

HOUSE COMMITTEE ON
BUSINESS, LABOR, AND CONSUMER AFFAIRS

March 18, 2005 Hearing Room B

9:00 A.M. Tapes 60 - 63

MEMBERS PRESENT: Rep. Alan Brown, Chair

Rep. Sal Esquivel, Vice-Chair

Rep. Mike Schaufler, Vice-Chair

Rep. Paul Holvey

Rep. George Gilman

Rep. Derrick Kitts

Rep. Chip Shields

STAFF PRESENT: Janet Adkins, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2097 – Work Session

HB 2719 – Public Hearing and Work Session

HB 2772 – Public Hearing

HB 2604 – 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 60, A		
002	Chair Brown	Calls the meeting to order at 9:10 a.m. Opens the work session on HB 2097.
<u>HB 2097 – WORK SESSION</u>		
005	Janet Adkins	Committee Administrator. Explains HB 2097. Explains the -2 and -3 amendments (EXHIBIT A and B) .
030	Rep. Kitts	Thanks the Landscape Contractors Board (LCB) for their work to amend HB 2097.
040	Rep. Esquivel	MOTION: Moves to ADOPT HB 2097-2 amendments dated 02/24/05 and HB 2097-3 amendments dated 03/15/05.
044		VOTE: 7-0-0
	Chair Brown	Hearing no objection, declares the motion CARRIED.
046	Rep. Esquivel	MOTION: Moves HB 2097 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the Joint Committee on Ways and Means by prior reference.
051	Rep. Kitts	Asks why it is being sent to Ways and Means.
054	Adkins	Explains that it is shifting the licensing from the Construction Contractors Board to the LCB.
059		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Brown	The motion CARRIES.
063	Chair Brown	Closes the work session on HB 2097 and opens the public hearing on HB 2719.

HB 2719 – PUBLIC HEARING

- 066 Janet Adkins Submits -1, -2, -3 amendments (**EXHIBIT D, E, and F**).
- 068 Rep. Shields Submits and reads from written testimony in support of HB 2719 (**EXHIBIT C**). Discusses the ways in which HB 2719 will benefit small businesses.
- 112 Chair Brown Thanks Rep. Shield for his responsiveness to complaints regarding non-renewal insurance policies.
- 117 Rep. Kitts Asks what the shortest amount of days given for the renewal and non-renewal of commercial liability insurance policies.
- 119 Rep. Shields Responds that 30 days is the shortest amount of time and these time limits occur in Utah and Oregon.
- 124 Rep. Holvey Asks what the most amount of days given for the renewal and non-renewal of commercial liability insurance policies.
- 125 Rep. Shields Says that many states had a sixty day limit and that one state may have had a seventy day limit.
- 128 Rep. Kitts Asks what the average of the twenty states was.
- 129 Rep. Shields Says that it was 45 days.
- 132 Shawn Miller Property Casualty Insurers Association of America. Speaks in support of HB 2719 with the amendments. Asks about line 22 and line 23 and the restoration of the ten working days. Clarifies that the whole section was deleted.
- 145 John Powell State Farm Insurance Companies and Liberty Northwest. Speaks in support of HB 2719 with the amendments.
- 150 Dan Floyd Oregon Grocery Association. Speaks in support of HB 2719. Believes it is good for business.
- 158 Miller Adds that Safeco supports HB 2719.

160 Chair Brown Closes the public hearing on HB 2719 and opens the work session on HB 2719.

HB 2719 – WORK SESSION

162 Rep. Kitts **MOTION: Moves to ADOPT HB 2719-1 amendments dated 03/14/05, HB 2719-2 amendments dated 03/14/05, and HB 2719-3 amendments dated 03/17/05.**

175 **VOTE: 6-0-1**

EXCUSED: 1 - Schaufler

Chair Brown **Hearing no objection, declares the motion CARRIED.**

178 Rep. Kitts **MOTION: Moves HB 2719 to the floor with a DO PASS AS AMENDED recommendation.**

181 **VOTE: 6-0-1**

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Schaufler

Chair Brown **The motion CARRIES.**

REP. SHIELDS will lead discussion on the floor.

