

HOUSE COMMITTEE ON TRANSPORTATION

March 07, 2001
9:00 AM

Hearing Room D
Tapes 48 - 49

MEMBERS PRESENT: **Rep. Bruce Starr, Chair**
 Rep. Alan Brown, Vice-Chair
 Rep. Jeff Merkley, Vice-Chair
 Rep. Richard Devlin
 Rep. Diane Rosenbaum
 Rep. Joanne Verger
 Rep. Cliff Zauner

MEMBER EXCUSED: **Rep. Jeff Kropf**
 Rep. Donna Nelson

STAFF PRESENT: **John Leon, Committee Administrator**
 Kate Campeau, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2530 – Public Hearing**
 HB 2411 – Public Hearing and Work Session
 HB 2681 – Public Hearing and Work Session
 HB 2565 – Public Hearing and Work Session

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 48, A		
022	Chair Starr	Calls meeting to order at 9:04 a.m.
<u>HB 2530 – PUBLIC HEARING</u>		
024	John Leon	Committee Administrator. Reads synopsis of HB 2530. States that this bill amends authorization to remove vehicle and that there is no revenue/fiscal impact on this bill.
040	Curt Curtis	Patrol Services Division, Oregon State Police. Submits written testimony (EXHIBIT A). Briefly explains his concerns regarding this amendment - referring to section 120.
E	Rep. Zauner	Asks if police always call a tow company.
078	Curtis	Answers that the police do not have official permission to remove a vehicle.
084	Rep. Rosenbaum	Asks what are the sections of the bill that would take away ability to remove a vehicle when it poses a hazard.
100	Curtis	Answers by referring to section 3. Talks about the inconsistencies of the bill to alleviate confusion. Refers to section 120 language that specifically speaks to the removal of vehicles and the regular statute that states 24-hour time limit.
<u>108</u>	<u>Chair Starr</u>	<u>Closes the public hearing on HB 2530.</u>
<u>HB 2411 – PUBLIC HEARING</u>		
111	John Leon	Committee Administrator. Reads synopsis of HB 2411. Details the amendment drafted for this bill. Talks about two

		exemptions. States that there is no adverse fiscal impact on this bill.
131	Rep. Shetterly	State Representative, District 34. States that the amendments are acceptable in terms of compromise. Recommends moving them forward.
170	Chair Starr	Opens work session on HB 2411.
175	Rep. Brown	Moves –1 amendments to the HB 2411.
179	Rep. Merkley	States that this is a reasonable compromise.
180	Rep. Rosenbaum	States that the bill was very good prior to the amendment, but will vote for the bill as amended.
185	Rep. Brown	Moves HB 2411 as amended to the floor with a do pass recommendation.
193		VOTE: 7-0
		AYE: In a roll call vote, all members present vote Aye.
		EXCUSED: 2 - Kropf, Nelson
	Chair Starr	The motion CARRIES.
		DEVLIN will lead discussion on the floor.
<u>HB – 2681 PUBLIC HEARING</u>		
200	John Leon	Committee Assistant. Reads synopsis on HB 2681. Discusses two amendments drafted for this bill.
235	Theresa Miller	Oregon Humane Society. States support of the committee’s decision to move forward with either of the amendments.
254	Chair Starr	Closes public hearing on HB 2681.
<u>HB 2565 – PUBLIC HEARING</u>		
274	John Leon	Committee Administrator. Reads synopsis of HB 2565. States that amendments only apply to new recreational vehicles. States that no adverse fiscal impact is anticipated to this bill.
303	Shawn Miller	Oregon Recreational Vehicles Dealers Association. Testifies in favor of this bill. Discusses out-of-state dealers that sell vehicles and do not provide service facilities for consumers. States that Oregon is targeted because of loopholes in laws. States that –1 amendments define the requirements of service facilities for new vehicle dealers only. Acknowledges problem in printed bill.
431	Rep. Zauner	Asks if manufacturer could handle warranty problems.
442	Roger Kirschner	Owner, Highway Trailer Sales, Salem, Oregon. Answers that distressed merchandize could be represented as new merchandise.
462	Shawn Miller	States that this bill is not intended to restrict business.
477	Rep. Verger	Affirms that Oregon business people need to be protected.
516	Shawn Miller	Concurs with Rep. Verger’s comments.
TAPE 49, A		
102	Rep. Merkley	Asks how the recreational shows are produced.
108	Kirschner	Answers that a large area is found and drivers are contracted to move vehicles from one location to the next.
110	Rep. Merkley	Asks if this is an expensive practice.
130	Kirschner	Answers that it is less expensive than establishing a permanent location in the state.
146	Rep. Merkley	Asks how is a recreational vehicle defined in the law.
166	Kirschner	Answers that he is not sure.
168	Chair Starr	States that ODOT staff will clarify definition in the following testimony.
170	Rep. Merkley	Asks if there is an applicable law for the car industry.
189	Miller	Answers yes, that the warranty agreement protects the consumer.
190	Monty King	Executive Director, Oregon Independent Auto Dealer’s

