

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.

HOUSE COMMITTEE ON HOUSING AND URBAN DEVELOPMENT

May 9, 1991Hearing Room D 8:00 a.m.Tape 88 - 91

MEMBERS PRESENT:Rep. Bob Repine, Chair Rep. Judy Bauman, Vice-Chair
Rep. Marie Bell Rep. Rod Johnson Rep. Dave McTeague Rep. Gail Shibley
Rep. Ron Sunseri

STAFF PRESENT: Janet McComb, Committee Administrator Kimberly
Burt, Committee Assistant

MEASURES CONSIDERED: HB 2463 (WRK) HB 3237 (WRK) HB 2824
(WRK) HB 3471 (PAW) HB 3296 (PAW) HB 3295 (PAW) HB 3294 (WRK) HB 3467
(WRK)

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TAPE 88, SIDE A

005 CHAIR REPINE: Calls the hearing to order. (8:00 a.m.)

Roll Call: Representatives Bell, Johnson, Repine & Sunseri answer "present".

005 MOTION: REP. SUNSERI moves the rules be suspended for the purpose of reconsidering the vote on HB 2463.

VOTE: In a roll call vote the motion carries. Members absent: Bauman, McTeague & Shibley

WORK SESSION ON HB 2463

013 MOTION: REP. SUNSERI moves that the vote by which HB 2463 was passed to

the floor be reconsidered.

VOTE: In a roll call vote the motion carries. Members absent: Bauman, McTeague & Shibley

WORK SESSION ON 3237 Witnesses:Greg Walden, House Majority Leader John McCully, Tree Fruit Growers

030 GREG WALDEN, HOUSE MAJORITY LEADER: I have distributed proposed (-2) amendments, (EXHIBIT A).

JOHN MCCULLY, TREE FRUIT GROWERS: The only suggested change we have to the

(-2) amendments is to maintain consistency of identifying the person; we suggest that where "farmer" appears, the word "person" be used and that "grower" also be changed to "person".

050 MOTION: REP. JOHNSON moves the (-2) amendments.

054 VOTE: Hearing no objection the motion carries.

056 MOTION: REP. SUNSERI moves HB 3237 as amended to the floor do pass recommendation.

060 VOTE: In a roll call vote the motion carries unanimously. Members absent: Bauman, McTeague & Shibley

WORK SESSION ON HB 2824 Witnesses: Greg Walden, House Majority Leader John McCully, Tree Fruit Growers Dale Blanton, Senior Policy Analyst, Department of Insurance and Finance, (DIF)

072 GREG WALDEN, HOUSE MAJORITY LEADER: Introduces John McCulley.

076 JOHN MCCULLEY, TREE FRUIT GROWERS: Submits (-1) amendments, (EXHIBIT B); these amendments put strict parameters around when extensions of water and sewer lines can be allowed.

The three criteria to be used when determining to approve an extension or not are in the (-1) amendments; see (Exhibit B).

115 REP. SUNSERI: Why would a farmer want to spend the money to put in water and sewer lines; my concern is that next year the farmer will be forced to do this?

REP. MCTEAGUE arrives. (8:10 a.m.)

MCCULLEY: The future mandate isn't a concern of ours based on our conversations.

We are trying to provide people with the opportunity to invest if they want to.

One main reason this bill is here is water supply contamination.

REP. BELL: Who would the mandate come from, local or state government?

REP. SUNSERI: There is potential for the state to do that.

MCCULLEY: That would have to come before the legislative bodies and I can assure you a mandate wouldn't pass easily.

175 MCCULLEY: "F" is alternative methods, which could be energy efficient ways of providing alternatives.

REP. JOHNSON: We could require farmers to explore other alternatives only forcing this on the local government if there is no other reasonable alternative.

MCCULLEY: My concern is with the health of the workers living there.

218 DALE BLANTON, SENIOR POLICY ANALYST, DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT, (DLCD): Submits amendments, (EXHIBIT C).

This bill is an override of some existing land use planning that has occurred; section 2, changes the word "shall" to "may" making this enabling legislation rather than a mandate.