Note: See tape 63 B, page 13 of this tape log for Rep. Schaufler's vote.

192 Chair Brown Closes the work session on HB 2719 and opens the public hearing on HB 2772

HB 2772 – PUBLIC HEARING

193 Janet Adkins Committee Administrator. Submits the -2 amendments (**EXHIBIT G**).

195 Rep. Sal Esquivel Speaks in support of HB 2772. States that becoming a member of the Association of Realtors is difficult and people will not join just to get the health insurance policies. Discusses how the association must be

formed in order to be eligible for group health insurance under Oregon State Law.

- 252 Jana Jarvis Oregon Association of Realtors. Speaks in support of HB 2772. Requests rebuttal time.
- 264 Jenny Pakula Oregon Association of Realtors (OAR). Submits and reads from written testimony in support of HB 2772 (**EXHIBIT H**). Says that health insurance has become an issue for members. States that ORS 743.522 (2) qualifies the OAR for health insurance. Talks about how it will allow businesses with one to 25 employees to obtain group health insurance. Explains HB 2772.
- 305 Ross Dwinell President, Western Benefits. Submits written testimony in support of HB 2772 (**EXHIBIT I**). Says that HB 2772 redefines how a group is defined in relation to group health insurance. Adds that HB 2772 gives OAR more flexibility in seeking health benefits for its members.
- 358 Rep. Holvey Asks what the definition of a small employer is and if it is consistent with other small employer definitions in the state in terms of health insurance coverage
- 362 Dwinell Believes that the definition of small business is consistent and emphasizes that a group can be defined as one person for the purposes of health insurance under HB 2772.
- 373 Rep. Kitts Asks if it is a group is currently defined as two in relation to group health insurance.
- 377 Dwinell Explains that the definition of a group was negotiated when putting the definition into Oregon's statutes in the early 1990s. Says that one is a single and two is a group by current standards.
- 384 Rep. Kitts Asks if one person is defined as a group anywhere in ORS.
- 387 Dwinell Believes that one person is not defined as a group anywhere in ORS.
- 392 Chair Brown Asks if real estate agents are considered independent contractors and mentions a bill on the senate side that redefines what an independent contractor is.

406 Pakula Explains the -2 amendments. Says that the -2 amendments help create a more agreeable bill for the health insurance industry.

TAPE 61, A

004 Rep. Kitts Asks if he can get group health insurance if he is a member of the Landscape Contractors Board and operates a business where he is the sole employee under the definition that is being sought in HB 2772.

012 Pakula States that they sought the -2 amendments so that an independent contractor under a qualifying board that is considered a trade association could obtain group health insurance under Rep. Kitts' scenario.

025 Steve Doty Oregon Association of Health Underwriters (OAHU). Submits and summarizes written testimony in opposition of HB 2772 (**EXHIBIT J**). Believes that HB 2772 would open up the group insurance market to anyone. Shares concerns about providing group health insurance to an individual. Emphasizes the options for individual for getting health insurance in Oregon.

086 Chair Brown Asks if a wife and husband would qualify for group health insurance if they formed an S-corporation or a limited liability company (LLC).

092 Doty States that under current law the couple would qualify for group health insurance.

094 Rep. Esquivel Asks about the insurance market in the state of Washington.

097 Doty Talks about how three main insurance providers are in Washington and how these companies have circumvented the federal law due to the lack of competition. States that the state of Washington is going to model their insurance after Oregon's law.

109 Rep. Esquivel Asks if in the state of Washington they had to be a member of an association.

112 Doty Talks about how the individual did not have to be under an association. Says that even if the individual is in an association it becomes a voluntary market.

