP. PETERSON: I'm wondering whether someone will question what "produced in low volumes" means.

022 GARY WICKS, Administrator, Building Codes Agency: There are two issues dealt with in the adoption of energy conservation standards regarding

windows. One is the standards themselves, which were put into place after the Energy Conservation Board and the Construction Codes Advisory Board took two years looking at the costs and impacts of potential U-values of these windows. Those standards were adopted in early 1990 and went into effect January 1992. The other issue is the cost of testing. The window industry has agreed

there needs to be a fair and standardized way of testing windows. Most agree that we ought to use the National Fenestration Rating Council (NFRC) standards. The boards agreed, and determined that by January 1, 1994, all windows had to comply with those standards. Those tests involve some costs. If you produce 100,000 windows and pay for those tests spread over the total number of windows, you'll be in a better position than someone who produces 10 windows, but still needs to comply with those tests.

For small-volume manufacturers, manufacturers of specialty windows, or windows built to a specific standard, we will assign a value to the window. We will use a default table to determine a window's U-value, and this default could also be used for doors and skylights. Once or twice a year, a small-volume manufacturer could obtain labels from us, which is a substantial reduction in costs compared with NFRC compliance.

At this point, each manufacturer could obtain 750 labels annually, which we have determined is "low-volume." For doors, we have determined that between 300 - 500 labels could be issued, and for skylights, 1,000 labels.

102 REP. PETERSON: How did we go from 5 windows in the original bill to 750?

103 WICKS: We tried to obtain a reasonable balance between small and large-volume manufacturers, and arrived at 750 by talking to a

number of small-volume manufacturers.

124 REP. DOMINY: If someone redeveloped the Benson Hotel, could they put in 750 windows which are all alike and not have to meet standards?

127 WICKS: Standards are still being applied to these windows. Instead of undergoing the testing, however, we will use a default table which

assigns a U-value. The standards for the default table are based on testing which has been done around the country.

139 REP. DOMINY: How much more would it cost for a manufacturer to go ahead and go through the testing process?

146 WICKS: Most manufacturers have a lot of product lines, so testing costs would be substantial, probably several thousand dollars. The default

process would require \$1 or \$2 per window.

164 CHAIR REPINE: If someone was going to replace the windows in the Benson Hotel, they would probably want to certify those windows in order to

insure an unlimited number of windows for future use and replacement.

174 WICKS: Large-volume manufacturers would enjoy a competitive advantage with tested windows.

184 REP. LUKE: Will that 750 figure be sufficient?

190 WICKS: One manufacturer of specialty windows tells us that the 750 figure would cover all his low-volume windows for one year.

212 REP. FISHER: Doesn't this bill just simplify standards for small-volume manufacturers?

221 WICKS: The default tables represent medium values of windows, and might give the product a different value than windows tested by NFRC

standards. We're going to use average values to reduce the cost for low-volume manufacturers.

243 REP. DELL: Who is responsible if more than 750 windows are installed without labels or without testing?

258 ALAN SEYMOUR, Building Codes Agency: Administrative rules would allow us to control the number of labels which are given to manufacturers. A

tracking mechanism would inform us if more than 750 labels were sold to one manufacturer.

266 REP. DELL: Are there limitations regarding skylights?

290 SEYMOUR: There would be no testing, but a thermal standard would

still have to be met.

300 WICKS: Our proposal is not in the -4 amendments. Our approach was included in the -3 amendments, which mandates that the process is

completed by January 1. We're hoping to take it to the Energy Conservation Board by July 7.

342 WICKS: Refers to draft of proposed administrative rule (EXHIBIT J). The default table would be included.

381 REP. DELL: Have you seen the proposed rules?

383 CHAIR REPINE: I have not yet studied the draft. My assumption is that the -3 amendments have been carried out in the draft.

399 WICKS: That is true. I want to clarify a point made earlier today when a representative referred to windows for the Benson Hotel. What we're

addressing here is windows for residential construction, not for commercial construction. Commercial construction requires an entirely different mix of standards.

