

**HOUSE COMMITTEE ON**  
**BUSINESS, LABOR AND CONSUMER AFFAIRS**

March 03, 2003 Hearing Room E  
8:30 A.M. Tapes 44 - 45

**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:** Informational Meeting – High Tech Site Selection  
HB 2682 – Public Hearing  
HB 2737 – Public Hearing and Work Session  
Introduction of Committee Measures LC 1150, 1152, 1976, 3072, 3443, 3155,  
3277, 3279, 3280, & 3278 – Work Session

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 44, A</b>		
003	Chair Close	Calls meeting to order at 8:37 a.m. Opens informational meeting.
<b><u>INFORMATIONAL MEETING – HIGH TECH SITE SELECTION</u></b>		
014	Keith Thomson	Former Vice-President and Site Manager, Intel. Explains Intel expansion into Oregon.
212	Rep. Kitts	Asks what can be done to improve tax structure in Oregon to attract businesses.
221	Thomson	Explains ideas for potential tax structure improvements.
239	Rep. Kitts	Asks for primary reason why Intel located in Oregon.
246	Thomson	Explains reasons Intel moved to Oregon.
269	Rep. Schaufler	Asks what Oregon can do to attract businesses such as Intel.
287	Thomson	Explains ideas steps Oregon can take to attract businesses.
318	Rep. Schaufler	Asks about investment and return on business development.
326	Thomson	Explains that in time of his last involvement with Intel, return on investment was 10:1.
332	Rep. Garrard	Asks if lack of airline service would eliminate rural areas of Oregon from consideration for business development.
354	Thomson	Explains benefits of airline service and impact on business development.
400	Chair Close	Asks about potential sites for business development in Oregon.
410	Thomson	Explains need for infrastructure and other benefits for business development.
<b>TAPE 45, A</b>		
020	Rep. Gallegos	States support for efforts to attract companies such as Intel to Oregon.

025	Chair Close	Asks about legislation regarding “shovel ready land.”
028	Thomson	Explains how to prepare for business development.
042	Rep. Merkley	Asks about tax incentives.
053	Jonathon Williams	Intel. Explains his knowledge and involvement.
061	Rep. Rosenbaum	Asks about education system and its effect on corporate expansion into Oregon.
068	Thomson	Explains impacts of education system on corporate expansion.
111	Chair Close	Closes informational meeting. Opens public hearing on HB 2682.

**HB 2682 – PUBLIC HEARING**

113	Megan Palau	Committee Administrator. Summarizes HB 2682.
123	John McCulley	Oregon Association of Mortgage Brokers. Submits and summarizes prepared testimony in support of HB 2682 <b>(EXHIBIT A)</b> .
234	Chair Close	Asks about making language more specific to achieve objectives.
240	McCulley	Responds that it could be done.
254	Chair Close	Expresses concern about access to records.
258	Rep. Garrard	Asks if criminal background check would already be done on loan originators.
261	McCulley	Explains provisions regarding loan originators and background checks.
274	Rep. Merkley	Asks about standards for background checks.
277	McCulley	Answers that standards would be set by rulemaking process.
286	Rep. Merkley	Asks if authority would be contained in provisions.
289	McCulley	Answers yes.
291	Rep. Merkley	Asks if language is specific enough to achieve desired intent.
293	McCulley	Answers yes.
303	John Powell	State Farm Insurance. Explains forthcoming amendment addressing “full time.”
330	Chair Close	Asks for clarification of 60-day timeframe.
333	Powell	Offers clarification of 60-day timeframe.
347	Andrea Meyer	Legislative Director, American Civil Liberties Union (ACLU) of Oregon. Expresses concern about background checks.
363	Rep. Garrard	Asks about seriousness of problem.
368	Meyer	Answers that she is not familiar with specific problem.
376	Chair Close	Closes public hearing on HB 2682. Opens public hearing on HB 2737.

**HB 2737 – PUBLIC HEARING**

383	Megan Palau	Committee Administrator. Summarizes HB 2737.
400	Rep. Mark Hass	House District 27. Submits and summarizes prepared testimony in support of HB 2737 <b>(EXHIBIT B)</b> .
425	Dan Lulich	Chief Technology Officer, Rulespace, Inc. Submits and summarizes prepared testimony in support of HB 2737 <b>(EXHIBIT C)</b> .

