

HOUSE COMMITTEE ON
BUSINESS, LABOR AND CONSUMER AFFAIRS

February 12, 2003 Hearing Room E
8:30 A.M. Tapes 28 - 29

MEMBERS PRESENT: Rep. Betsy Close, Chair
 Rep. Derrick Kitts, Vice-Chair
 Rep. Diane Rosenbaum, Vice-Chair
 Rep. Mary Gallegos
 Rep. Bill Garrard
 Rep. Jeff Merkley
 Rep. Mike Schaufler

STAFF PRESENT: Megan Palau, Committee Administrator
 Mike Reiley, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2389 – Public Hearing**
 HB 2391 – Public Hearing
 HB 2383 – Public Hearing
 HB 2438 – Public Hearing
 HB 2383 – 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 28, A		
003	Chair Close	Calls meeting to order at 8:37 am. Opens public hearing on HB 2389.
<u>HB 2389 – PUBLIC HEARING</u>		
009	Megan Palau	Committee Administrator. Summarizes HB 2389.
016	Scott Barrie	Oregon Building Industry Association (OBIA). Testifies in support of HB 2389.
033	Dan Dorn	Sunco Homes. Testifies in support of HB 2389. Explains difficulties for builders in obtaining insurance.
078	Chair Close	Asks what Exterior Insulation and Finish System (EIFS) is.
079	Dorn	Explains it is synthetic stucco which has been involved in lawsuits.
084	Rep. Schaufler	Asks about lawsuits regarding EIFS.
087	Dorn	Explains lawsuits regarding EIFS. Concludes testimony.
159	Rep. Garrard	Asks if 90-day timeframe for complaints is appropriate.
168	Dorn	Explains ramifications of timeframe.
174	Ron Manza	Professional Insurance Agents of Oregon. Submits and summarizes prepared testimony in support of HB 2389 (EXHIBIT A) .
212	Rep. Schaufler	Asks about ability of homeowner to sue for negligence.
220	Manza	Explains effect of HB 2389 on potential lawsuits.
236	Rep. Kitts	Asks for clarification of language in HB 2389.
247	Barrie	Clarifies language.
257	Rep. Kitts	Asks about liability and insurance rates.

267	Dorn	Explains liability and insurance rates.
271	Rep. Kitts	Asks for further clarification of liability and insurance process.
277	Dorn	Explains process.
305	Rep. Rosenbaum	Asks about timeframe for addressing complaints.
323	Paul Gary	OBIA. Explains process and timeframe for addressing complaints.
342	Rep. Rosenbaum	Asks about timeframe.
353	Gary	Offers further clarification of timeframe.
370	Rep. Rosenbaum	Asks about complaint process.
380	Gary	Explains complaint process.
TAPE 29, A		
005	Barrie	Offers further clarification of complaint process and addresses statute of limitation.
018	Chair Close	Asks if statutes of limitation in Oregon are similar to statutes in other states.
020	Manza	Explains statutes of limitation in other states.
025	Rep. Merkley	Answers yes.
027	Barrie	Explains amendments are forthcoming.
030	Rep. Merkley	Asks about homeowner's ability to make repairs during complaint timeframe.
052	Manza	Explains that most insurance provides for emergency repairs. Explains timeframe.
087	Bob Repine	Oregon Housing of Community Services. Testifies in support of HB 2389.
125	Bill Boyd	Manager, Claims Resolution Program, Construction Contractors Board (CCB). Describes comparisons with HB 2233. Explains claims process.
169	Chair Close	Asks for clarification of numbers of claims in resolution process.
170	Boyd	Explains claims process and resolutions.
187	Chair Close	Asks about year timeframe for filing complaint.
190	Boyd	Explains timeframe.
193	Chair Close	Asks about HB 2389 extending the process.
195	Boyd	Explains that it will not affect CCB process.
197	Rep. Garrard	Asks if HB 2389 addresses prefabricated homes.
206	Boyd	Explains provisions regarding prefabricated homes.
209	Rep. Rosenbaum	Asks about HB 2389 claims process and current claims process.
214	Boyd	Explains claims processes.
232	Rep. Rosenbaum	Expresses concern regarding litigation confusion.
240	Boyd	Explains that amendments are forthcoming to offer clarification.
246	Rep. Merkley	Asks for information about rising insurance costs.
260	Boyd	Responds he will obtain information.
272	Rep. Merkley	Asks about mandatory arbitration process and effect on litigation.
280	Boyd	Responds that there are many different clauses to prevent litigation.
300	Chair Close	Closes public hearing on HB 2389. Opens public hearing on HB 2391.
<u>HB 2391 – PUBLIC HEARING</u>		
340	Kelly Paige	Executive Director, Oregon Board of Investigators. Submits and summarizes prepared testimony in opposition to HB 2391 (EXHIBIT B) .
345	Megan Palau	Committee Administrator. Summarizes HB 2391.
350	Paige	Continues prepared testimony.
385	Mark Holady	Attorney, Washington County. Submits and summarizes

prepared testimony in support of HB 2391 (**EXHIBIT C**).