405 REP. FISHER: Questions "tripled layered acrylic" on Page 2, Line 11 of the -4 amendments. 417 SEYMOUR: I would recommend "triple layered acrylic."

422 CHAIR REPINE: That language was used in the original bill, which was drafted by legislative counsel.

423 REP. PETERSON: Do skylights not have to meet any standards as long as they meet this criteria?

437 CHAIR REPINE: The testing is waived, but a thermal performance criteria would still have to be adhered to.

TAPE 134, SIDE B

015 WICKS: We would still would use the default table, and assign a value.

Looking over the -4 amendments, we would have a problem with Section 1(4), which assigns skylights a default value which is not based on the default table, and which isn't related to performance standards.

034 CHAIR REPINE: Are the -3 amendments more acceptable?

035 WICKS: They are more consistent with what the default table would require for that type of window.

044 REP. PETERSON: Why was Section 1(4) added in the -4 amendments?

046 CHAIR REPINE: My intent was to get away from a technical discussion of U-values.

059 PAT BRIDGES, Director of Technology and Codes, Oregon State Homebuilders Association: Skylights are a different configuration than a normal side wall. It is difficult to take into consideration the total effect of

the thermal performance of a skylight, and there are other benefits from placing a skylight in the ceiling, since it provides thermal performance and provides additional light. In most cases, it's the additional light that drives the installation of skylights in new homes. By placing a 10% limitation on skylights, the thermal performance of a house is not affected. Skylight manufacturers have been complaining about the testing problem for almost two years, with no effect. This bill would simplify things, establish a minimum threshold, and meet the minimum performance standards in the code for large-volume manufacturers.

100 MOTION: REP. BAUM: Moves the -4 AMENDMENTS (LC 3959), dated 6-8-93 to HB 3667.

103 CHAIR REPINE: Restates motion and calls for discussion. Hearing no objection, the motion CARRIES.

106 MOTION: REP. BAUM: Moves HB 3667 to the Full Committee on Natural Resources with a DO PASS AS AMENDED RECOMMENDATION, AS AMENDED BY THE -4 AMENDMENTS (LC 3959), dated 6-8-93. 111 VOTE: REPS. BAUM, DELL, DOMINY, FISHER, LUKE, PETERSON and CHAIR REPINE vote AYE. REPS. HOSTICKA and MARKHAM are EXCUSED.

115 CHAIR REPINE: The motion CARRIES.

117 REP. PETERSON: Might I assume that if there is a problem with this bill, builders and unhappy consumers will be back before us next

session?

119 CHAIR REPINE: I'm sure the issue will return if it has not be resolved by this bill.

Additions to the record: HB 3667 Staff Measure Summary, Fiscal Analysis and Revenue Impact

Analysis (EXHIBIT K) HB 3667 Hand-Engrossed with HB 3667-1 Amendments (LC 3959), 6-1-93

(EXHIBIT L) HB 3667 Hand-Engrossed with HB 3667-2 Amendments (LC 3959), 6-1-93

(EXHIBIT M) HB 3667 Hand-Engrossed with HB 3667-3 Amendments (LC 3959), 6-7-93

(EXHIBIT N) Proposed -4 Amendments to HB 3667 (LC 3959), 6-8-93 (EXHIBIT O)

120 CLOSES WORK SESSION ON HB 3667

RE-OPENS PUBLIC HEARING ON HB 3177

134 LANA BUTTERFIELD, Northwest Propane Gas Association: I am here to echo the same concerns on HB 3177 that were expressed earlier this evening by Mr. Craven.

142 TERRY WITT, Executive Director, Oregonians for Food and Shelter: Our organization supports the comments made by Mr. Craven. We need to look

at an equitable way of distributing the costs of the Poison Control Center and the Emergency Response system.

160 TED HUGHES, Associated Business for Legislative Action: I would also like to echo Mr. Craven's earlier testimony regarding the obligation of the 20 year bonds.

