

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON SUBCOMMITTEE ON REGULATIONS

March 3, 1999 Hearing Room 350

3:00 p.m. Tapes 12 - 13

MEMBERS PRESENT: Rep. Chair Witt, Chair

Rep. Jim Hill

Rep. Al King

Rep. Anitra Rasmussen

Rep. Mark Simmons

STAFF PRESENT: Jason Cody, Administrator

Nancy Geisler, Administrative Support

MEASURES HEARD: HB 2665 Public Hearing

HB 2588 Public Hearing

SB 106 Public Hearing and Work Session

HB 2587 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 12, A		
010	Chair Witt	Convenes meeting at 3:12 p.m. and opens public hearing on HB 2665.
<u>HB 2665 PUBLIC HEARING</u>		

007	Jason Cody	Explains impact of HB 2665.
013	Rep. Hill	Explains impetus of HB 2665 is to synergize diverse policies in statute in terms of telecommuting. Refers to need in the metro area to reduce vehicle miles traveled. Explains some barriers to telecommuting might be inability to support additional lines necessary for connecting back to work site. States the most cost-effective method of approaching the problem is during the construction of new homes for ease of wiring.
040	Joe Brewer	Administrator, Building Codes Division. Comments this is a new area of regulation for building codes; they currently do not regulate telecommunications or cable installations. Explains that because this is new, he wants to ensure they understand the intent of the bill very clearly; therefore, have provided an amendment. States a task group should be appointed to work with the Division on the impacts of HB 2665.
058	Rep. Rasmussen	Asks how much of the housing code is regulated at a state level at the present time.
062	Brewer	Explains Oregon has a statewide one- and two-family dwelling code which is adopted and amended at the state level. Adds there are no opportunities for local amendments.
065	Chair Witt	Asks Rep. Hill if he could work with Mr. Brewer and his staff on amendments, so they could be presented to the committee.
070	Rep. Hill	Answers yes.
073	Rep. Rasmussen	Asks if there is a need to specify telephone or cable lines capable of receiving advanced telecommunication.
079	Rep. Hill	Explains there are options to explore.
083	Rep. King	States he would like to encourage inclusion of rural residential.
088	Rep. Hill	States some areas in the state do not have telephone services, and the committee needs to be mindful of that in developing a code. Explains he is concerned there might be wasteful wiring of a new facility when they have no need for telecommunication services.
106	Gary Bauer	Oregon Telecommunications Association. Supports HB 2588 and agrees with Rep. Hill's suggestion of making the process more flexible.
116	Chair Witt	Closes public hearing on HB 2665 and opens public hearing on HB 2588.

HB 2588 PUBLIC HEARING

120	Rep. Kathy Lowe	Representative, District 26. Submits (EXHIBIT A) and testifies in support of HB 2588. Explains purpose of HB 2588 is to allow a member of armed forces, upon proper notice to their landlord, to be released from lease without penalty if called to active duty. Explains HB 2588 also protects landlords from abuse because tenants must submit 30 days' written notice and proof of official orders. Explains purpose of federal Soldiers' and Sailors' Civil Relief Act (hereinafter "the Act").
172	Rep. Rasmussen	Asks if landlords are more reluctant to lease or rent to military personnel.
176	Rep. Lowe	Answers that landlords would benefit from HB 2588 and would probably not be reluctant to rent to armed forces personnel.
182	Rep. Hill	Asks if there should be a further limit to HB 2588 regarding leases that are signed after the effective date of the Act.
193	Rep. Lowe	Agrees it should be prospective rather than interfere with existing contract relationships. States there is a modicum of protection through the Act but only to protect them and their families from eviction. Adds HB 2588 does not address eviction.
201		Staff distributes ñ1 amendments (EXHIBIT B).
221	Cody	Explains provisions of ñ1 amendments. Adds that, according to counsel, ORS 90-2451(A), renters may not waive the right in future contracts to get out of the provisions in HB 2588.
228	Chair Witt	Clarifies ORS Chapter 90 will ensure that someone who benefits from HB 2588 could not waive their rights by contract.
232	Rep. Lowe	Supports ñ1 amendments. Comments Rep. Hill's concerns can be dealt with as the legislative history of HB 2588 is established.
240	Rep. King	States the National Guard is not specifically mentioned in HB 2588.
243	Rep. Lowe	Has no objection to further delineation regarding National Guard.
247	Chair Witt	States the committee will look into additional amendments to: <ul style="list-style-type: none">• Make HB 2588 does not apply to contracts already in existence on the date the statute becomes operative.• Apply to members of the National Guard and reservists.