We also recommend that there be consistency of existing services of the local government.

Another concern is that where there are plans to service land inside a urban growth boundary some extra territorial extensions may impair their ability overall to service the rest of the areas.

The concept of looking at alternatives that may have less environmental impacts is favorable.

260 WALDEN: If you change "shall" to "may" you may as well forget it; they already have the authority now.

BLANTON: They may have the authority, but it isn't clear.

REP. WALDEN: We are talking about limited uses and the policy of providing better housing for our labor force; this is more of a water issue than a sewer issue.

295 REP. JOHNSON: How many of these types of uses would conform with the county plans?

BLANTON: I am not aware of any services of these types being extended; other types of similar policies have been integrated in 4 or 5 counties.

REP. BELL: If the sewer line goes past the farm anyway, how would it not be consistent with the county comprehensive plans?

BLANTON: Many comprehensive plans don't allow any extensions of services beyond the urban growth boundary; some public facilities plans are very specific as to when service will be provided outside urban growth boundaries.

348 MOTION: REP. JOHNSON moves the (-1) amendments to HB 2824.

353 VOTE: Hearing no objection the motion carries.

355 MOTION: REP. JOHNSON moves HB 2824 as amended to the floor with a do pass recommendation.

360 VOTE: In a roll call vote the motion carries. Members voting no: Sunseri Members excused: Bauman & Shibley CARRIER: BELL

PUBLIC HEARING ON HB 3471 Witnesses: Don Miner, Oregon Manufactured Housing Association Pat Lewis, Manager, Manufactured Structure Section, Building Codes Agency

398 DON MINER, OREGON MANUFACTURED HOUSING ASSOCIATION: Submits written testimony in support of HB 3471, (EXHIBIT D).

The Building Codes Agency has been told they don't have the authority to do what they have done for years; this corrects that.

CHAIR REPINE: How long has this practice been used?

MINER: Probably since the 1950's.

REP. MCTEAGUE: What was the argument?

MINER: I think it goes back to the definition of single family dwelling.

440 PAT LEWIS, MANAGER, MANUFACTURED STRUCTURE SECTION, BUILDING CODES AGENCY: Through interpretation the Building Codes Agency has permitted manufactured homes to be used on a dealer lot as a display unit and a sales office.

Two years ago we decided to add that in our administrative rule but when we attempted to do so, Legislative Council informed us that we didn't have statute authority to put that in rule.

484 REP. MCTEAGUE: What is the policy reason for not using manufactured dwellings for commercial purposes?

MINER: That is existing practice.

REP. MCTEAGUE: What is the rationale?

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MINER: The policy is based on the notion that the homes are built to a residential building code as opposed to a commercial code.

055 LEWIS: The difference is in the codes they are built to; manufactured dwellings can't be used for commercial purposes without going through a code inspection because sometimes the occupancies are more dangerous than what was intended.

REP. MCTEAGUE: This is an age of cottage industry and that would be a commercial purpose; I don't want to cause a problem for people who work in or out of their homes.

MINER: Line 18 is where we attempted to preserve that opportunity.

Line 5 says "single family dwellings" and that could be changed to "to be used for residential purposes".

105 REP. BELL: Does one family moving out of a manufactured home need to get the inspection insignia removed?

LEWIS: Occupancy is how the building is used, not who is occupying the building.

CHAIR REPINE: Do you agree that on line 5 we should change "single family dwelling" to "residential purpose"?

LEWIS: I have a problem with changing "single family dwelling" as that is how it is in the statutes.

180 LEWIS: On lines 9 & 10 there is reference to the occupancy in

accordance to the specialty codes.

WORK SESSION ON HB 3471

REP. MCTEAGUE: Is the "single family dwelling" language a problem?

LEWIS: Section 2 gives all the exceptions that could be given to a manufactured dwelling.

This would allow for dual occupancy if the codes were brought up to dual occupancy standards.

