

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

May 19, 1999 Hearing Room E

8:15 a.m. Tapes 115 - 116

MEMBERS PRESENT: Rep. Roger Beyer, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Tim Knopp, Vice-Chair

Rep. Jason Atkinson

Rep. Bill Morrisette

Rep. Terry Thompson

Rep. Lynn Lundquist

STAFF PRESENT: Keith Putman, Administrator

Frances Thomas, Administrative Support

MEASURE/ISSUES HEARD: SB 1089 A Public Hearing and Work Session

SB 907 A Work Session

SB 1088 A Work Session

SB 1021 Public Hearing and Work Session

SB 980 A Public Hearing and Work Session

SB 285 Public Hearing

SB 1049 A 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 115, A		

001	Chair Beyer	Calls the meeting to order at 8:20 a.m.
<u>SB 1089 A PUBLIC HEARING</u>		
007	Chair Beyer	Opens a Public Hearing on SB 1089 A.
008	Keith Putman	Committee Administrator. Presents an overview of SB 1089 A. Explains SB 1089 A increases the annual fee for dry cleaning facilities which will provide funds for cleanup of various solvents used in the dry cleaning business. Requires a certificate issued from Department of Revenue to be posted. Imposes a civil penalty up to \$5,000 for failure to pay annual fee.
030	Bob Danko	Department of Environmental Quality (DEQ). Introduces Dick DeSao. Testifies DEQ is "cautiously supportive" of SB 1089 A (EXHIBIT A). Explains the history of this legislation.
062	Rep. Lundquist	Asks if this is an industry decision to assess large and small dry cleaners alike.
069	Danko	Responds the dry cleaning industry is agreeable to this bill.
083	Chair Beyer	Comments.
089	Rep. Morrisette	Asks what is the annual fee.
089	Danko	Explains fees schedule.
098	Rep. Morrisette	Asks what an average cleaning establishment would pay per year.
101	Danko	Clarifies the different levels of payment per chemical use.
109	Dick DeSao	DEQ. Responds that a "wet" cleaning establishment is not considered a "dry" cleaner and therefore, would not be assessed the fees.
117	Chair Beyer	Closes the Public Hearing on SB 1089 A.
<u>SB 1089 A WORK SESSION</u>		
118	Chair Beyer	Opens a Work Session on SB 1089 A.
119	Rep. Gardner	MOTION: Moves SB 1089 A to the floor with a DO PASS recommendation.

125	Rep. Knopp	Comments that he will vote aye as a "courtesy vote."
127		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Beyer	The motion CARRIES. REP. LUNDQUIST will lead discussion on the floor.
131	Chair Beyer	Closes the Work Session on SB 1089 A.
<u>SB 907 A WORK SESSION</u>		
134	Chair Beyer	Opens a Work Session on SB 907 A.
139	Putman	Comments that the expected amendments will not be arriving.
144	Rep. Gardner	MOTION: Moves SB 970 A to the floor with a DO PASS recommendation.
150		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Beyer	The motion CARRIES. REP. GARDNER will lead discussion on the floor.
154	Chair Beyer	Closes the Work Session on SB 907 A.
<u>SB 1088 A WORK SESSION</u>		
155	Chair Beyer	Opens a Work Session on SB 1088 A.
160	Putman	Presents and update on SB 1088 A. Comments that language was inadvertently omitted in the ñA4 amendment. Submits the ñA5 amendment which is identical

		to ñA4 amendment except it includes the words "page 9" where previously omitted (EXHIBIT B).
189	John Van Landingham	Lane County Law and Advocacy. Distributes an explanation of SB 1088 A in non-statutory language (EXHIBIT C).
208	Chair Beyer	Comments on written testimony from Doug Riggs in opposition to SB 1088 A (EXHIBIT D).
217	Rep. Gardner	Asks if the ñA5 corrects all of the conflicts.
220	Putman	Responds.
231	Rep. Knopp	MOTION: Moves to ADOPT SB 1088 A-5 amendments dated 5/18/99.
234		VOTE: 6-0 EXCUSED: 1 ñ Atkinson
	Chair Beyer	Hearing no objection, declares the motion CARRIED .
235	Rep. Knopp	MOTION: Moves SB 1088 A to the floor with a DO PASS AS AMENDED recommendation.
244		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 ñ Atkinson
	Chair Beyer	The motion CARRIES. REP. BEYER will lead discussion on the floor.
247	Chair Beyer	Closes the Work Session SB 1088 A.
<u>SB 1021 PUBLIC HEARING</u>		

252	Chair Beyer	Opens a Public Hearing on SB 1021.
253	Chair Beyer	Closes the Public Hearing on SB 1021.
<u>SB 1021 WORK SESSION</u>		
254	Chair Beyer	Opens a Work Session SB 1021.
258	Rep. Thompson	Submits the ñ1 amendment to SB 1021 (EXHIBIT E) .
262	Putman	Presents an overview of SB 1021.
270	Rep. Morrisette	Requests clarification about the notification requirement.
273	Putman	Responds.
288	Jerry Schmidt	Oregon Association of Realtors. Appears in support of SB 1021. Clarifies the language about the notification requirement.
316	Rep. Thompson	MOTION: Moves to ADOPT SB 1021-1 amendments dated 5/18/99.
		VOTE: 6-0 EXCUSED: 1 ñ Knopp
	Chair Beyer	Hearing no objection, declares the motion CARRIED .
320	Rep. Thompson	MOTION: Moves SB 1021 to the floor with a DO PASS AS AMENDED recommendation.
329		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 ñ Knopp
	Chair Beyer	The motion CARRIES.