175 BRYAN DOHERTY, Western States Petroleum Association: Testifies in opposition to HB 3177. The gross receipts tax is an inappropriate

method of handling hazardous material cleanup. It disproportionately affects those people who use non-motor vehicle fuel. We are trying to address the emergency spill response as well as orphan site cleanup. Secondly, this bill disproportionately impacts the industry, since all major suppliers are involved. Today I learned that the Attorney General is holding \$1.6 million due to an Article 9 constitutional finding.

The House Appropriations Committee has looked into Orphan Site Accounts and determined there are adequate funds in DEQ's budget to fund this.

There are questions as to whether there is a need for funding for additional bonding. There are no orphan site gas station terminals in Oregon. Recommends alternative funding for programs.

266 REP. PETERSON: What alternatives are you suggesting?

267 DOHERTY: Perhaps funds from the lottery, anti-trust funding, and other potential options. There is \$1.6 million sitting in a State Fire

Marshal Account frozen by the Attorney General. Sixty percent of the State Fire Marshal's budget can be funded under this load fee, and a portion of DEQ's emergency spill response can be funded by the load fee, because that percentage of their actions can be directed towards roads and highway construction.

288 REP. PETERSON: We need clarification as to how many dollars are involved.

290 REP. FISHER: We were working on this with fiscal, but it will take a couple of days.

299 CHAIR REPINE: We need some time to obtain answers.

302 REP. LUKE: Have we looked at a statewide licensing fee for underground storage tanks?

304 DOHERTY: There is a tank permit fee, and I believe a recent bill raised that from \$25 to \$35. 301 LARRY VON MOOS, City of Eugene: Presents written testimony in support of HB 3177 (EXHIBIT P).

358 REP. FISHER: We heard testimony the other day about firefighters and police being unable to stop a toxic chemical leak until a Hazmat

(hazardous materials) team had arrived.

363 VON MOOS: That's true. An average firefighter cannot mitigate a leak or a spill unless they have the proper training and equipment, to be in compliance with OSHA standards.

381 MARTY NELSON, Crow Valley Rural Fire Protection District: Presents written testimony (EXHIBIT Q) in support of HB 3177.

TAPE 135, SIDE B

055 LANE WINTERMUTE, Fire Chief, City of Astoria Fire Department: Presents written testimony (EXHIBIT R) in support of HB 3177.

101 JOHN ALTO, Petroleum Retailers of Oregon (PETRO): Presents written testimony (EXHIBIT S) in opposition to the -2 amendments for HB 3177.

121 BILL TUININGA, Board of Directors, Petroleum Retailers of Oregon (PETRO): Testifies in opposition to HB 3177. Describes increasing

number of fees paid by petroleumretailers.

142 BILL MARBLE, Department of Revenue: The bill does not provide any way to enforce the filing of the survey which is required, so some type of

penalty provision would need to be added. We also have a problem with the timing of the implementation. We could not implement a new program with this timing, particularly with the emergency clause.

Implementation requires that surveys be sent out September 1, October 1, and November 1. If we could delay that two months, the agencies would still receive the money within the biennium, and would allow us to develop a system.

164 CHAIR REPINE: Would a January 1, 1994 implementation date be acceptable? 166 MARBLE: November 1, 1993 would even be acceptable.

179 ROGER MARTIN, BP Oil: Testifies in opposition to HB 3177.

275 VAN NATTA: We have a question as to whether non-petroleum products sold by co-ops which are subject to the gross receipts tax.

299 FRED HANSEN, Director, Department of Environmental Quality: As I understand it, there are no cooperatives which would be defined as

"petroleum suppliers."

314 VAN NATTA: The Cenex co-op is a supplier for companies in Oregon.

320 HANSEN: The tax would apply to them. I assumed you were referring to co-ops within the state of Oregon. Cenex is listed by the Department of Energy as a company which currently uses a gross operating revenue

stream. AM/PM markets would also be included.