117 Rep. Esquivel Asks about a single individual and if they pay a higher premium.

122	Doty	States that in many cases individuals can get cheaper plans than group plans. Explains the reasons why individual insurance can be less expensive.
130	Rep. Esquivel	Asks about group plans at companies offering better coverage and states that these group plans can sometime be lower than the individual market.
135	Doty	States that Oregon state employees have some of the highest premium rates in the state.
142	Rep. Kitts	Asks if a person who has just obtained their real estate license can practice real estate on their own.
155	Doty	States that he cannot answer the question.
158	Rep. Esquivel	Discusses the process of becoming a certified real estate agent and talks about how you have to work under a principal broker for three years before you can work on your own.
169	Rep. Kitts	Asks if a person is an independent contractor for three years or if a person is an employee of the principal broker.
174	Rep. Esquivel	States that from the day a person gets a real estate license that person is an independent contractor unless a person works for a company that pays that person a salary.
182	Rep. Kitts	Asks clarifying question.
184	Rep. Esquivel	Says that the realtor's license is under the supervising broker's license.
185	Rep. Shields	Talks about a two person shop forming an S corporation.
189	Doty	Talks about the current definition in law of a small business.
193	Rep. Shields	Asks if it is difficult for the two people to pay themselves a salary when they are an S corporation.
197	Doty	

		States that payroll is really not part of the issue and talks about how the employee has to be a W-2 employee.
212	Rep. Holvey	Asks if the OAR could buy and provide a group plan and then offer the plan to all its members.
216	Doty	States that OAR can buy and provide a group plan.
223	Rep. Holvey	Asks if the argument is about what qualifies as a group for group health insurance.
232	Doty	States that HB 2772 could create an environment were individuals can elect to gain coverage whenever they want and that this action creates adverse selection in the insurance market. States that is why carriers do not like to write association plans. Talks about how health insurance carriers will just pull out of the market.
248	Rep. Esquivel	Asks if he thinks that people will become realtors just to gain health coverage.
252	Doty	Believes that people would not become members of OAR to gain health coverage. Adds that OAR cannot guarantee how many people will elect to gain health insurance coverage under HB 2772. States that people will start enrolling when they are no longer healthy.
273	Tom Henry	California Association of Health Underwriters and National Association of Health Underwriters. Speaks in support of HB 2772. Says that it is true that the state of Washington has had issues with health insurance carriers moving out of the state. Talks about how the state of Washington did not have a residency requirement. States that there is an open enrollment one time a year for California's group association plans.
321	Henry	Discusses how health problems that are relatively simple can cause carriers to deny health care. Believes that working is another way to screen people. Talks about the high risk program in California and says that it is very expensive there. Does not believe that carriers will pull out of Oregon. Talks about how creating an S corporation and getting health coverage is easier than having to join an association. States that an association should decide when it wants to offer coverage.
378	Chair Brown	

Asks if there is a time period in which an association member has to enroll in a health insurance program.

- 385 Henry States that California created a 60 day window in which an association member can enroll after they become eligible for health insurance coverage.
- 399 Rep. Esquivel Asks if the sixty day period is in statute or in the agreement between the association and the insurance company.
- 406 Henry States that it is between the association and the insurance company.

TAPE 60, B

- 004 Rep. Kitts Asks if, in California, a group is ever defined as one.
- 006 Henry States that in California a group is defined as ranging from two to fifty for small group health insurance.
- 012 Woody Ouderkirk Lincoln County. Speaks in support of HB 2772. States that he is here to relate his experience in the real estate business. Explains that he does not have any health issues and maintains a healthy lifestyle. Talks about how he and his spouse had difficulty getting health coverage and then how it was very expensive. States that they had no access to group plans.
- 048 Rep. Kitts Asks if Mr. Ouderkirk would have been comfortable creating an S corporation so he and his wife could gain access to small group insurance rates.
- 050 Ouderkirk States that he would have felt uncomfortable, because his wife is retired and that he would have had to generate work for her to do.
- 055 Chair Brown Thanks Mr. Ouderkirk for testifying.
- 060 Ed Nieuburt Director of Regulatory Affairs, Providence Health Plan. Submits written testimony in opposition to HB 2772 (**EXHIBIT L**). Mentions the state of Washington's insurance market. Talks about how there are many functioning associations that have group insurance plans. States that the OAR is approved for group coverage.