240 MOTION: REP. SUNSERI moves HB 3471 to the floor with a do pass recommendation.

VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman, Johnson & Shibley CARRIER: MCTEAGUE

PUBLIC HEARING ON HB 3296 Witnesses: Don Miner, Oregon Manufactured Housing Association Pat Lewis, Building Codes Agency

255 DON MINER, OREGON MANUFACTURED HOUSING ASSOCIATION: Submits written testimony in support of HB 3296, (EXHIBIT E).

REP. BELL: What are the possibilities of something happening to a mobile home that would cause it to not meet standards?

PAT LEWIS, BUILDING CODES AGENCY: This bill basically covers units that have had no alterations since the original time of construction; if an alteration does happen then they are subject to re-inspection and the state insignia.

340 LEWIS: The Building Codes Agency does support this bill as it gets rid of some redundancy.

CHAIR REPINE: What would the average cost of an inspection be?

LEWIS: Up to hundreds of dollars in Eastern Oregon, more reasonable elsewhere and we are working on rules so that it will be one fee throughout the state, \$105 plus the insignia fee of \$25.

CHAIR REPINE: Has this been factored in your agency budget as a revenue?

LEWIS: Yes, but it is very small.

383 REP. MCTEAGUE: What are the policies in the surrounding the states regarding reciprocity?

LEWIS: The State of Nevada accepts insignia's from Oregon and Idaho has been the same; I don't know what California and Washington are doing.

MINER: We suggested this to solve problems faced by Oregonians; homes built after 1976 will never face this difficulty.

WORK SESSION ON HB 3296

420 MOTION: REP. MCTEAGUE moves HB 3296 to the floor with a do pass recommendation.

425 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman, Johnson & Shibley CARRIER: REPINE

PUBLIC HEARING ON HB 3295 Witnesses: Don Miner, Manufactured Housing Association Pat Lewis, Building Codes Agency Jane Cummings, League of Oregon Cities, (LCO) Denise Klien, Oregon Building Officials Association & City of Portland, Bureau of Buildings

443 DON MINER, MANUFACTURED HOUSING ASSOCIATION: There is an appointed advisory board that serves in an advisory capacity to the Building Codes Agency in matters relating to manufactured structures that is comprised of industry representatives, government officials and consumers.

HB 3295 proposes to adjust the balance of power between that advisory board and the Building Codes Agency.

It would give the advisory board authority to approve or disapprove items relating to fees, adoption of rules, policies and codes.

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038 PAT LEWIS, BUILDING CODES AGENCY: The agency is neutral on this bill, but has no objection to it.

REP. BELL: One group is cost driven and one group is safety driven; we should look at that balance.

MINER: The board itself is cost driven and safety driven so you have that balance within the board and with this proposal the agency would have a mutual veto power.

LEWIS: The codes we use for manufactured homes and RV's are federal, so safety is there as this board adopts those unamended.

REP. BELL: Do they ever amend the codes to be more stringent than the federal codes?

090 LEWIS: The manufactured home code can't be amended as it is federal; the standards adopted for RV's haven't been amended at this time but if something was lacking in those codes the board would have authority to adopt more stringent safety standards.

The only safety standard set by the board is for the installation and that is because the board didn't feel that the federal standards were adequate.

MINER: It is our understanding that the language wouldn't alter the establishment of local government fees.

CHAIR REPINE: What is the purpose of fee collection and what is the purpose of saving fees in this capacity?

LEWIS: If we continued with the current fees we would have that amount of the surplus cash carried over to the following biennium, but we have a budget note from the Committee on Ways and Means to make sure that doesn't happen.

160 MINER: The number ranges from \$8 million to \$1 million; it is a fairly small industry to have that amount of a carry over, but I don't dispute that part of the amount is in-hand and part is projected.

LEWIS: The only involvement this board has is in the original construction or an addition to an existing park; the operation of RV parks for instance is under the Department of Health.

207 JANE CUMMINGS, LEAGUE OF OREGON CITIES, (LOC): On line 8 this mentions establishing a statewide fee and the intent is not to alter the way local government fees are set and so we have no problem.