257	Rep. Hill	Asks about the term "enlisting" for active service in the armed forces rather than "enlisted." Asks about terminating active service in armed forces of U.S. versus retiring or leaving active service. Wonders how these matters would affect leases.
279	Rep. Lowe	Addresses "enlisting" vs. "has enlisted." States there must be a showing of proof to landlord. Answers termination of attachment to the military usually does cause contemplation of a move. Discusses home of record and moving orders.
300	Emily Cedarleaf	Multifamily Housing Council of Oregon. Submits (EXHIBIT C) , the Soldiers and Sailors' Civil Relief Act. Refers to the Act and her experience with it. Says HB 2588 duplicates coverage provided by federal law and opposes HB 2588.
356	Cedarleaf	Believes issues should be addressed on a federal level. States individual applications by all states would be cumbersome. Comments duplicating a federal law in a state law causes problems.
412	Rep. King	Asks about duplicate coverage and about how getting out of a lease is included under the Act.
418	Cedarleaf	Refers to (EXHIBIT C, p. 774) . States the Act stipulates if someone gets active duty orders, the landlord cannot evict the family. Explains lease termination penalties and how they prevent landlords from having a lease break fee for termination under active duty orders.
440	Cedarleaf	Continues to explain federal law.
TAPE 13, A		
028	Rep. King	Explains that (EXHIBIT C, p. 777) addresses eviction issues.
033	Chair Witt	Clarifies paragraphs Cedarleaf refers to, which deal with a landlord not being permitted to evict an individual who falls within this category. States HB 2588 does not pertain to eviction but to the right to terminate a lease. Asks where the federal act deals with eviction.
046	Cedarleaf	Refers to section of the Act which deals with termination of lease.
049	Chair Witt	Asks if the people who are protected under the proposed statute are identical to the class of citizens protected under the Act.
051	Cedarleaf	Replies in the affirmative. Refers committee to summary of the Act and statute differences. Clarifies the summary says if the lease is less than \$150 per month the family cannot be evicted. States under federal law this amount is \$1,200.

060	Rep. Hill	Reiterates HB 2588 has nothing to do with eviction. Clarifies it involves breaking a lease.
077	Cedarleaf	States that under Landlord Tenant Act, for the tenant to file for the return of their security deposits, they have to go to small claims court, and this follows the process of eviction or lease termination and penalties. Adds the Act addresses terminating the lease and penalties as a consistent process.
084	Rep. King	Quotes from (EXHIBIT C, p. 777), last sentence, and questions what this sentence means. Asks whether this is an open-ended statement.
093	Cedarleaf	States attorneys told her if a person is released from active duty, there might be some parity or equity for penalties that could occur and that a court would look at those restrictions based.
100	Chair Witt	Asks if the Act only applies to leases that are \$1,200 or less per month.
104	Cedarleaf	Replies it refers to any residential rental agreement in the country.
109	Chair Witt	Reads from (EXHIBIT C, p. 774). States that in this case eviction is limited to \$1,200 per month.
113	Cedarleaf	Explains that if rent is less than \$1,200 and the person making the living is activated to military service, the landlord cannot evict the family left behind for up to three months.
122	Chair Witt	Explains this provision of the Act is clearly limited to leases which are \$1,200 or less per month. Reiterates HB 2588 does not concern eviction but being able to give notice and end obligation under lease in specific circumstances.
140	Rep. Max Williams	District 9. States he is a co-sponsor of HB 2588; therefore, supports it. Testifies there is a group of U.S. military officers throughout the country that is attempting to have HB 2588 language implemented in all 50 states.
150	Rep. Williams	Reads from (EXHIBIT C, p. 776). Suggests that HB 2588 relate to leases entered into both before and after military service. Wants to ensure that military personnel called up for active duty are able to terminate their leases in a reasonable manner with proper notice.
167	Rep. Williams	States HB 2588 might provide additional protection for those who risk life and limb serving their country.
186	Rep. Hill	States HB 2588 does not make a distinction between residential and commercial property, so it could pertain to any lease.