100	Nieuburt	Discusses how insurance coverage works the best when everyone is covered. Talks about why two people are the bottom limit for small group coverage. Says that OAR should be made to function like a larger group by having rules about when a person can join the health plan.
141	Jack McRae	Senior Vice-President, Life Wise and Senior Vice-President, Premiere Blue Cross. Speaks in opposition to HB 2772. Talks about the issues in Washington and how Regency's rates doubled for health insurance. Speaks to the problems of issuing insurance and how the marketplace collapsed in the state of Washington. Notes that the state of Washington just went back to a group rate of two from a group rate of one.
185	Sally Rolloff	Director of Underwriting, Regency Blue Cross Blue Shield of Oregon. Submits written testimony in opposition to HB 2772 (EXHIBIT K) . Says that the group pools that exist today the individuals have an employee and employer relationship.
204	Rep. Kitts	Asks about association plans in Oregon versus association plans in California.
212	Nieuburt	Says that he does not know about California law regarding associations. Talks about how currently associations have to find insurers to issue plans and how many associations can find plans.
229	Rep. Kitts	Asks if currently any requirements exist which require insurance companies to provide insurance after an association meets all the requirements.
241	Nieuburt	States that it is true that an association could meet all the eligibility requirements and not find insurance. Mentions that the opportunity here is to make an association behave like a group and then insurers will talk about group insurance.
274	Rep. Kitts	Asks what the state of Washington's definition of group is.
279	McRae	Says that a group is defined as two to fifty for the purposes of health insurance.
290	Rep. Kitts	Asks for the data that was provided to the state of Washington Legislature.

295	McRae	States that he has data showing the loss ratios for the groups of one. Says that he can provide the information for the committee.
299	Rep. Esquivel	Asks if you have to be a part of association in the state of Washington to gain group health insurance as an individual. Asks if HB 2772 is patterned more after California.
306	McRae	Says that insurance companies are concerned about the guarantee of issue aspect of HB 2772. Gives an example from an individual market.
321	Rep. Esquivel	States that under a health insurance plan you will have an inception period.
324	McRae	Says that you do have to qualify as an association then you can currently go to an insurer and ask them to provide a health insurance policy to the organization.
330	Rep. Esquivel	Asks if the insurance companies have the ability to set time limits on when a person can sign up for health insurance.
343	Nieubuert	States that what is not compelled in the marketplace today is that an insurer must write an association a health insurance policy.
350	Chair Brown	Asks if HB 2772 would compel an insurance company to provide coverage to an association.
356	Nieubuert	Says that HB 2772 would compel an insurance company to provide insurance.
366	Rep. Esquivel	States that HB 2772 is patterned after California's law. Asks if Regency Blue Cross Blue Shield is the fastest growing HMO in California.
372	Rolloff	States that she does not have a working knowledge of California's HMO plan. Details how opening up coverage would expose the small group market to a large population of individuals who would not act like groups that consists of employers with two to 25 employees. Emphasizes that currently there is still access to association plans.
416	Rep. Shields	Asks if they would be supportive of HB 2772 if there were restrictions on pre-existing conditions.

420 Niebuurt States that he would be open to discuss how to take today's associations and establish ground rules that both parties would be happy with.

TAPE 61, B

002 Rep. Schaufler States that the vast majority of people are not just jumping in and out of insurance plans. Says that many people cannot afford health insurance.