215 DENISE KLINE, OREGON BUILDING OFFICIALS ASSOCIATION & THE CITY OF PORTLAND, BUREAU OF BUILDINGS: I would reiterate what Cummings has stated about the fee schedule.

WORK SESSION ON 3295

230 MOTION: REP BELL moves HB 3295 to the floor do pass recommendation.

235 VOTE: In a roll call vote the motion carries unanimously. Members excused: Bauman, Johnson & Shibley CARRIER: BELL

CHAIR REPINE: Calls recess for purposes of a break. (9:15 a.m.)

CHAIR REPINE: Calls the hearing back to order. (9:33 a.m.)

REP. SHIBLEY returns.

WORK SESSION ON 3294 Witnesses: Don Miner, Manufactured Housing Association Pat Lewis, Building Codes Agency

JANET MCCOMB, COMMITTEE ADMINISTRATOR: Submits and describes (-5) amendments, (EXHIBIT F).

316 MOTION: REP. SHIBLEY moves the (-5) amendments to HB 3294.

320 VOTE: Hearing no objection the motion carries. Members excused: Bauman & Johnson

REP. SUNSERI: Are these going to be hooked up to a single septic system when used as migrant housing or will they have individual tanks?

340 DON MINER, MANUFACTURED HOUSING ASSOCIATION: The manufactured homes would have to be hooked to an exterior tank as they aren't self contained; I would assume the health laws would control how that is done.

The treatment of sewage wouldn't be treated differently from any other farm worker housing.

363 PAT LEWIS, BUILDING CODES AGENCY: That is regulated through the Department of Environmental Quality, (DEQ), and the Health Department; that is well covered currently.

REP. MCTEAGUE returns. (9:40 a.m.)

REP. JOHNSON returns. (9:40 a.m.)

415 MOTION: REP. SUNSERI moves HB 3294 as amended to the floor with a do pass recommendation.

420 VOTE: In a roll call vote the motion carries unanimously. Members

excused: Bauman CARRIER: SHIBLEY

WORK SESSION ON HB 3467 Witnesses: Steven Westfall, Oregon Housing Agency
Frank Brawner, Oregon Bankers' Association Jack Strauss, Department of
Revenue

JANET MCCOMB, COMMITTEE ADMINISTRATOR: We have the (-5) amendments and
the (-6) amendments hand engrossed and there are comments from the
Attorney Generals Office, (EXHIBIT G).

The (-6) amendments are the body of the bill; the (-5) amendments fold
in the trouble damage concept from HB 2523.

TAPE 89, SIDE B - BLANK (hearing continues without interruption) TAPE
90, SIDE A

045 STEVEN WESTFALL, OREGON HOUSING AGENCY: On the (-6) amendments,
page 1,

line 23 the word "measures" should be deleted; on line 20 it should have
been "measured".

Page 3, line 11, would allow more than one individual to participate so
that should be plural, "individuals" and "or" should be inserted then
striking the "s" on "own" for grammar.

On line 23, page 3, should read "retaining servicing of the loan so long
as the lending institution...".

On line 27 "such a controlling interest includes" has been deleted and
there is the repeated insert.

088 WESTFALL: If you adopt both the (-5) amendments and the (-6)
amendments, on page 5, line 21, section 2 would become section 4.

105 FRANK BRAWNER, OREGON BANKERS ASSOCIATION: We are concerned about
page 3, line 21 of the (-6) amendments where "or without" has been
deleted.

The intention is that if you sold the loan you would maintain the
services; a lender could sell their real estate portfolio to another
lender and that is why the "or without" was in there.

If an Oregon institution sold to another Oregon institution we would
lose the tax credit.

REP. SHIBLEY: Even with the addition of "the lending institution or
it's agent" you are concerned?

BRAWNER: What does "agent" mean?

141 JACK STRAUSS, DEPARTMENT OF REVENUE: It is a matter of retaining
records on who has the loan and who has the credit; if the loan is sold
and the servicing isn't retained, we have a problem determining credit
division.

