

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

April 12, 1999 Hearing Room E

8:15 a.m. Tapes 83 ñ 84

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Terry Thompson

Rep. Lynn Lundquist

MEMBER EXCUSED: Rep. Bill Morrisette

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

MEASURE/ISSUES HEARD: HB 3362 Public Hearing

HJR 74 Public Hearing and Work Session

HB 3590 Public Hearing

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 83, A		
001	Chair Beyer	Calls meeting to order at 8:15 a.m., opens a public hearing on HB 3362.
<u>HB 3362 PUBLIC HEARING</u>		

012	Keith Putman	Administrator. Presents overview of HB 3362.
017	Rep. Bill Witt	House District 7. Testifies in support of HB 3362. Presents bill by sections: (EXHIBIT A) <ul style="list-style-type: none"> • Section 1 ñ Relationships in Stream of Commerce. • Section 2 ñ Requirement of Good Faith in Dealing. • Section 3 ñ Termination Provisions.
054	Rep. Witt	<ul style="list-style-type: none"> • Section 4 ñ Dealer Remedies for Violation of Statute. • Section 5 ñ Actions Unlawful by Manufacturer/Distributors • Section 6 ñ Manufacturer/Distributor must provide parts and supplies to dealer to meet needs of dealer customers following termination. Parts and supplies must be sold at normal dealer price. • Section 7 ñ Purchase Quotas must be mutually agreed. • Section 8 ñ Contract automatically renews unless timely notice of non-renewal is provided. • Section 9 ñ Excludes motor vehicle dealerships and Motor Fuel Franchises. • Section 10 ñ Law Prospective only.
108	Rep. Witt	Clarifies he will submit an amendment which will state that contracts will be effective on a specific date.
117	Rep. Witt	Submits ñ1 and ñ2 amendments. (EXHIBIT B and C).
153	Rep. Thompson	Asks what happens when a dealer discontinues parts and supplies.
156	Rep. Witt	Answers that the response would be contingent on maintenance agreements.
158	Rep. Thompson	Clarifies that at some point the manufacturer needs to be able to terminate a line of products.
175	Rep. Witt	Explains that under this bill the manufacturer would have to continue supplying parts for a product's life span.
191	Rep. Thompson	Reviews concerns about realistic time frames.
206	Chair Beyer	Separates issues of manufacturer making parts for a product, and the services of an authorized dealer.
222	Rep. Witt	Calls attention to line 25, page 2, which states that a manufacturer will provide parts "available to the dealer for the expected life of the product."
224	Rep. Thompson	Asks what would be a product's depreciable life span.

229	Rep. Witt	States 5 years would be a reasonable basis.
236	Chair Beyer	Suggests changing the to wording of bill.
247	Rep. Lundquist	Asks how many states have this law.
251	Rep. Witt	Replies that Wisconsin has the model law.
258	Rep. Lundquist	Asks about motor vehicle law.
264	Rep. Witt	Replies that in the 1950s similar laws were introduced by auto dealers.
259	Rep. Lundquist	States preference is to not tell businesses how to run their business.
274	Rep. Witt	Responds that there is a need for this bill. Presents examples.
310	Rep. Lundquist	Asks if this could be solved through better contracts.
316	Rep. Witt	Replies that the reality is that a unchangeable contract is specifically required for the vender.
343	Chair Beyer	Asks about other states that have a similar law to HB 3362.
	Rep. Witt	Replies that Wisconsin is the model state.
351	Chair Beyer	Asks how HB 3362 might affect outside trade.
357	Rep. Witt	Replies that HB 3362 would only effect those relationships that are controlled by Oregon law.
374	Chair Beyer	Continues discussion. Asks why beer and wine industry want to be exempted.
380	Rep. Witt	Replies that the beer and wine industry wants the same exception that the manufactured home industry requested.
390	Chair Beyer	Asks why any industry would not want to be exempted from HB 3362.
401	Rep. Witt	Discusses different industry exemptions and peculiarities.
430	Rep. Thompson	Asks if lawsuits increased in states that have this law.

437	Rep. Witt	Replies that he thinks HB 3362 would actually lower the number of law suits.
450	Rep. Thompson	Asks Putnam to do some more research on the subject of law suits.
460	Putnam	Replies that he do so.
473	Dennis Rossman	President, Advance Office Equipment. Presents background information. Testifies in support of HB 3362.
TAPE 84, A		
016	Rossman	Gives examples of concerns of the office systems industry.
040	Rep. Lundquist	States concern that HB 3362 could create an over abundance of dealers.
049	Rossman	Clarifies that HB 3362 would help support the office systems industry.
059	Rep. Knopp	Summarizes that there are no guarantees, except what is contractual. States that HB 3362 would only set perimeters.
064	Rossman	Agrees with Rep. Knopp.
075	Charles Williamson	Represents beer and wine industries. Testifies in opposition to HB 3362.
120	Williamson	States concern about the amount of possible law suits.
141	Gary Conkling	Oregon Winegrowers Association. Testifies in opposition to HB 3362. (EXHIBIT D)
183	Sandy Bishop	Wine Institute. Testifies in support LC draft to exempt beer and wine producers from HB 3362.
213	John Powell	Miller Brewing Company. Testifies in opposition to HB 3362.
230	Paul Romain	Oregon Beer and Wine Association. Testifies in opposition of HB 3362.
267	Putman	Asks if Romain has any source of information on similar legislation has in other states.
273	Romain	Responds that he could provide that information.