		REP. THOMPSON will lead discussion on the floor.
331	Chair Beyer	Closes the Work Session on SB 1021.
<u>SB 1088 A WORK SESSION</u>		
332	Chair Beyer	Reopens the Work Session to reconsider SB 1088 A.
334	Putman	Explains the fiscal impact requires this bill go to Ways and Means when leaving this committee. Suggests a reconsideration of the Do Pass recommendation.
347	Rep. Gardner	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 1088A.
350		VOTE: 6-0 EXCUSED: 1 ñ Knopp
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
354	Rep. Gardner	MOTION: Moves to RECONSIDER the vote by which SB 1088A was moved to the floor with a DO PASS AS AMMENDED recommendation.
357		VOTE: 6-0 EXCUSED: 1 ñ Knopp
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
362	Rep. Gardner	MOTION: Moves SB 1088 A to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.
370		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 ñ Knopp

	Chair Beyer	The motion CARRIES.
375	Chair Beyer	Closes the Work Session on SB 1088 A.
<u>SB 980 A PUBLIC HEARING</u>		
383	Chair Beyer	Opens a Public Hearing on SB 980 A.
388	Putman	Presents an overview of SB 980 A. Comments on the ñ5 Conflict Amendment, dated 5/18/99 (EXHIBIT F) .
429	Jack Roberts	Bureau of Labor and Industry (BOLI). Testifies in support of SB 980 A and the Conflict Amendment.
463	John McCulley	Tree Fruit Growers. Testifies in support of SB 980 A. (EXHIBIT G) .
490	Chair Beyer	Closes the Public Hearing on SB 980 A.
<u>SB 980 A WORK SESSION</u>		
491	Chair Beyer	Opens a Work Session on SB 980 A.
497	Rep. Gardner	MOTION: Moves to ADOPT SB 980 A-5 amendments dated 5/18/99.
		VOTE: 6-0 EXCUSED: 1 ñ Knopp
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
500	Rep. Gardner	MOTION: Moves SB 980 A to the floor with a DO PASS AS AMENDED recommendation.
TAPE 116, A		
013	Chair Beyer	The motion CARRIES. REP. MORRISETTE will lead the discussion on the floor.

016	Chair Beyer	Closes the Work Session on SB 980 A.
<u>SB 285 PUBLIC HEARING</u>		
024	Chair Beyer	Opens a Public Hearing on SB 285.
025	Putman	Presents an overview of SB 285.
045	Jim Harlan	Deputy Administrator, Division of Finance and Corporate Securities. Testifies in support of SB 285 (EXHIBIT H). Introduces Bonnie Kostrzewski. Explains viatical settlement agreements.
087	Rep. Gardner	Asks how many other states regulate viatical settlement agreements.
091	Harlan	Responds.
104	Rep. Lundquist	Inquires about the time frame involved with the history of viatical settlement legislation in Oregon.
110	Harlan	Responds.
115	Chair Beyer	Asks about the number of policies sold Oregon.
117	Harlan	Responds.
138	Bonnie Kostrzewski	Portland. Testifies in support of SB 285. Tells of personal experiences.
204	Harlan	Comments on Kostrzewski's testimony. Submits a letter from the American Council of Life Insurance regarding secondary market sales and purchases of life contracts (EXHIBIT I).
245	Rep. Morrisette	Ask when this experience happened.
250	Kostrzewski	Responds.
254	Rep. Knopp	Inquires about the necessity of this bill if the insurance industry is working on a model. Asks about the completion date of the model.
260	Harlan	Responds.
295	Rep. Knopp	Initiates a discussion regarding regulation of viatical settlement agreements.

359	Rep. Morrisette	Asks if this bill passed the Senate without opposition.
361	Harlan	Responds affirmatively.
380	Mike Greenfield	Director, Department Consumer and Business Services (DCBS). Testifies in support of SB 285.
410	Brian Boe	Viatical Association of America. Introduces Doug Head. Testifies in opposition to SB 285 (EXHIBITS J and K). Submits the ñ2 amendment, dated 5/18/99 to SB 285.
450	Doug Head	President, Viatical Association of America. Testifies in opposition to SB 285. Testifies in agreement with the ñ2 amendment.
TAPE 115, B		
001	Head	Continues testimony. Names the states with viatical settlement regulations.
065	Head	Continues testimony. States he believes the national model will emerge over the next few month. Explains the brochures distributed by Boe.
098	Chair Beyer	Summarizes the previous testimony regarding the bill.
105	Rep. Gardner	Inquires about why this opposition to SB 285 was not addressed in the Senate.
108	Head	Responds.
122	Boe	Comments about why these issues have not surfaced before now.
127	Rep. Gardner	Inquires about the ability for a healthy person to sell excess life insurance policies.
130	Head	Responds. Explains situations where this is possible.
139	Chair Beyer	Discusses the sale of a healthy personís policies in Oregon.
140	Head	Responds.
154	Rep. Lundquist	Comments on the extreme regulation involved in this issue. States he would prefer more time to work on this legislation.