336 LUCINDA MOYANO, Department of Justice: Refers to letter addressed to Fred Hansen of DEQ and Susan Browning of the State Fire Marshal's Office regarding HB 3177 (EXHIBIT T). The way the gross operating receipts tax is drafted would apply to petroleum products and non-petroleum products sold by a petroleum supplier.

361 CHAIR REPINE: Do you have an opinion on the elimination of the emergency clause?

364 MOYANO: We have advised the State Fire Marshal's Office that the emergency clause for the entire bill is inappropriate because it would be a new tax, and you cannot include an emergency clause on a new tax. We

have advised the State Fire Marshal's Office that there should be an emergency clause only for the amendments to the bulk petroleum load fee. The emergency clause would then allow the Department of Revenue to immediately begin collecting revenues from the bulk petroleum load fee program. Otherwise, the Department of Revenue would have to collect back collections, since there is a provision in the bill regarding retroactive application.

396 CHAIR REPINE: A representative from the Department of Revenue said they needed time to get this program up and running.

397 MOYANO: I thought their testimony was regarding the gross operating receipts tax.

401 REP. FISHER: Are you saying that this tax will even apply to AM/PM grocery products?

413 MOYANO: Yes, with the current measure language.

420 HANSEN: We are attempting to take the existing back-up fee, which was passed during the 1989 session, and trigger it.

442 REP. FISHER: Are you saying that all Mom and Pop gas stations which sell pop will be taxed?

443 HANSEN: They would have to meet the definition of a "petroleum supplier." Mom and Pop gas stations would clearly not be petroleum

suppliers.

TAPE 136, SIDE A

Addition to the record: HB 3177 Revenue Impact Analysis (EXHIBIT U)

032 CHAIR REPINE: CLOSING PUBLIC HEARING ON HB 3177

OPENS PUBLIC HEARING ON HB 3450

049 VAN NATTA: House Bill 3450 modifies the threshold quantity requiring payment of a fee for hazardous substances possessed at a facility to the quantity designated by federal law. This allows a local government

program and fee only if the Office of the State Fire Marshal delegates its authority to operate a program in lieu of the Fire Marshal Program. The fiscal analysis shows there is no fiscal impact for the effect on the expenditures of the State Fire Marshal. The effect on revenues for the State Fire Marshal Hazardous Substance Fees shows that fewer companies will pay higher fees with no net impact on revenues (EXHIBIT V). The measure is not anticipated in the Governor's budget.

071 DON CRUICKSHANK, Associated Businesses for Legislative Action (ABLA): Presents written testimony (EXHIBIT W) in opposition to HB 3450. We are not interested in reducing the number of participants in this program,

but want to increase the number for more equitable distribution of fee payment. Expresses concern with continuing duplication of State Fire Marshal program, such as programs in the the cities of Portland and Eugene.

116 JOHN BUCKINGER, President, Associated Businesses for Legislative Action (ABLA): Presents written testimony (EXHIBIT X) in opposition to HB

3450. Requests that data collection and fees be paid in one location.

162 CRUICKSHANK: I have five competitors who maintain their inventory of hazardous products in a public warehouse that is about two blocks away

from my warehouse. They pay one-tenth of what I'm paying.

210 REP. LUKE: What kind of hazardous material are you referring to?

211 BUCKINGER: Everything from heavy metal compounds, such as lead or mercury to flammables or carcinogens. I report my volume in gallons.

224 VAN NATTA: Reads into the record a letter from the Phillip Lemman of City of Eugene dated June 8, 1993 in opposition to HB 3450 (EXHIBIT Y).

223 SUSAN BROWNING, Acting State Fire Marshal: Presents written testimony (EXHIBIT Z) regarding HB 3450.

341 REP. DELL: Do portions of this program overlap with city programs? 342 BROWNING: We provide core information to local communities which we collect through the community right-to-know program. It doesn't cover

all the industries that a local community would be interested in, such as restaurants.