017 Joel Ario Insurance Administrator, Department of Consumer and Business Services (DCBS). Wants more options for more people. Talks about individuals being able to move in and out of the group insurance market at will and believes that HB 2772 handles that issue well. Notes that there needs to be clear rules about what happens once people are inside the association in relation to health insurance coverage. States that insurance companies are concerned that people will come into the group pool once individual insurance rates have gotten higher than the group health insurance rates.

062 Ario Talks about possible insurance solutions by requiring that real estate offices falling under the jurisdiction of HB 2772. Expresses a desire to work with the different parties to help come to an agreement.

092 Pakula States that OAR cannot get an insurance company to come to the table to provide a quote to the association. Says that other associations are covered but that they do not have independent contractors. Notes that most of the OAR's members work alone. Mentions that OAR would agree to have enrollment periods.

127 Rep. Schaufler States that we should be talking about everyone having access to health insurance coverage.

133 Pakula Notes that what they are proposing is different from what corporations are asking.

145 Dwinell Talks about small group reforms in the early 1990s. Says that appropriate design at the association level can allow for enrollment periods. Indicates that insurance carriers have plans with a fifty percent co-pay and a \$1,000,000 limit that they can offer to associations.

168 Rep. Kitts

Asks if there are any examples of an association with independent contractors that currently has group health insurance coverage similar to what OAR is seeking.

- 172 Pakula States that she is not aware of any organizations that offer group health insurance and have independent contractors as their primary membership. States that OAR could not find a health insurance carrier for its members.
- 180 Rep. Kitts Provides a specific example of an imaginary association and asks if this association would qualify for health insurance.
- 194 Pakula States that the given association would not fall under HB 2772.
- 198 Rep. Schaufler Asks if most realtors just have catastrophic healthcare coverage.
- 208 Pakula Affirms that it is what most of what the realtors do.
- 217 Rep. Schaufler Expresses concerns about the healthcare industry.
- 224 Chair Brown Closes the work session on HB 2772. Opens the public hearing on HB 2604. Recesses the committee at 10:54 a.m.

HB 2604 – PUBLIC HEARING

- 230 Chair Brown Reconvenes the meeting at 11:03 a.m.
- 235 Janet Adkins Committee Administrator. Explains HB 2604.
- 275 Jana Jarvis Government Affairs Director, Oregon Association of Realtors (OAR). Submits informational packet in support of HB 2604 (**EXHIBIT M**). Talks about the formation in the “white paper” and the background for creating HB 2604 (**EXHIBIT M, Page 22 – 24**).
- 306 Matt Farmer Associate General Counsel, OAR. Explains that there has been excessive and unequal application of the rules dealing with realtors. Says that these rules are based on the old sales model. Talks about earnest money.
- 350 Farmer

Wants the Real Estate Agency's (REA) discipline of realtors to be progressive. Mentions excessive penalties for the expiration of realtors' licenses. Talks about the different levels of grounds for discipline against various licensees.

397 Farmer States that the professional behavior of the licensee should be subject to discipline and not individual mistakes when providing services.

TAPE 62, A

001 Farmer Talks about how the REA has the right to request all records from a realtor. States that the way negligence is used is ORS 696.301 is dictionary negligence and not the legal definition of negligence. Explains how the enforcement of real estate law is detrimental to realtors. Mentions the growing amount of paperwork and explains that it occurs because of the current definition of negligence for realtors in Oregon (**EXHIBIT M, Page 6 – 21**).

050 Farmer Talks about current paper practices. Says that if the realtor creates a situation for harm then that realtor should be punished under the law. Says that defense lawyers are concerned about real estate investigations tainting civil complaints and have proposed suppressing materials collected by the REA in civil proceedings.

093 Rep. Schaufler Asks if they have examined the REA response (**EXHIBIT P**).

098 Farmer Says that OAR has responded in writing to the REA's response to HB 2604.

102 Norm Webb Lawyer, Marion County. Speaks in support of HB 2604. Asserts that ORS 696.301 is problematic because it is weighted very heavily against the licensees. Gives examples of errors that allow REA to take action against realtors. States that trivial acts allow the REA to put realtor's license in jeopardy.