288	Don Miner	Oregon Manufactured Home Association. Asks for manufactured home industry to be exempt from HB 3362.
316	Mark Nelson	Anhaurser Bush and Seven Eleven. Explains that he would agree with an amendment to exclude beer industry from HB 3362.
366	Nelson	Continues testimony. Objects to broad language of HB 3362.
388	Nelson	Addresses problems HB 3362 will cause franchisees.
404	Julie Brandis	Associated Oregon Industries. Testifies against HB 3362. Addresses concerns of retailers.
440	Besty Earls	Associated Oregon Industries. Testifies against HB 3362. Expresses concerns.
453	Chair Beyer	Closes the public hearing on HB 3362, and opens a public hearing on HJR 74.
<u>HJR 74 PUBLIC HEARING</u>		
479	Putman	Presents overview of HJR 74.
TAPE 83, B		
010	Rep. Tom Butler	House District 60. Testifies in support of HJR 74. Explains that HJR 74 is meant to continue SB 35 from the 1995 session.
059	Chair Beyer	Asks about potential fiscal impact.
063	Rep. Butler	Continues testimony. Addresses fiscal impact and how it applies to all ten agencies of (DCBS).
084	Chair Beyer	Suggest moving HJR 74 to ways and means without recommendation.
089	Rep. Lundquist	Comments about the inadvisability of tying up interim funds by appropriating them during session.
102	Rep. Butler	Responds that he does not think that the fiscal impact will be as great as the fiscal office has indicated.
110	Chair Beyer	Closes the public hearing on HJR 74, and opens a work session on HJR 74.

HJR 74 WORK SESSION

120	Rep. Knopp	MOTION: Moves HJR 74 to the floor WITHOUT RECOMMENDATION as to passage and the SUBSEQUENT REFERRAL to the committee on Ways & Means.
137		VOTE: 5-0 EXCUSED: 2- Rep. Morrisette Rep. Thompson
138	Chair Beyer	The motion CARRIES.
140	Chair Beyer	Closes work session on HJR 74, and opens a public hearing on HB 3590.

HB 3590 PUBLIC HEARING

141	Putman	Presents overview of HB 3590.
152	Ron Sunseri	House District 22. Testifies in support of HB 3590.
162	Ted Pulliam	Well Drilling and Pump Service. Testifies in support on HB 3590. States HB 3590 will allow pump services to work legally.
179	Rep. Gardner	Asks for further explanation.
184	Pulliam	Gives details of motor/pump sizes and capabilities.
200	Rep. Gardner	Asks if they do installation of 50 horse power/480v pumps.
205	Pulliam	States that they do installations from the power panel to the well. States HB 3590 would authorize these connections.
234	Rep. Gardner	Comments.
237	Rep. Beyer	Asks about definition of ground water. Asks if this definition includes water above ground.
240	Pulliam	Replies that it does not include run off.

249	Rep. Lundquist	Asks if this means an irrigation pump cannot be connected to a river, but can be connected to a well.
255	Pulliam	States that is correct.
262	Jerry Schmidt	Represents Oregon Ground Water Association. Testifies in favor of HB 3590. Asks for time to discuss repercussions of HB 3590.
311	Schmidt	Continues testimony.
321	Rep. Sunseri	Comments about need for protection of operators.
341	Rep. Lundquist	Asks about how irrigation companies hook up electrical panels.
345	Pulliam	Answers that in most cases an electrician will hook up panel.
355	Rep. Gardner	Asks about what kind of education is required for employees doing this kind of work.
368	Pulliam	Explains education for a limited pump installation license. Explains that a pump installer must work for an employer for a year to receive a license.
385	Rep. Gardner	Asks if the period of employment is required.
390	Pulliam	Replies that it is required for a license.
400	John Gervais	National Electrical Contractors Association. Testifies as neutral, but concerned, on HB 3590.
440	Joe Brewer	Administer of Building Codes Division. Testifies as a neutral on HB 3590. (EXHIBIT E)
460	Chair Beyer	Closes public hearing on HB 3590.
481	Chair Beyer	Adjourns meeting at 9:55 a.m.

Submitted By, Reviewed By,

FRANCES THOMAS, KEITH PUTMAN,
Administrative Support Administrator

Transcribed By,

SCOTT D. GRAHAM,
Support Staff

EXHIBIT SUMMARY

A ñ HB 3362, written testimony, Rep. Bill Witt, 2 pp

B ñ HB 3362, -1 amendments, Rep. Bill Witt, 1 p

C ñ HB 3362, -2 amendments, Rep. Bill Witt, 1 p

D ñ HB 3362, written testimony, Gary Conkling, 1 p

E ñ HB 3590, written testimony, Joe Brewer, 1 p