351 REP. FISHER: The testimony we've heard from representatives from ABLA is in direct opposition to their own bill.

372 CHAIR REPINE: Bills which go through drafting sometimes change by the time testimony is heard.

393 BROWNING: I think confusion occurred when the bill was tied in with federal requirements. Oregon's program meets the federal requirements,

but kicks in at a higher level. Once that was added in, the bill didn't do what they had in mind. Our goal is to have a fair and consistent program.

416 REP. DOMINY: Do you believe problems with this bill could be resolved through administrative rule?

424 DENNIS WALTHALL, Office of the State Fire Marshal: Yes.

436 CHAIR REPINE: I have a hard time believing there are only 4,000 sources for these products in Oregon.

443 BROWNING: We receive referrals from industry, from fire departments and anonymous sources information about companies which may not be

reporting, which we follow up on.

TAPE 137, SIDE A

021 CHAIR REPINE: I would like to know how many more people have been identified since last session.

024 WALTHALL: We've added about 1,000 companies since last session. We work with the Department of Revenue and give them a Standard Industrial Classification for lumber mills, for instance. Then we go through our

system to see if we already have them. If we don't, they are added and surveyed.

031 CHAIR REPINE: You've increased 25% in two years. Aren't there tens of thousands of people on those lists from the Department of Revenue?

037 WALTHALL: Not every business in Oregon have hazardous materials. Also, less than 500 gallons or 500 pounds of hazardous material is not

reported. Many products such as gasoline, diesel fuel or motor oil are not billed.

047 CHAIR REPINE: How many leads do you get from communities such as Portland?

049 WALTHALL: Portland gave us about 300 companies. Out of that, we already had about 125 in our system. We ended up adding about 225 from

Portland. 060 REP. FISHER: Are grocery stores or hardware stores subject to this if they have more than 500 gallons or pounds of toxic chemicals?

066 WALTHALL: We do not survey grocery stores. Hardware stores are surveyed, but they don't have 500 gallons of paint in the back room,

like a Coast-to-Coast store would.

075 LANA BUTTERFIELD, Northwest Propane Gas Association: Testifies in opposition to HB 3450. Objects changes to federal reporting limits

outlined in Section 1, which requires reporting in poundage. Would prefer to deal with State Fire Marshal's Office for fee-paying, and opposes Section 2 of the bill. Recommends issue as an interim project.

125 JIM WHITTY, Association of Oregon Industries: Testifies in opposition to HB 3450.

122 JIM CRAVEN, American Electronics Association: Presents written testimony (EXHIBIT AA) in opposition to HB 3450.

161 TERRY WITT, Oregonians for Food and Shelter: Testifies in

opposition to HB 3450. The Hazardous Substance Survey was never intended to be a

method of assessing revenue, but for data collection. The state program does not meet the specific requirements of local fire departments.

197 JOHN DEER, Senior Inspector, Portland Bureau of Fire, Rescue and Emergency Services: Presents written testimony (EXHIBIT BB) in

opposition to HB 3450.

273 REP. LUKE: Does this bill decrease the amount of money your agency receives?

277 DEER: That depends on how the word "may" is interpreted in Section 7. Portland's program could either be severely limited or eliminated. Last year, about 1,837 people paid a total of \$374,410, which amounts to \$204 per fee payer. We guesstimate that the number will drop to between 150

and 350. Their fees will need to at least triple for us to receive the same recovery.

297 REP. FISHER: Did you say you have as many people in the Portland area as there are statewide?

302 DEER: In our database, there are approximately 6,300. Approximately 1,800 are fee payers.

309 REP. FISHER: Your concern for toxic materials is probably greater than that of the State Fire Marshal, so you may not want to get your numbers from the State Fire Marshal.