TAPE 28, B

030	Chair Close	Asks about costs to become private investigator.
032	Holady	Explains costs.
038	Chair Close	Asks how many private investigators are in Oregon.
040	Holady	Explains numbers of private investigators.
062	Rep. Gallegos	Asks about regulation of private investigators.
064	Holady	Explains competition and regulation of private investigators.
077	Rep. Gallegos	Asks about assurances that information provided by investigators is correct.
087	Holady	Explains regulations regarding investigators and heir tracers.
096	Paige	Explains that genealogists are not exempted, but they are generally not financially compensated.
110	Chuck Bennett	Public Member, Oregon Board of Investigators. Explains heir tracer process.
118	Chair Close	Asks if investigators are paid with percentage of what they recover.
120	Nelson	Responds that it is between 10-50%.
175	Rep. Merkley	Asks about motivation for bringing HB 2391.
183	Nelson	Responds that statute is not “on point”. Explains actions of heirs in inheritance cases.
216	Chair Close	Closes public hearing on HB 2391. Opens public hearing on HB 2383.

HB 2383 – PUBLIC HEARING

225	Paul Cosgrove	Oregon Financial Services Association, United Financial Lobby, Alliance of Automobile Manufacturers. Explains concerns with HB 2383.
244	Chair Close	Asks if there is work being done to propose amendments.
246	Cosgrove	Answers yes.
250	Chair Close	Closes public hearing on HB 2383. Opens public hearing on HB 2438.

HB 2438 – PUBLIC HEARING

255	Megan Palau	Committee Administrator. Summarizes HB 2438.
268	Erin Thurber	Brooks, Oregon. Testifies in support of HB 2438.
344	Cheryl Pellegrini	Assistant Attorney General, Consumer Protection and Financial Fraud Division, Oregon Department of Justice. Submits and summarizes prepared testimony in opposition to HB 2438 (EXHIBIT D).
425	Rep. Merkley	Expresses appreciation to Mr. Thurber for speaking on behalf of HB 2438. Asks about central issue.
438	Pellegrini	Explains her opinion of central issue.
447	Chair Close	Closes public hearing on HB 2438. Opens public hearing on HB 2383.

TAPE 29, B

HB 2383 – PUBLIC HEARING

025	Monty King	Executive Director, Oregon Independent Auto Dealers Association. Submits and summarizes prepared testimony (EXHIBIT E). Explains proposed amendments.
037	Rep. Gallegos	Asks about secondary liens.
042	King	Responds and continues summarizing testimony.
077	Rep. Merkley	Asks about selling vehicles commercially or wholesale.
082	King	Explains regulations regarding selling vehicles.
090	Vice-Chair Kitts	Asks about tow operators selling vehicles and dealers’ licenses.
098	King	Responds.

103	Vice-Chair Kitts	Clarifies that tow operators in question do not have dealers' licenses.
105	King	Answers yes.
112	Rep. Rosenbaum	Asks about moving cars without license plates.
120	King	Explains moving cars without license plates.
136	Rep. Gallegos	Asks for clarification about moving cars without license plates.
141	Kelly Taylor	Department of Transportation. Explains process for obtaining trip permit.
163	Rep. Garrard	Explains desire to protect consumers with HB 2383. Expresses concern that vehicle owners could still be liable for vehicles not under their control.
172	Taylor	Explains process for selling vehicles.
188	Rep. Garrard	Asks when liability ends.
190	Taylor	Clarifies liability in vehicle sale.
204	Rep. Garrard	Asks about consumer protection.
206	Taylor	Explains protection for consumers.
213	Rep. Garrard	Asks for clarification of consumer protections.
219	Taylor	Offers further clarification.
224	Rep. Kitts	Asks about action necessary to resolve issue.
239	Taylor	Explains action necessary to resolve issue.
254	Rep. Kitts	Asks about title transfer.
263	Taylor	Explains process for title transfer.
376	Rep. Merkley	Asks for clarification of title transfer process.
302	Taylor	Explains effect of HB 2383 on process.
316	Rep. Gallegos	Asks about enforcement of registering and insuring cars.
329	Taylor	Explains benefit of insuring cars.
371	King	Explains issues addressed by HB 2383.
413	Chair Close	Closes public hearing on HB 2383. Adjourns meeting at 10:33 am.

Written testimony submitted by Jeannette Holman, Assistant Director, Finance & Administration, Division of State Lands regarding HB 2391 (EXHIBIT F).

EXHIBIT SUMMARY

- A – HB 2389, prepared testimony, Ron Manza, 1 p.**
- B – HB 2391, prepared testimony and information, Kelly Paige, 3 pp.**
- C – HB 2391, prepared testimony, Mark Holady, 2 pp.**
- D – HB 2438, prepared testimony, Cheryl Pelligrini, 1 p.**
- E – HB 2383, prepared testimony, Monty King, 2 pp.**
- F – HB 2391, written testimony, Jeannette Holman, 1 p.**