146 Webb Says that part of the problem is that the investigators do not have experience as a realtor. Says that HB 2604 will balance the power that the REA has.

163 Donald Rist Real Estate Agent, Ashland. Submits informational packet in support of HB 2604 (**EXHIBIT N**). Talks about his experiences being investigated. Says that he was investigated because his real estate

license had expired. States that he did not feel that the \$10,000 civil fine that the REA wanted to impose was fair.

- 210 Rist States that he did pay a fine to the REA. Says that he does not know how the REA calculates penalties. Mentions that he never got his renewal notice and that other realtors in his area experienced the same situation.
- 240 Donald McCoy Realtor, Central Point. Submits written testimony in support of HB 2604 (**EXHIBIT O**). Talks about the difficulty he faced with the renewal process of his real estate license. Notes the action that was taken against him for the period of time in which he was not licensed. Expresses frustration with the process.
- 290 McCoy Talks about how the REA wanted all of his information from the time period in question. Discusses how his business was compromised. Talks about his informal meeting with the REA and says that he did not see any level of negligence that hurt anyone.
- 310 McCoy Says that he gave the REA suggestions about how to help realtors renew their licenses. Talks about the real estate educational process and how it created a sense of confidence for him. Believes that the state agency can do better.
- 378 Don Robertson Licensed Real Estate Broker, Lebanon. Speaks in support of HB 2604. Talks about situation of selling a house with dry rot that was supposed to be fixed. Explains how the allegations proliferated and the investigation.

TAPE 63, A

- 001 Robertson Further talks about difficulties with the investigation. Notes that the contractor was not investigated. Talks about how the investigator was also the prosecutor and the person who wrote the final letter of decision. Discusses how their license was revoked. Notes the emotional distress that occurred during the investigation in his office. Talks about how the letter in his file is there permanently.
- 058 Rist States that their name is now in the Real Estate Magazine as having done something wrong.
- 068 John Zupan Member, Real Estate Agency Board. Speaks in support of HB 2604. States that the Real Estate Agency piles on charges so that realtors

plea guilty to a lesser charge. Talks about the lack of consistency and how the Commissioner of the REA is unable to know what is happening with investigations.

- 096 Art Kegler Real Estate Broker, Hermiston, Boardman, and Arlington and member, REA Board. Says that the ideas originated eleven months ago during a legislative coordinating session in Eugene. Believes that HB 2604 is a necessity in correcting a problem in their industry.
- 117 David Koch Real Estate Broker, Portland. States that his concern is that the complexity of the rules and the process of investigation is so lengthy that it hinders the enforcement of laws against negligent real estate brokers. Talks about how he turned some of his realtors into the REA and states that the agency never took up the issue. Says that there is not a consistent process for taking action against realtors and that there needs to be.
- 195 Rick Harris Real Estate Broker, Ashland. Speaks in support of HB 2604. Talks about how realtors have a national code of ethics. States that HB 2604 will clarify the rules and help realtors follow them. Mentions that they have been talking about changing the regulatory process for two years and details how HB 2604 will help the real estate agency.
- 240 Rep. Kitts Asks for a comparison between Washington and Oregon.
- 243 Koch States that, in Oregon, he responds on a weekly basis to an issue with the REA. Says that, in four years, he has responded to the state of Washington's Real Estate Agency twice.
- 260 Ralph Groener American Federation of State, County, and Municipal Employees (AFSCME). Speaks in opposition to HB 2604. States that in section three and five of HB 2604 there is the possibility to shift the balance in favor of realtors. Wants the committee to listen to consumers.
- 308 Groener Says that he is not concerned about minor cases but about the large cases. Appeals to the committee to listen to employees.
- 330 Tim Pfau Council Representative, Oregon AFSCME Council 75. Talks about the dynamics of the REA. Discusses how inspectors see themselves as protectors of the consumers. States that HB 2604 has some flaws, because it sets the bar too low and removes the investigators ability to find evidence on patterns of behavior.