318 DEER: Under the requirements of HB 2087, we are legally required to report new fee payers to the state.

354 REP. LUKE: If we do nothing with this bill, will the program stay the same?

359 CHAIR REPINE: Yes.

Addition to the record: HB 3450 Revenue Impact Analysis (EXHIBIT CC)

361 CLOSES PUBLIC HEARING ON HB 3450

366 OPENS PUBLIC HEARING ON HB 2127

372 VAN NATTA: House Bill 2127 modifies the explosive storage policy which applies to citizens and businesses. This bill was in public hearing on

March 17. In your packets today is a hand-engrossed HB 2127 with the -1 amendments proposed by the State Fire Marshal's Office (EXHIBIT DD), as well as a letter from the department which explains the -1 amendments

(EXHIBIT EE).

416 TOM CARROLL, La Grande Resident: Presents written testimony

(EXHIBIT FF) in opposition to HB 2127.

TAPE 136, SIDE B

065 REP. LUKE: Are you saying that businesses have applied for licenses which have not been granted?

071 CARROLL: Under existing administrative rule, a \$1,500 license is required for out-of-state companies to sell fireworks in Oregon. That

fee is \$1,000 for in-state applicants. This problem is compounded by new requirements for shooter certification, so it is becoming more and more difficult to become certified in Oregon.

083 REP. LUKE: Is that due to the higher fee?

084 CARROLL: A nonrefundable \$1,500 license fee is more of a burden than many companies are willing to risk.

I have been working for the past three years to establish a wholesale fireworks business.

105 TARI GLOCAR, Licensing and Permits Program Manager, Office of the State Fire Marshal: Presents written testimony (EXHIBIT GG) in support of HB

2127 as amended by the -1 amendments.

200 CHAIR REPINE: Would you ask for input from people who are involved in fireworks as well as those who work with explosives when rule-making?

199 GLOCAR: Yes. We would also bring in the fire service.

215 REP. DOMINY: Are we currently doing criminal background checks? And with this bill, will those continue?

216 GLOCAR: Yes, and those will continue with this bill.

220 REP. DELL: Why is there no requirement for corporate information on any form? 232 GLOCAR: In the past ten years, we have never had a company apply for a permit. Individuals who work for a company apply individually under

their own name.

268 REP. FISHER: Describe the actual inspection cost for the La Grande area.

271 GLOCAR: This bill would allow a fee to be charged, but currently only two jurisdictions charge a fee.

283 REP. FISHER: Why is this bill needed?

288 GLOCAR: It would allow us latitude to set administrative costs if the process becomes cumbersome and/or expensive. Inspections are not

done

on a regular basis, and are only performed if we receive a complaint or someone reports a location which needs to be inspected. There is no requirement now for reporting storage locations.

300 REP. FISHER: This bill has potential for limitless fee-charging. Will everyone pay the same fee?

327 GLOCAR: That would be my assumption. I will have to get back to you on that.

330 REP. LUKE: This doesn't apply to just fireworks, but to companies that have dynamite.

333 GLOCAR: This bill does not relate to fireworks at all. It applies only to people who apply to obtain a certificate to possess explosives. It

does not affect anyone who would have manufacturing components for fireworks or who would have fireworks storage facilities within Oregon. It only relates specifically to the explosives statute.

350 SUSAN BROWNING, Acting State Fire Marshal: Responds to fee question raised by Rep. Fisher. The fee will enable the agency and local

departments to set a fee if needed. We have twelve field deputies throughout the state who perform the inspections.

There are similar fees for fireworks and liquified petroleum gas, which are very minimal.

378 REP. DOMINY: Would this be a \$25 fee or a \$250 fee?

384 BROWNING: The two departments which are currently charging a licensing fee are charging \$20 and \$29 respectively.

398 REP. DOMINY: So you wouldn't have a problem if we amended this bill to include a fee cap?

402 GLOCAR: I would be concerned if there was a cap in statute, which would require a change in statute to allow for inflation.

411 BROWNING: I think a \$30 cap would be appropriate.

432 REP. BAUM: Would the La Grande inspector be responsible for all of eastern Oregon? 442 GLOCAR: Local jurisdictions would perform the inspections, and if they were not able to, a State Fire Marshal Deputy from the area would take

care of the inspection.