191	Chair Witt	Reminds Rep. Williams of ñ1 amendments that restrict HB 2588 to residential property.
194	Cody	Explains ñ1 amendments regarding residential designation.
198	Rep. Williams	Suggests it would be helpful to hear from someone in regular military service. Recognizes the broader nature of the issue and would be satisfied to see the lease provisions limited only to residential.
206	Chair Witt	Adds that he asked for the amendment to refer only to residential. Comments he is open to testimony.
208	Rep. Hill	Notes that in the Act, the Public Health Service is included.
211	Rep. Williams	Comments he has no objection to adding the Public Health Service. States he does not know enough about how the Public Health Service operates to discern whether they can be called to active duty. Suspects because they are a uniformed branch of the service, they deserve to be represented.
236	Colonel Mike Caldwell	Deputy Director, Oregon Military Department. Supports HB 2588 with amendments. Explains National Guard has had many deployments around the world during the last five years. Believes HB 2588 adds protection and clarifies the Act. States as a landlord, he has rented to National Guard and active service members and has been able to deal with matters effectively.
273	Caldwell	Suggests new language for (EXHIBIT B, line 5) to specify the inclusion of the words "National Guard." Notes HB 2588 talks about terminating active service in the armed forces and returning to home of record. States home of record must be stipulated whenever someone is on active duty.
302	Caldwell	Clarifies the term "uniformed services" does include the Public Health Services.
315	Chair Witt	Questions format when inserting "National Guard" on ñ1 amendment.
317	Caldwell	Answers format is correct.
325	Major Theresa Peterson	Staff Judge Advocate, Oregon Military Department. Supports HB 2588 with amendments. Clarifies (EXHIBIT C, pp. 776-777) applies only to a lease a service member entered before joining the military service and would not protect the member when breaking his lease if called to active duty somewhere else.
350	Peterson	States the Act only protects people in federal service for the U.S. Adds that sometimes members of the National Guard are required to move around the state to perform military duties and are not covered by the Act. Points out the \$1,200 rent applies only to protections on eviction.

360	Rep. King	Clarifies inclusion of the National Guard is sensible but wants to make sure National Guard refers to someone who is activated.
372	Caldwell	Notes that individuals in the National Guard are in U.S. Code Title 32 status, working for the Governor until mobilized in federal orders and activated in service to the United States.
389	Rep. King	Acknowledges he wants to make sure that grammatically a category is not included without the National Guard being activated, since there are many people in the National Guard who are not activated. Asks about home of record and how easy it is to change it.
403	Peterson	States it is not easy to change home of record. Home of record is very restrictive and can simply be happenstance, according to where one is living when entering the service.
425	Caldwell	Addresses taxation issue in Oregon. States people do not like to use Oregon as home of record except for license plates. It is much more beneficial, regarding taxes, to be from the State of Washington.
440	Shawn Miller	Oregon Rental Housing Association. States no official position on HB 2588. Does support the spirit of the bill, armed forces, and housing armed forces in the state. States official position of his organization is to support the federal laws that protect military personnel all military personnel. Continues they are concerned about HB 2588 providing less protection than the federal laws.
TAPE 12, B		
048	Chair Witt	Comments he does not see how HB 2588 could provide less protection. Continues this bill will expand protection.
054	Miller	Explains, looking at penalties, he wonders what HB 2588 will do and how it compares with the federal penalty.
054	Rep. King	Asks about impact of enlisting and going right into the service versus delaying going into the service.
062	Miller	Replies there may be a longer notice than 30 days. Suggests different language is needed not restricting to 30 days' notice.
073	Rep. King	Refers to period between enlistment and when a member is actually called to service.
079	Caldwell	Says King is referring to delayed enlistment, which is fairly commonplace. The Act protects enlistment from civilian life into military life. However, any enlistment is enlistment. Adds he must research time required before one is sent off to training in the National Guard. States date of active duty would prevail.

