

SENATE COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

March 31, 2005
1:00 P.M.

Hearing Room B
Tapes 52 - 53

MEMBERS PRESENT: Sen. Rick Metsger, Chair
Sen. Bruce Starr, Vice-Chair
Sen. Jason Atkinson
Sen. Ryan Deckert

MEMBER EXCUSED: Sen. Laurie Monnes Anderson

STAFF PRESENT: Theresa Van Winkle, Committee Administrator
James Goulding, Committee Assistant

MEASURES/ISSUES HEARD:

SB 327 – Public Hearing
SB 413 – Work Session
SB 1017 – Public Hearing
SB 55 – Public Hearing and Work Session
SB 955 – Public Hearing
SB 214 – Public Hearing and Work Session
SB 997 – 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 52, A		
003	Chair Metsger	Calls the meeting to order at 1:06 p.m. Opens a public hearing on SB 327.
SB 327 – PUBLIC HEARING		
015	Sen. Frank Morse	Senate District 8. Offers testimony in favor of SB 327.
047	Jan Amling	Discusses the -1 amendments to SB 327 (EXHIBIT A). Consumer Credit Counseling Service of Linn-Benton, Inc. Presents written testimony in favor of SB 327 (EXHIBIT B).
080	Amling	Remarks on the necessity of this legislation. Discusses the implications of the less honest members of their industry and giving the state better ability to enforce laws.
110	Sen. Morse	Comments that a nearly identical bill passed the House in the 2003 session and that this is not a new proposal.
123	Lewis Finley	President, Family Financial Planners, Inc. Submits written testimony in opposition to SB 327 (EXHIBIT C).
150	Finley	Remarks on the <i>Oregonian</i> article contained in his submitted testimony.
170	Chair Metsger	Observes that his testimony is actually paralleling the testimony given in favor of SB 327. Asks that he comment on the provisions of the bill.
181	Finley	Requests a restatement of the question.

183	Chair Metsger	Clarifies what he is asking.
191	Finley	Replies that his objections are to the new charges, and that a company cannot take its fee unless it goes directly to its creditor.
220	Finley	Observes this would only make the process of debt collection more complicated.
225	Chair Metsger	Suggests that Ms. Amling respond to Mr. Finley's criticisms.
230	Amling	Clarifies that statute language.
239	Finley	Replies he reads the language differently. Reads from a prior creditor agreement.
243	Chair Metsger	Observes that the measure before them does not change the agreement.
245	Finley	States further objections.
247	Chair Metsger	Notes he does not fully understand the specifics of Mr. Finley's objections.
250	Finley	Offers his interpretation of the bill and why he objects.
253	Amling	Clarifies the fee payment process.
260	Sen. Deckert	Considers if creditors control the funding for non-profit credit counseling service.
267	Amling	Comments on the wide range of differences between boards of directors and their policies. Remarks there is little control over Chapter 13 type claims.
295	Chair Metsger	Closes public hearing on SB 327. Opens work session on SB 413.

SB 413 – WORK SESSION

305	Chair Metsger	Remarks on the previous hearing of SB 413 and reads Oregon Public Utility Commission (PUC) Chair Lee Beyer's evaluation of the policy.
321	Sen. B. Starr	Observes the -1 amendments to SB 413 (EXHIBIT D).
323	Theresa Van Winkle	Committee Administrator. Explains the changes made by the -1 amendments.
337	Sen. B. Starr	MOTION: Moves to ADOPT SB 413-1 amendments dated 3/2/05.
340		VOTE: 3-0-2
		EXCUSED: 2 - Atkinson, Monnes Anderson
		Hearing no objection, declares the motion CARRIED.
343	Chair Metsger Sen. B. Starr	MOTION: Moves SB 413 to the floor with a DO PASS AS AMENDED recommendation.
345	Sen. B. Starr	Comments on SB 413 and the issues surrounding the bill.
347		VOTE: 3-0-2
		EXCUSED: 2 - Atkinson, Monnes Anderson
		Hearing no objection, declares the motion CARRIED.
		SEN. METSGER will lead discussion on the floor.
353	Chair Metsger	Closes work session on SB 413 and opens a public hearing on SB 1017.

SB 1017 – PUBLIC HEARING

360	Sen. Morse	Testifies in favor of SB 1017. Defers to the testimony of Mr. Denham and Mr. Finklea.
385	Jim Denham	General Counsel, Wah Chang. Submits written testimony in favor of SB 1017 (EXHIBIT E).

TAPE 53, A

030	Denham	Continues to testify in support of SB 1017.
050	Ed Finklea	Attorney, Cable Huston. Presents his written testimony in favor of SB 1017 (EXHIBIT F).