TAPE 137, SIDE B

025 REP. BAUM: Will this bill help to prevent accidents from

occurring?

036 GLOCAR: When this bill was previously heard, our deputy called out because someone set off dynamite, and the subsequent inspection showed

that the dynamite had crystallized and was being stored with gasoline.

That's the type of things we're looking for so we can avert potential accidents.

053 REP. LUKE: Don't people have to be licensed in order to buy explosives?

055 GLOCAR: Yes. But there's no current requirement that they must report their storage location. We don't know how many people store explosives

in their homes or garages.

062 REP. LUKE: So the fee is not as important as knowing the location of the explosives?

063 GLOCAR: That is correct.

Additions to the record: HB 2127 Staff Measure Summary and Revenue Impact Analysis (EXHIBIT

HH) HB 2127-1 Fiscal Impact Statement Form (EXHIBIT II)

077 CLOSES PUBLIC HEARING ON HB 2127

OPENS PUBLIC HEARING ON HB 2130

099 VAN NATTA: House Bill 2130 authorizes a civil penalty of up to \$500 for violations of statutes and rules administered by the State Fire

Marshal's Office. Introduces meeting materials, including a hand-engrossed HB 2130 with the -1 amendments proposed by the Fire Marshal's Office. The fiscal analysis for the -1 amendments (EXHIBIT JJ) shows there is an effect of \$25,000 on services for the State Fire Marshal's services and supplies, and the effect on revenues for civil penalties will be other funds of \$10,000. This measure is not anticipated in the Governor's budget.

133 GARY UNDERWOOD, Bureau Manager, State Fire Marshal's Office: Presents written testimony (EXHIBIT KK) in support of HB 2130 as amended by the

-1 amendments.

181 REP. DOMINY: If you have the ability to levy penalties, how

would you enforce that if the violator does not have the money?

185 UNDERWOOD: That doesn't usually happen.

218 REP. LUKE: How would the penalty fee be collected?

220 UNDERWOOD: The legal process would be used, such as a lien placed on the building. Rules would need to be written to address this. A

violator would have to go to court to pay the penalty.

225 REP. FISHER: The industry is already under heavy restrictions. The previous fire marshal said he would impose fines only once or twice a

year.

252 UNDERWOOD: I would think it would be used more often than that. The intent of the bill is not to merely fine people, but for leverage so

that violations will be corrected. Once we identify major problems, we have an obligation to do whatever we can do to resolve those problems.

This bill gives us an intermediate step, as opposed to closing a company down for violations.

282 REP. FISHER: Questions new penalty system.

302 UNDERWOOD: We try to help people comply with these regulations. It's when we reach a stalemate that we need something more. This process

would take between 30 and 60 days, which would give a violator a reasonable amount of time to comply.

323 REP. DOMINY: Will the first step always be a warning?

328 UNDERWOOD: That is correct.

345 REP. DELL: Did you mean your statement about placing a lien against a property for noncompliance?

350 UNDERWOOD: I'm not sure that would happen, but we would go through the court process.

358 REP. DELL: Could you also enter private property for violations?

361 UNDERWOOD: We have no authority regarding private dwellings.

371 GROVER SIMMONS, Independent Adult Care Providers Association; Independent Printing Association: Testifies in opposition to HB 2130.

To allow fines to be put in the general operations fund of the State Fire Marshal's Office is inadvisable.

TAPE 138, SIDE A

001 JOE GILLIAM, National Federation of Independent Businesses:
Testifies in opposition to HB 2130. This bill duplicates inspections
already

performed by local fire departments. We prefer the process in the
original testimony over a fee process. If there's a violation, a 30-day
warning before shutdown is ample. The fines do not address
life-threatening situations.

030 REP. DOMINY: Mr. Underwood testified about a company which
consistently refused to comply. Do you think he should just shut
that operation

down?