172	Chair Beyer	Asks if any other states have passed legislation similar to the proposed amendment.
175	Head	Believes two states will adopt this concept in 1999. States one other state has already passed this legislation.
195	Rep. Morrisette	Comments on life threatening "contracts" on individuals who have extremely high value policies.
204	Chair Beyer	Comments on limits for viatical settlement agreements.
214	Rep. Knopp	Comments on being uncomfortable with lack of time to review this issue. Suggest interim work on this bill.
230	Chair Beyer	States options for this legislation.
246	Rep Thompson	Concurs with Chair Beyer.
250	Rep. Gardner	Agrees.
254	Chair Beyer	Closes the Public Hearing on SB 285.
<u>SB 1049 A PUBLIC HEARING</u>		
256	Chair Beyer	Opens a Public Hearing on SB 1049 A.
260	Putman	Presents an overview of SB 1049 A.. Submits Conflict Amendment 1049 A-2, dated 5/18/99 (EXHIBIT L).
286	Rob Douglas	Oregon Society of Certified Public Accountants (OSCPA). Testifies in support of SB 1049 A (EXHIBIT M). Introduces Ray Johnson.
302	Ray Johnson	President, Oregon Society of Certified Public Accountants; Certified Public Accountant; Professor, Oregon State University. Testifies in support of SB 1049 A as amended.
370	Putman	Refers to specific language of the bill. Asks for clarification.
370	Johnson	Responds.
427	Johnson	Discusses the "safe harbor" language of the bill. Explains some people do accounting work, but are not licensed accountants.

478	Karen DeLorenzo	Administrator, State Board of Accountancy. Testifies in support of SB 1049 A as amended. Submits the -3 amendment, dated 5/19/99 (EXHIBIT N and O).
TAPE 116, B		
031	Rep. Morrisette	Inquires why this issue was not resolved when this bill was considered in the Senate.
035	Johnson	Responds.
041	Chair Beyer	Comments on consideration of this legislation during last session.
046	Putman	Comments time expedition and consideration in the Senate.
049	Chair Beyer	Closes the Public Hearing on SB 1049 A.
050	Chair Beyer	Declares the committee at ease.
051	Chair Beyer	Reconvenes the meeting.
<u>SB 1049 A WORK SESSION</u>		
052	Chair Beyer	Opens a Work Session on SB 1049 A.
053	Rep. Gardner	MOTION: Moves to ADOPT SB 1049 A-2 amendments dated 5/18/99.
055		VOTE: 7-0
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
056	Rep. Gardner	MOTION: Moves to ADOPT SB 1049 A-3 amendments dated 5/19/99.
057		VOTE: 7-0
	Chair Beyer	Hearing no objection, declares the motion CARRIED.

058	Rep. Gardner	MOTION: Moves SB 1049 A to the floor with a DO PASS AS AMENDED recommendation.
070		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Beyer	The motion CARRIES. REP. ATKINSON will lead discussion on the floor.
074	Chair Beyer	Closes the Work Session on SB 1049 A.
075	Chair Beyer	Adjourns the meeting at 10:00 a.m.

Submitted By, Reviewed By,

FRANCES THOMAS, KEITH PUTMAN,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 1089 A, Written testimony, Bob Danko, 1 p

B ñ SB 1088 A, -A5 Amendment dated 5/18/99, Staff, 8 pp

C ñ SB 1088 A, Written testimony, John Van Landingham, 31 pp

D ñ SB 1088 A, Written testimony, Doug Riggs, 1 p

E ñ SB 1021, -1 Amendment, dated 5/18/99, 1 p

F ñ SB 980 A, -A5 Conflict Amendment, dated 5/18/99, Staff, 1 p

G ñ SB 980 A, Written testimony, John McCulley, 1 p

H ñ SB 285, Written testimony, Jim Harlan, 13 pp

I ñ SB 285, Written testimony, Jim Harlan, 3 pp

J ñ SB 285, Informational material, Brian Boe, 8 pp

K ñ SB 285, -2 Amendment, dated 5/18/99, Brian Boe, 18 pp

L ñ SB 1049 A, -A2 Conflict Amendment, dated 5/18/99, 3 pp

M ñ SB 1049 A, Written information, Rob Douglas, 2 pp

N ñ SB 1049 A, -A3 Amendment, dated 5/19/99, Karen DeLorenzo, 2 pp

O ñ SB 1049 A, Written testimony, Karen DeLorenzo, 4 pp