**TAPE 44, B**

026	Chair Close	Asks how spam process works.
030	Lulich	Explains variations of spam.
055	Dr. Dana Smith	Submits and summarizes prepared testimony in support of HB 2737 <b>(EXHIBIT D)</b> .
106	Chair Close	Asks about specifics of Dr. Smith’s identity theft.
108	Smith	Explains her situation.
110	Rep. Schaufler	Asks about effectiveness of Washington spam law.
116	Rep. Hass	Explains effectiveness of Washington spam law.
130	Rep. Garrard	Commends Rep. Hass and Chair Close for bringing HB 2737.

136	Rep. Gallegos	Asks how emails such as Nigerian money-laundering messages could be stopped.
144	Lulich	Explains complexities of law in addressing international cases.
163	Rep. Gallegos	Asks about effectiveness of legislation.
168	Lulich	Explains that law would be effective, but issue is difficult to address.
185	Rep. Gallegos	Asks about reciprocal legislation in other states.
186	Rep. Hass	Explains potential for HB 2737.
198	Rep. Schaufler	Asks if Dr. Smith's practice has been negatively impacted due to problem.
200	Dr. Smith	Answers no, but notes that it could be problem for others.
207	Jim Craven	Oregon Council, American Electronics Association. Testifies in support of concept of HB 2737. Expresses reservations about specifics of legislation.
283	Chair Close	Asks for clarification of similar Senate legislation.
286	Craven	Clarifies that SB 261 and SB 121 are similar concepts.
290	Chair Close	Asks about similar laws in other states.
294	Craven	Explains similar laws in other states.
302	Jim Gardner	Microsoft Corporation. Testifies in support of concept. States that bill does not go far enough. Explains desire for ADV subject line in emails and liability shield.
365	Chair Close	Concurs with Mr. Gardner that amendments addressing ADV subject line may be warranted.
375	Rep. Rosenbaum	Asks if other states use Unlawful Trade Practices Act as enforcement for regulation.
380	Gardner	Answers that some do, but he cannot speak for all.
399	Cheryl Pelligrini	Assistant Attorney General, Financial Fraud and Consumer Protection Department, Oregon Department of Justice. Explains that legislation puts "finer point" on current law.

**TAPE 45, B**

019	Rep. Gallegos	Asks what consumers can do for protection.
023	Pelligrini	Explains recourse for consumers impacted by email fraud.
047	Chair Close	Asks why ADV subject line would be unconstitutional.
053	Pelligrini	Answers that Oregon Constitution does not differentiate between commercial and non-commercial use.
065	Chair Close	Asks if magazine ads designed to appear as articles would also be unconstitutional.
068	Pelligrini	Answers that she is unsure how law addresses magazine advertisements.
078	Chair Close	Argues that provisions in bill do not limit free speech, but give consumers protection against abuse.
080	Pelligrini	Explains that legislation similar to "no call" legislation.
092	Rep. Merkley	Notes constitutional issues related to spam and legislation to address it.
109	Rep. Rosenbaum	Asks about language related to Washington law.
111	Pelligrini	Explains differences between Oregon's bills and Washington law.
114	Rep. Rosenbaum	Asks about specificity of language in bill.
120	Pelligrini	Explains that work group is addressing issue.
130	Chair Close	Closes public hearing on HB 2737. Opens work session for introduction of committee measures.

**INTRODUCTION OF COMMITTEE MEASURES – WORK SESSION**

**135 Rep. Kitts MOTION: Moves LC's: 1150, 1152, 1976, 3072, 3443, 3155, 3277, 3279, 3280, & 3278 BE INTRODUCED as**

145	Rep. Rosenbaum	<b>committee bills (EXHIBIT E).</b> Notes that introducing committee measures does necessarily indicate support for bills.
148	Chair Close	Concurs and states that committee bill introduction is done as courtesy to bill sponsors. <b>VOTE: 7-0</b>
	<b>Chair Close</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
153	Chair Close	Closes work session. Adjourns meeting at 10:12 a.m.

### **EXHIBIT SUMMARY**

**A – HB 2682, written testimony and information, John McCulley, 8 pp**

**B – HB 2737, written testimony, Rep. Mark Hass, 1 p**

**C – HB 2737, written testimony, Dan Lulich, 1 p**

**D – HB 2737, written testimony, Dr. Dana Smith, 1 p**

**E – LC drafts: 1150, 1152, 1976, 3072, 3443, 3155, 3277, 3279, 3280, & 3278, staff, 65 pp**