031 GILLIAM: Yes, if it's found that there is a life-threatening
situation.

048 FRED VAN NATTA, Oregon State Home Builders Association:
Testifies in opposition to HB 2130. This bill would allow the Fire
Marshal's Office

to levy a \$500 per day fine against a landlord who does not fix a smoke
detector. It's also a bad idea to allow collected fines to be retained

by the agency, instead of routing them to the General Fund.

Additions to the record: HB 2130 Staff Measure Summary (EXHIBIT LL) HB
2130 Hand-Engrossed with HB 2130-1 Amendments (LC 731), 6-4-93

(EXHIBIT MM)

088 CHAIR REPINE: CLOSES PUBLIC HEARING ON HB 2130

Adjourns meeting at 10:23 p.m.

Submitted by:

Reviewed by:

Karen McCormac
Administrator

Kathryn Van Natta Assistant

EXHIBIT LOG:

A - HB 3101 Testimony - Polk County - 4 pages B - HB 3101 Testimony
- Blair Batson - 2 pages C - HB 3101 Testimony - Rod Ingram - 1 page D
- HB 3101 Testimony - Richard Benner - 1 page E - HB 3101 Staff
Measure Summary and Notice of Possible Revenue Impact - Staff - 2 pages
F - HB 3101 Hand-Engrossed with HB 3191-1 Amendments (LC 2830),
4-16-93 - Staff - 9 pages G - HB 3177 Staff Measure Summary and Fiscal
Analysis - Staff - 2 pages H - Proposed -2 Amendments to HB 3177 (LC
2936), 6-2-93 - Staff - 9 pages I - HB 3177 Testimony - Jim Craven - 2

pages J - HB 3667 Testimony - Gary Wicks - 1 page K - HB 3667 Staff Measure Summary, Fiscal Analysis and Revenue Impact Analysis - Staff - 3 pages L - HB 3667 Hand-Engrossed with HB 3667-1 Amendments (LC 3959), 6-1-93 - Staff - 2 pages M - HB 3667 Hand-Engrossed with HB 3667-2 Amendments (LC 3959), 6-1-93 - Staff - 2 pages N - HB 3667 Hand-Engrossed with HB 3667-3 Amendments (LC 3959), 6-7-93 - Staff - 3 pages O - Proposed -4 Amendments to HB 3667 (LC 3959), 6-8-93 - Staff - 2 pages P - HB 3177 Testimony - Larry Von Moos - 1 page Q - HB 3177 Testimony - Marty Nelson - 4 pages R - HB 3177 Testimony - Lane Wintermute - 2 pages S - HB 3177 Testimony - John Alto - 1 page T - HB 3177 Testimony - Lucinda Moyano - 4 pages U - HB 3177 Revenue Impact Analysis - Staff - 1 page V - HB 3450 Fiscal Analysis - Staff - 1 page W - HB 3450 Testimony - Don Cruickshank - 2 pages X - HB 3450 Testimony - John Buckinger - 2 pages Y - HB 3450 Testimony - Phillip Lemman - 1 page Z - HB 3450 Testimony - Susan Browning - 14 pages AA - HB 3450 Testimony - Jim Craven - 1 page BB - HB 3450 Testimony - John Deer - 2 pages CC - HB 3450 Revenue Impact Analysis - Staff - 1 page DD - HB 2127 Hand-Engrossed with HB 2127-1 Amendments (LC 734), 6-3-93 EE - HB 2127 Testimony - Tari Glocar - 1 page FF - HB 2127 Testimony - Tom Carroll - 2 pages GG - HB 2127-1 Testimony - Tari Glocar - 1 page HH - HB 2127 Staff Measure Summary and Revenue Impact Analysis - Staff - 2 pages II - HB 2127-1 Fiscal Impact Statement Form - Staff - 2 pages JJ - HB 2130 Fiscal Analysis - Staff - 1 page KK - HB 2130-1 Testimony - Gary Underwood - 3 pages LL - HB 2130 Staff Measure Summary - Staff - 1 page MM - HB 2130 Hand-Engrossed with HB 2130-1 Amendments (LC 731), 6-4-93 - Staff - 2 pages