		Association. Testifies that he understands reasons for bill and reinforces the statement that used recreational dealers will not be impacted by this bill.
198	Rep. Zauner	Asks if franchise agreement would solve this problem.
202	King	States that the nature of the recreational vehicle industry is very dissimilar to the car industry. Offers that recreational vehicles are built locally and are then distributed in a regional manner.
232	Rep. Merkley	Asks if this bill could possibly narrow the choice of brands of recreational vehicles.
240	King	Answers that dealers are capable of getting an Oregon license and establishing a business.
265	Rep. Merkley	Asks if local manufactures are prohibited from selling in other states.
270	King	Answers that he is not aware of such a prohibition.
286	Marvin Husen	Recreational vehicle sales. Testifies in opposition to HB 2565 and submits written testimony (EXHIBIT B). States that though he is a used dealer he feels that this bill is restrictive for new vehicle dealerships. States that the Oregon Recreational Vehicle Dealer's Association does not represent the best interest of recreational dealers.
423	Rep. Kropf	Asks if local folks should be able to have their vehicle serviced locally.
447	Husen	Answers that new dealers offer service, to a degree, but it should be their choice.
470	Rep. Merkley	Asks if specialized upkeep on RV is an unwieldy process.
TAPE 48, B		
052	Husen	Answers that there are warranties that come with new equipment on the components.
055	Rep. Merkley	Asks if it is difficult getting parts repaired.
060	Husen	Answers that there have been very few problems.
068	Rep. Merkley	Asks if his customers are unhappy with getting parts replaced, repaired, etc.
079	Husen	Answers that he has a very good reputation in the area. Also comments that he is not in "show" business of RV's and adds that such shows has impacted his business favorably.
080	Rep. Verger	Asks about Mr. Husen's business, if he has consignment lot, etc.
088	Husen	Explains the characteristics of his business.
103	Rep. Verger	Asks why this bill concerns the used vehicle dealer.
143	Husen	Answer that the bill would require that if he were to sell new vehicles he would have to establish a service facility.
227	Rep. Zauner	Asks if the bill exempts established dealers from this restriction.
233	Husen	Answers that is not a viable solution for business people who want to open a reputable business after this bill is passed.
255	Rep. Rosenbaum	Asks how repair work is done for his business. Asks if new dealerships and used dealerships overlap in repair work.
260	Husen	Explains the nature of the local craftspeople and repair people that his business utilizes. Comments that he often uses new dealers as a resource for repair work.
313	Rep. Kropf	Expresses concern that there is an allegation that the recreational vehicle industry is not talking to their dealers.
335	Kelly Taylor	Legislative Liaison, Oregon Department of Transportation. States that this bill only effects new dealerships. Explains that the amendments allow an appropriate fee for a show license.
392	Chair Starr	Addresses hesitancy in allowing DMV to set appropriate fee

		without legislative approval.
400	Taylor	States that any fee that is changed or established by rule during interim session must be brought forward by a bill and approved by Ways and Means Committee, which she characterizes as a safety net.
409	Rep. Verger	Asks which attorney general would be contacted if a consumer made a legitimate purchase within the state and had a service problem.
410	Taylor	Answers the Oregon Department of Justice.
420	Chair Starr	Asks Shawn Miller if it is possible to further amend the bill to allow the dealer a choice in establishing a service facility.
TAPE 49, B		
047	Shawn Miller	Contributes that the service facility does not have to be at the dealer's location.
091	Rep. Zauner	Asks what if the service facility is located, for example, in Arizona.
100	Taylor	Answers Rep. Zauner's question by stating that the amendment does not specify that the location must be in Oregon.
120	Rep. Zauner	States that an Arizona dealer could come into Oregon and have a service facility out of state.
130	Rep. Verger	States that standards are trying to be raised.
144	Rep. Rosenbaum	Asks what would prevent the facility from being an independent contractor.
149	Miller	References page 4 of -1 amendments, lines 15-18, which certifies that the dealer must maintain a service facility.
161	Rep. Rosenbaum	States that the dealer must maintain the facility, thus the dealer cannot contract with someone else to do repair work.
192	Kirschner	States that new dealers should make the commitment to service the product themselves. Also states that the dealers know about this proposed bill.
267	Rep. Kropf	Asks if consumer protection would be challenged by making changes to amendments and that the standards would be compromised.
310	Miller	Answers that this is correct.
312	Rep. Merkley	Asks how many brands of motor homes are presently in existence.
316	Kirschner	Answers that there are approximately 40 or 50 around the country.
319	Rep. Merkley	Asks how many of those manufacturers would consumers have access to within Oregon.
325	Krishna	Answers that he's not really sure, at least one-half or one-third.
337	Rep Merkley	Asks what is to prevent an out-of-state selling of the product over the Internet.
352	Miller	Answers that would be very unlikely and extremely expensive, considering the cost of making deliveries.
360	Chair Starr	Adjourns meeting at 11:00 a.m.

Submitted By,

Reviewed By,

Kate Campeau,
Committee Assistant

John Leon,
Committee Administrator

EXHIBIT SUMMARY

A – HB 2530, City of Portland, written testimony, 2 pp.

B – HB 2565, witness testimony, Marvin Husen, 1 p.