BRAWNER: If bank A sold to bank B, what would happen to a loan in the
portfolio of bank A?

STRAUSS: The Department of Revenue wouldn't have a problem with that,

they would acquire everything intact.

BRAWNER: Would the portfolio contain everything and would the tax credit be transferable?

WESTFALL: If we were to include "the lending institution, it's agent or successor" it would take care of that.

BRAWNER: That would take care of it nicely.

STRAUSS: We wouldn't have a problem as long as it's a "successor".

180 WESTFALL: Following the hand engrossed "or it's agent" on line 22, insert "or it's successor" or "or the lending institutions successor".

BRAWNER: My interpretation is that then you could sell the portfolio; I want that clear.

210 REP. SHIBLEY: I will echo the comment on being clear on legislative intent that it does include the purchase of a loan portfolio.

REP. MCTEAGUE: What is the bankers response to the (-5) amendments?

BRAWNER: As amended it is supported.

WESTFALL: We agree on the amendments and are in support of them.

STRAUSS: Revenue has no problem with the (-5) amendments.

260 REP. MCTEAGUE: This says the department "shall" assess a penalty of 3 times the amount; at least this should say "up to 3 times" to give them some flexibility.

CHAIR REPINE: We will add "a penalty not to exceed three times..."

STRAUSS: That places the department in an awkward position; what rate would we apply?

REP. JOHNSON: If we have to do a flat fine it should be "a penalty equal to the tax credit".

315 REP. BELL: Can't that be handled through administrative rules?

STRAUSS: We could establish some guidelines, but we would still be making a judgement.

CHAIR REPINE: I'd rather have you make a judgement call than have the authority to fine someone for three times the value on a minor infraction.

REP. BELL: Don't you assess fines as far as taxes are concerned?

STRAUSS: We do, but the fines are set by statute.

353 BRAWNER: Why isn't the Housing Agency involved as they would know first?

The intent is to get returned tax credits that are improperly used and perhaps extra for a fine.

WESTFALL: As this is written now, if some thing comes to our attention it will trigger the fine; we would have the option of not reporting cases where someone is a little out of compliance, whereas if there is flagrant violations we could notify the Revenue Department.

405 MOTION: REP. JOHNSON moves the Attorney General's version of the (-6) amendments with the following changes:

Page 1, line 23, delete "measures".

Page 3, line 11, after "individual" insert "or individuals" and also on line 11, delete the "s" from the word "owns".

Page 3, line 22, after "institution" insert ", it's successor,"

Page 3, line 23, before "lending" insert "the".

Page 4, insert "such a controlling interest includes" on line 28.

Page 4, line 25, retain the "." outside the bracket.

492 VOTE: Hearing no objection the motion carries. Members excused: Bauman

CHAIR REPINE: We will re-schedule this bill for a work session and I would like agreement on the (-5) amendments.

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036 REP. BELL: It is very difficult to hear in the back of the hearing room so we need to all speak loud enough that people in the back of the room can hear.

CHAIR REPINE: We are adjourned. (10:13 a.m.)

Submitted by: Reviewed by:

Kimberly Burt Janet McComb Assistant Administrator

EXHIBIT SUMMARY:

A - HB 3237 (-2) amendments submitted by WALDEN, pp 1 B - HB 2824 (-1) amendments submitted by MCCULLY, pp 1 C - HB 2824 amendments submitted by BLANTON, pp 1 D - HB 3471 written testimony submitted by MINER, pp 1 E - HB 3296 written testimony submitted by MINER, pp 1 F - HB 3294 (-5) amendments submitted by staff, pp 2 G - HB 3467 (-5) & (-6) amendments submitted by staff, pp 16 H - HB 3471 revenue and fiscal impact statements, pp 1 I - HB 3295 written testimony submitted by MINER, pp 2 J - HB 3295 revenue & fiscal impact statements submitted by staff, pp 1 K - HB 3296 revenue & fiscal impact statement submitted by staff, pp 2 L - HB 2824 written testimony submitted for the record by staff, pp 2