098	Rep. Hill	Says enlistment is dealt with in federal statute except for expanding out to National Guard, etal.
101	Caldwell	Explains one does not have orders until he or she physically walks through the threshold. Adds one does not get a set of orders for enlisting.
106	Rep. King	States his concern that a fair bill be written for both landlords and members of service.
111	Caldwell	Replies they are supportive of protecting landlords. Thinks HB 2588 is fair to both landlords and tenants.
121	Rep. King	Comments proof of enlistment is not "orders."
124	Caldwell	Agrees. Adds one can physically be in the military but is not ordered to active duty until such time as they walk through the threshold.
126	Chair Witt	Closes public hearing on HB 2588 and opens public hearing on SB 106.
<u>SB 106 PUBLIC HEARING</u>		
146	Cody	Explains purpose of SB 106 and reads verbatim.
166	Cheryl Gribskov	Director of Travel Information Council. Supports SB 106. Explains reinstallation fee versus maintenance fee.
183	Rep. Rasmussen	Asks if SB 106 applies when someone puts a sign up and they do not pay a renewal fee so the sign is pulled down.
192	Gribskov	Explains process of billing for signs and removing them if the bills are not paid after fair notice has been given. Adds the reinstallation fee occurs when a person wants their sign put back up after it has been removed for nonpayment. Notes this is not a high-level activity on their part.
203	Rep. Rasmussen	Asks if SB 106 is intended to be customer friendly.
208	Gribskov	States the intent is not so much to be customer friendly as it is to find a way to ensure invoices are paid and sign spaces are not lost.
220	Rep. Simmons	Asks what type of sign this might apply to.
224	Gribskov	Answers all signs.

230	Rep. Simmons	Asks about revenue generated in the sign program.
-----	--------------	---

233243	Rep. Simmons	Asks for verification of the \$5,200.
245	Gribskov	Replies the amount is \$5,200 per biennium, and the entire program generates \$2 million per biennium.
248	Rep. Simmons	Asks about cost of sign spaces.
250	Gribskov	Explains the fees are applicable to different areas, and rural areas pay significantly less.
258	Rep. King	Asks if the charge for signs is legislated or limited by the legislature.
270	Gribskov	Replies the actual amount is not legislated. Explains equitable distribution by sliding fee based on principles set by the Travel Information Council.
273	Rep. King	Asks if the legislature is financing fees for the sign program.
279	Gribskov	Explains fees.
283	Chair Witt	States that SB 106 clarifies the council can charge this fee for reinstallation for signs that have been removed.
286	Rep. King	Replies he understands but adds the Travel Information Council is also able to build their own fee into sign usage.
291	Rep. Simmons	Inquires about sign laws in Oregon.
296	Gribskov	Explains Oregon is the only state that does not regulate signs in the Department of Transportation or another agency.
309	Chair Witt	Closes public hearing on SB 106. Opens work session on SB 106.

SB 106 WORK SESSION

310	Rep. Rasmussen	MOTION: Moves SB 106 to the full committee with a DO PASS recommendation.
		VOTE: 4-0
315	Chair Witt	Hearing no objection, declares the motion CARRIED.