- 380 Pfau Says that investigators know that they are dealing with realtors that know the law and consumers that do not know the law.
- 413 Rep. Schaufler Mentions previous testimony by Mr. Robertson. States that it is wrong for an innocent person to have a permanent mark on his realtor's record. Asks Mr. Pfau about his take on this situation.

TAPE 62, B

- 013 Pfau States that he did not hear the testimony.
- 022 Groener Wants Rep. Schaufler to ask the real estate investigator and hear the other side of the story.
- 030 Pfau Says that the realtors try to regulate themselves. Asserts that consumers need a place to take their complaints.
- 038 Rep. Schaufler Wants a workgroup to be formed so that workers and consumers will be protected.
- 044 Chair Brown States that this discussion started 12 months ago and references the "white paper" (**EXHIBIT M, Page 22 – 24**).
- 047 Pfau Talks about how they asked for minutes from a REA meeting and says that the commissioner has been reluctant to give them the minutes. Talks about the process that has occurred surrounding the request for the minutes. Indicates that this process proves that investigation and recommendation are separate in the REA.
- 082 Groener Says that he did not see HB 2604 until two days ago.
- 109 Scott Taylor Commissioner, REA. Submits informational packet and written testimony (**EXHIBIT P**). Reads and elaborates on written testimony (**EXHIBIT P, Pages 16-24**). Talks about his personal experience with the agency. States that he is concerned about timeliness.
- 156 Taylor Continues to read from testimony (**EXHIBIT P, Pages 16-17**). Shares problems that exist within the REA. Says that over 98 percent of the complaints are resolved in negotiations. Addresses the issue of suppressing evidence and says that the REA does not suppress evidence.

216 Taylor Continues to read from testimony (**EXHIBIT P, Pages 17-18**). Discusses statistics of actions taken against realtors. Says that he was a panelist at the meeting in Eugene and was told that HB 2604 was not “a big deal”.

260 Taylor Continues to read from testimony (**EXHIBIT P, Pages 18**). Discusses his previous involvement with HB 2604.

290 Rep. Kitts Asks if he did participate in the panel where HB 2604 was discussed.

298 Taylor States that he was a member of the panel.

300 Rep. Kitts Asks about the discussion of the legislative agenda.

304 Taylor Says that he was not made aware of HB 2604.

307 Rep. Kitts Asks if Mr. Taylor just thought that HB 2604 was a discussion at the time and not going to be a bill in the legislature.

310 Taylor Believes that HB 2604 was just in discussion and not being proposed as a bill for the 2005 Legislative Session

316 Rep. Kitts Asks if Mr. Taylor voiced his opposition at the time to the ideas in HB 2604.

320 Taylor Says that the proposed issues were not discussed.

322 Rep. Kitts Asks if the issues were ever discussed at the Eugene meeting and asks if he first learned about the issues on February 22 of 2005.

329 Taylor States that the issues were not discussed. Says he learned of HB 2604 in the Oregon Realtor Magazine. Notes that he first saw the proposal on February 23, 2005.

340 Rep. Kitts Asks at what point when Taylor voiced opposition to HB 2604.

345 Taylor Says that he voiced his opposition on February 25, 2005. Continues to read from testimony (**EXHIBIT P, Pages 18-19**). Talks about section one of the bill. States that the REA is in support of section

one. Discusses section two and three and voices concern about section two and three.

395 Taylor Continues to read from testimony (**EXHIBIT P, Pages 19-20**). Talks about different types of negligence.

TAPE

001 Taylor Continues to read from written testimony (**EXHIBIT P, Pages 20-21**). Wants to work with the attorney general on HB 2604 and suggest that it be worked on during the interim. Shares concerns about how HB 2604 puts the emphasis on conduct and not consequences. Discusses section five and expresses concerns with section five.