080	Finklea	Expounds that there is nothing in the bill that is attempting to overturn previous Oregon Public Utilities Commission rulings.
110	Finklea	Discusses connections to natural gas pipelines and current operations.
133	Sen. Deckert	Wonders about addressing situations where litigations are pending.
141	Denham	Notes an appeal has redirected the case back to the PUC.
145	Sen. Deckert	Considers why the legislature would involve itself in a matter already being addressed by the PUC.
149	Denham	Offers that the reason for addressing this issue is specifying certain elements of the law to clarify intent of the statute.
159	Sen. Deckert	Wonders if the PUC safety requirements will be the same if this is enacted.
165	Finklea	Points out he has addressed the situation in his written testimony.
173	Denham	Notes they have staff present that can answer in greater detail.
177	Sen. Deckert	Questions the potential for cost shifting.
185	Finklea	Explains that their company has long argued for cost based rates.
210	Finklea	Discusses further.
233	Bonnie Tatom	Representing PUC.
237	Chair Metsger	Wonders how the PUC would interpret the law.
244	Tatom	Doesn't feel it clarifies the law, such as adding additional provisions.
251	Chair Metsger	Recalls that in the other 49 states this is already standard policy.
253	Tatom	Admits she does not know for sure.
255	Sen. B. Starr	Asks if the PUC has taken a position on SB 1017.
257	Tatom	States that they oppose it.
259	Sen. B. Starr	Requests to know the rationale for their opposition.
260	Tatom	Replies she will provide that information.
263	Sen. Deckert	Seeks greater understanding of the reasoning behind the PUC opposition.
267	Tatom	Presents committee with a summary of the PUC's opposition to SB 1017 (EXHIBIT G).
279	Sen. Deckert	Comments on the summary.
281	Tatom	Concludes her testimony.
290	Bob Jenks	Citizens Utility Board (CUB). Testifies in opposition to SB 1017.
343	Gary Bauer	Northwest Natural. Presents written testimony in opposition to SB 1017 (EXHIBIT H).
380	Bauer	Continues testimony regarding the narrow scope of those that would benefit from this legislation.

TAPE 52, B

005	Bauer	Relays his hope that there is another way to resolve this matter.
023	Chair Metsger	Comments on the access issues with pipelines.
025	Sen. Deckert	Inquires about the policies in the 49 other states.
033	Bauer	Replies he has not researched it yet, but will get back to him.
035	Sen. B. Starr	Voices his concern of companies going out of business.
043	Bauer	Agrees and remarks they are only as healthy as the economy.
053	Chair Metsger	Echoes Sen. Starr's comments. States the committee will go over the information before any other action is taken. Closes public hearing on SB 1017. Opens public hearing on SB 55.

SB 55 – PUBLIC HEARING

065	Theresa Van Winkle	Explains the details of the -2 amendments (EXHIBIT I) to the measure.
080	Dan Linscheid	Yamhill County Surveyor. Presents written testimony in favor of

115	Dean Anderson	SB 55 (EXHIBIT J). IT Director, Polk County. Presents written testimony in favor of SB 55 (EXHIBIT K).
140	Chair Metsger	Asks if he could articulate for the record what organizations support this legislation.
145	Linscheid	Notes the parties that have voiced support for SB 55. Submits a packet of letters from parties supporting SB 55 (EXHIBIT L).
153	Chair Metsger	Wonders how long it took to build a consensus with the various organizations.
155	Linscheid	Remarks on the progress that has been made. States that they were initially far apart on this issue.
157	Chair Metsger	Comments on the need for the law to keep up with technology. Closes public hearing on SB 55. Open a public hearing on SB 955.

SB 955 – PUBLIC HEARING

177	Robert Ball	Developer, Pearl Real Estate. Presents written testimony in favor of SB 955 (EXHIBIT M).
262	John Carroll	Developer, Edge Lofts. Testifies in favor of SB 955.
303	Sally Westin	Real Estate Investor, Eugene Oregon. Presents a letter from Jean Tate to the committee (EXHIBIT N). Talks about the stumbling blocks for getting their project moving because of high insurance requirements. Mentions the -1 amendment (EXHIBIT O).
371	Sen. B. Starr	Observes that insurance rate increases are related to construction defects.
387	Ball	Responds that construction defect costs fall upon the builder.
410	Carroll	Contributes that this bill is not attempting to avoid responsibility for construction defects.

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005	Carroll	Continues to discuss the contractor standards.
007	Chair Metsger	Closes public hearing on SB 955. Opens a work session on SB 55.