HB 2587 PUBLIC HEARING

346 Chair Witt Opens public hearing on HB 2587.

353 Cody Explains HB 2587 and reads verbatim.

377 Rep. Ron Sunseri District 22. Supports HB 2587. Expresses concerns regarding electronic transfers in organizations where access to bank accounts for automatic deduction of fees guarantees discount. States complainant is a person who pays cash and does not have access to the same discount. HB 2587 would address this practice of control by organization and access to bank accounts.

TAPE 13, B

002 Rep. Simmons Asks if the issue is one price being charged for paying by electronic funds transfer (EFT) from bank account and another, higher price for paying in cash.

009 Rep. Sunseri Confirms and states organizations around the state are willing to forego the difference in posted price for the guarantee of access to checking accounts.

013 Rep. Simmons Asks if this would affect life insurance premiums paid by deduction from checking account.

020 Rep. Sunseri Explains HB 2587 would not affect life insurance. The bill would require companies to give the same advantage to a person paying by cash or check.

024 Rep. King Comments auto insurance companies do charge a lower fee if they can access a checking account versus receiving a check. States with mortgage contracts or car loans there is a difference in interest rates if there is automatic charging versus check. Asks if this would impact interest rates.

035 Rep. Sunseri States he is not aware of any mortgage company offering a discounted interest rate for automatic funds transfer. Clarifies he is not aware of how it would affect auto insurance rates, but life insurance companies tell him they would offer same discount to someone paying cash at the appointed time.

044 Rep. Simmons States one would not be charged more if they pay with cash; they would be charged a little bit less for an EFT.

051 Rep. Sunseri Comments HB 2587 would still allow organizations to charge less for an EFT, but they would have to match that discount for a person who pays cash.

055 Chair Witt States HB 2587 limits this to purchases involving consumer agreements, as opposed to commercial agreements.

060	Rep. Sunseri	Agrees.
062	Rep. Simmons	Asks for clarification.
064	Chair Witt	Explains a consumer transaction involves someone who is not using it for a commercial purpose and is buying something for their own personal use. States HB 2587 is directed only at consumer transactions.
068	Rep. Sunseri	Concurs.
070	Paul Cosgrove	Director, Oregon Financial Services Association. Opposes HB 2587. States his organization is always concerned about issues which affect Chapter 83 because they deal with retail installment contracts. Points out that they are trying to study the impact of HB 2587 on other federal legislation. Explains there is a federal law which address an analogous issue (Fair Credit Billing Act). States this law restricts a seller from imposing a surcharge on a cardholder who uses a credit card versus payment by cash, check, etc. Continues this statute does permit discounts for cash.
098	Cosgrove	Remarks markets often give discounts for EFT transactions. States he is not concerned about allowing surcharges, but is concerned about allowing discounts for EFTs.
114	Chair Witt	Reads from HB 2587, Sec. 1, paragraph 1. Asks if payment by credit card has to be given same charge as an EFT.
120	Cosgrove	Explains that may not have been the intent but may be the actual effect of the particular words.
128	Rep. King	Comments he is a stockbroker and, in his practice, they use debit cards against brokerage accounts and these cards have credit lines up to the margin ability of one's securities account. Continues merchants are obligated to accept credit card transactions if they show acceptance of the specific credit card being used. States in a large transaction someone could offer the merchant a credit card or ask for a discount, and the EFT could be the same as cash, to the detriment of the consumer.
130	Cosgrove	Answers there are all sorts of payment methods today, and debit transactions are not quite the same as credit card or charge transactions. States he would like to preserve giving discounts to customers who pay more quickly, more safely, or with less charge to the merchant.
148	Chair Witt	Closes public hearing and adjourns at 4:45 p.m.

Nancy Geisler, Jason Cody,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2588, written testimony, Rep. Kathy Lowe, 1 p.

B ñ HB 2588, -1 proposed amendments, 1 p.

C ñ HB 2588, written testimony and copy of Soldiersí and Sailorsí Civil Relief Act, Emily Cedarleaf, 42 pp.