050 Taylor Continues to read from written testimony (**EXHIBIT P, Pages 21-22**). Discusses Mr. Robertson's case. Talks about his meetings with industry and how they addressed various issues. Refers to chapter 10 of the Real Estates Manual and believes that these procedures should not be required by statute (**EXHIBIT P, Pages 7-12**). Mentions the Tax Practitioners Law (**EXHIBIT P, Pages 13-15**). Discusses personnel issues.

100 Taylor Continues to read from written testimony (**EXHIBIT P, Pages 22-23**). Deviates from written testimony and talks about the issues surrounding licensing renewal. Talks about sections six, seven, and eight. Deviates from written testimony and talks about licensing renewal. Wants to have a discussion with the real estate industry about the problem.

164 Rep. Holvey States that it seems like there are some problems between the industry and the REA. Encourages dialogue to occur surrounding the issues in HB 2604.

181 Taylor Continues to read from written testimony (**EXHIBIT P, Pages 23-24**). Talks about the dialogue between REA and realtors.

203 Rep. Schaufler Asks why there is still a mark on Mr. Robertson's record when he was exonerated.

228 Taylor Talks about Mr. Robertson's case and says that Mr. Robertson was wronged. Notes that policies were changed in the REA after Mr.

Robertson's case came to light. States that they are trying to work with the real estate industry to resolve various issues.

- 265 Rep. Esquivel Suggest several ways in which REA can address the issues. Wants to look at the original intent of the REA. Talks about a case with a forged signature on a contract and believes that it was not dealt with properly by the investigator.
- 323 Taylor Mentions that he looked at Rep. Esquivel's case. Talks about the issue with the cover letter and says that the investigator's report was sent to the individual involved. States that the issues that were raised in the case would not occur today. Discusses "the piling on of violations" and says that there need to be less ways a realtor can lose their license.
- 360 Chair Brown Closes the public hearing on HB 2604 and opens the work session on HB 2719 for the purposes of allowing Rep. Schaufler to vote.

HB 2719 – WORK SESSION

- 370 Rep. Gilman **MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. SCHAUFLE to BE RECORDED as voting AYE on the motion to move HB 2719 to the floor with a DO PASS AS AMENDED recommendation..**
- 382 **VOTE: 7-0-0**
- Chair Brown **Hearing no objection, declares the motion CARRIED.**
- Note: See tape 60 A, page 3 of this tape log for the original vote on HB 2719.
- 390 Chair Brown Closes the work session on HB 2719 for the purpose of allowing Rep. Schaufler to vote and adjourns the meeting at 12:58 p.m.

EXHIBIT SUMMARY

- A. HB 2097, -2 amendments, staff, 1 p

- B. HB 2097, -3 amendments, staff, 3 pp**
- C. HB 2719, written testimony, Rep. Chip Shields, 2 pp**
- D. HB 2719, -1 amendments, staff, 1 p**
- E. HB 2719, -2 amendments, staff 1 p**
- F. HB 2719, -3 amendments, staff, 1 p**
- G. HB 2772, -2 amendments, staff, 2 pp**
- H. HB 2772, written testimony, Jenny Pakula, 2 pp**
 - I. HB 2772, written testimony, Ross Dwinell, 1 p**
 - J. HB 2772, written testimony, Steve Doty, 1 p**
- K. HB 2772, written testimony, Sally Rolloff, 2 pp**
- L. HB 2772, written testimony, Ed Nieuburt, 2 pp**
- M. HB 2604, informational packet, Jana Jarvis, 24 pp**
- N. HB 2604, informational packet, Donald Rist, 8 pp**
- O. HB 2604, written testimony, Don McCoy, 11 pp**
- P. HB 2604, informational packet and written testimony, Scott Taylor, 24 pp**