SB 55 – WORK SESSION

013	Chair Metsger	Summarizes the measure for the members who were not present earlier.
015	Sen. B. Starr	MOTION: Moves to ADOPT SB 55-2 amendments dated 3/28/05.
017		VOTE: 4-0-1 EXCUSED: 1 - Monnes Anderson Hearing no objection, declares the motion CARRIED.
019	Chair Metsger Sen. B. Starr	MOTION: Moves SB 55 to the floor with a DO PASS AS AMENDED recommendation.
021		VOTE: 4-0-1 EXCUSED: 1 - Monnes Anderson Hearing no objection, declares the motion CARRIED. SEN. B. STARR will lead discussion on the floor.
023	Chair Metsger	Closes work session on SB 55. Opens a public hearing on SB 214.

SB 214 – PUBLIC HEARING

025	Chair Metsger	Takes a moment to mention the deadline for hearing Senate measures.
035	Robert Roth	Assistant Attorney General. Presents written testimony in favor of SB 214 (EXHIBIT P). Notes the -1 amendments before the committee (EXHIBIT Q).

095 John McCulley Executive Secretary, Oregon Fairs Association. Comments on his concerns with SB 214.

115 Katie Cannon Director of the Oregon State Fair. Notes her support for the -1 amendments.

The following prepared testimony is submitted for the record without public testimony:

Harold Scoggins Written testimony on SB 214 (**EXHIBIT R**).

127 Chair Metsger Closes public hearing on SB 214. Opens a work session on SB 214.

SB 214 – WORK SESSION

144 Sen. B. Starr **MOTION: Moves to ADOPT SB 214-1 amendments dated 3/30/05.**

147 **VOTE: 4-0-1**
EXCUSED: 1 - Monnes Anderson
 Chair Metsger **Hearing no objection, declares the motion CARRIED.**

148 Sen. B. Starr **MOTION: Moves SB 214 to the floor with a DO PASS AS AMENDED recommendation.**

149 **VOTE: 4-0-1**
EXCUSED: 1 - Monnes Anderson
 Chair Metsger **Hearing no objection, declares the motion CARRIED.**
SEN. KRUSE will lead discussion on the floor.

157 Chair Metsger Closes work session on SB 214. Opens a public hearing on SB 997.

SB 997 – PUBLIC HEARING

160 Darrell Fuller New Car Dealers Association. Explains the measure and proposed the -1 amendment (**EXHIBIT S**) and written testimony (**EXHIBIT T**). Notes there are some drafting problems with the current amendments that will be corrected as soon as possible.

200 Eva Tayrose Financial Fraud/Consumer Protection Section, Oregon Department of Justice (DOJ). Supports the intent of the measure, but relates that a few changes are still needed.

227 Chair Metsger Asks if a consumer is informed of the amount charged for vehicle transfer fee.

232 Fuller Replies that fee disclosure is required.

235 Sen. Deckert Observes that they may want to move this along in the process and make the changes in the other chamber.

240 Chair Metsger Notes they will wait for the amendments, before moving it forward. Closes the public hearing on SB 997. Adjourns the committee at 2:50 p.m.

EXHIBIT SUMMARY

- A. SB 327, - 1 amendments, staff, 1 p
- B. SB 327, Written testimony, Jan Amling, 3 pp
- C. SB 327, Written testimony, Lewis Finley, 7 pp
- D. SB 413, - 1 amendments, staff, 2 pp
- E. SB 1017, Written testimony, Jim Denham, 2 pp
- F. SB 1017, Written testimony, Ed Finklea, 4 pp
- G. SB 1017, PUC Opinion Paper, Bonnie Tatom, 1 p
- H. SB 1017, Written testimony, Gary Bauer, 2 pp
- I. SB 55, -2 amendments, staff, 14 pp
- J. SB 55, Written testimony, Dan Linscheid, 1 p

- K. SB 55, Written testimony, Dean Anderson, 1 p**
- L. SB 55, Letters of Support, Dan Linscheid, 7 pp**
- M. SB 955, Written testimony, Robert Ball, 2 pp**
- N. SB 955, Written testimony of Jean Tate, Sally Westin, 1 p**
- O. SB 955, - 1 amendments, staff, 4 pp**
- P. SB 214, Written testimony, Robert Roth, 2 pp**
- Q. SB 214, -1 amendments, staff, 1 p**
- R. SB 214, Written testimony, Harold Scoggins 7pp**
- S. SB 997, -1 amendments, staff, 2 pp**
- T. SB 997, Written testimony, Darrell Fuller, 2 pp**