

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON REGULATIONS

April 14, 1999 Hearing Room 350

3:00 p.m. Tapes 35 - 38

MEMBERS PRESENT: Rep. Bill Witt, Chair

Rep. Al King

Rep. Anitra Rasmussen

Rep. Mark Simmons

STAFF PRESENT: Jason Cody, Administrator

Nancy Geisler, Administrative Support

MEASURE/ISSUES HEARD: HB 2968 Work Session

HB 3219 Work Session

HB 3468 Public Hearing and Work Session

HB 3339 Public Hearing

HB 3107 Work Session

HB 2827 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 35, A		
010	Chair Witt	Opens the meeting at 3:17 p.m. and opens a work session on HB 2968.
<u>HB 2968 n WORK SESSION</u>		

015	Rep. Jeff Merkley	District 16. Presents the ñ3 amendments (EXHIBIT A) to HB 2968. Explains the goal of (EXHIBIT A) is to remind people that playing the lottery is not a good financial investment and is for entertainment purposes only. Elaborates on further implications of (EXHIBIT A).
040	Chair Witt	Closes work session on HB 2968 and opens work session on HB 3219.
<u>HB 3219 - WORK SESSION</u>		
046	Jason Cody	Administrator. Explains HB 3219.
054	Tom Novick	Lobbyist, Renewable Northwest Project. Presents ñ2 amendments (EXHIBIT B) to HB 3219. Notes that on (EXHIBIT B, page 2, line 13), a line was left out.
080	Chair Witt	Asks Novick for exact language of the left-out material in (EXHIBIT B) and where it fits in HB 3219.
088	Novick	Specifies how the language left out of (EXHIBIT B) should read and what its implications are.
095	Chair Witt	Asks the committee to write the language into their copies of the ñ2 amendments to HB 3219.
101	Steve Vincent	Lobbyist, Avista Corporation. Presents the ñ4 amendments (EXHIBIT C) to HB 3219. States net metering encourages electric consumers to use alternative energy devices, which will reduce energy requirements.
131	Frank Vignola	Oregon Solar Energy Industries Association. Comments they support the ñ2 amendments, but oppose the ñ4 amendments to HB 3219. Explains why his association opposes the ñ4 amendments.
161	Mike Grainey	Assistant Director, Oregon Office of Energy. Reports they previously supported HB 3219 and have no objections to the ñ2 or ñ4 amendments.
168	Sandra Flicker	Lobbyist, Oregon Rural Electric Cooperative Association (ORECA). Presents conceptual amendments (EXHIBIT D) to HB 3219. States concerns regarding the implementation of a net metering program: <ul style="list-style-type: none"> • Safety and reliability of the system. • Possible cost shifting or subsidy by customers.
197	Flicker	Reads language from (EXHIBIT D) and points out the amendments deal with the safety of net metering.
210	Chair Witt	Notes (EXHIBIT D) deletes lines 27 to 32 of the original bill, but lines 29 to 32

		address a different subject.
216	Tom OiConnor	Lobbyist, Oregon Municipal Electric Utilities. Responds the language they proposed in (EXHIBIT D) was in the Washington bill. Explains they are responsible for the ultimate condition of the system and will be liable if something goes wrong.
236	Novick	Testifies they agree that safety standards are important. Comments on concerns that (EXHIBIT D) might allow local governing boards to continue putting up barriers.
265	Rep. Simmons	Asks what would be necessary to meet employee safety concerns.
271	Novick	Responds he would suggest lines 27 and 28 of HB 3219, which say, "The commission or appropriate governing body may adopt additional control and testing requirements for customer generators to protect public safety or system reliability."
279	Rep. Simmons	Inquires how Novick interprets "the commission or appropriate governing body."
282	Novick	Answers the appropriate governing body for consumer-owned utilities would be the boards of public utility districts, municipal, or rural co-ops.
285	Rep. Simmons	Remarks the proposed amendment does not appear to provide much more than what is already in HB 3219.
292	Novick	Agrees, but notes that the amendment deletes Sections B and C.
295	Chair Witt	Explains that (EXHIBIT D) does more than add worker safety--it strikes other provisions in HB 3219. Feels there is no justification for striking those provisions.
303	Rep. Simmons	Comments that liability insurance could make costs prohibitive.
307	Novick	Emphasizes they feel once the highest standards are met, additional liability insurance should not be required.
311	Chair Witt	Proposes passing HB 3219 out without (EXHIBIT D) and allowing Flicker and OiConnor to draft language which would be satisfactory to both parties.
315	Rep. Rasmussen	Reports she supports this suggestion.
326	Chair Witt	Expresses that he will not support (EXHIBIT D) now, but could support it in a different format in full committee.

340	Rep. Rasmussen	MOTION: Moves to ADOPT HB 3219-2 amendments dated 04/13/99.
		VOTE: 4-0
344	Chair Witt	Hearing no objection, declares the motion CARRIED.
346	Rep. Rasmussen	MOTION: Moves to ADOPT HB 3219-4 amendments dated 04/14/99.
		VOTE: 4-0
348	Chair Witt	Hearing no objection, declares the motion CARRIED.
350	Rep. Rasmussen	Suggests moving HB 3219 as amended to the full committee.
364	Novick	Inquires if the committee conceptually amended the other sentence into the n2 amendments of HB 3219.
370	Rep. Rasmussen	Withdraws her motion.
372	Rep. Rasmussen	MOTION: Moves to AMEND HB 3219-2 amendments dated 04/13/99 to be FURTHER AMENDED on page 2, line 14, to delete the period and insert ", after the cumulative limit of one-half of one percent has been reached before "the obligation".
		VOTE: 4-0
378	Chair Witt	Hearing no objection, declares the motion CARRIED.
380	Rep. Rasmussen	MOTION: Moves HB 3219 to the full committee with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye.

386	Chair Witt	<p>The motion CARRIES.</p> <p>REP. WITT will lead discussion in full committee.</p>
402	Chair Witt	Closes work session on HB 3219 and reopens work session on HB 2968.
TAPE 36, A		
<u>HB 2968 n WORK SESSION</u>		
002	Chair Witt	Explains HB 2968 and the n3 amendments to Rep. King and Rep. Simmons.
004	Rep. Rasmussen	MOTION: Moves to ADOPT HB 2968-3 amendments dated 04/12/99.
		VOTE: 4-0
006	Chair Witt	Hearing no objection, declares the motion CARRIED .
008	Rep. Rasmussen	MOTION: Moves HB 2968 to the full committee with a DO PASS AS AMENDED recommendation.
		<p>VOTE: 3-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Rep. King</p>
012	Chair Witt	<p>The motion CARRIES.</p> <p>REP. RASMUSSEN will lead discussion in full committee.</p>
016	Chair Witt	Closes work session on HB 2968 and opens public hearing on HB 3468.
<u>HB 3468 n PUBLIC HEARING</u>		
020	Cody	Explains HB 3468.

034	John Kneeland	General Counsel, Shilo Inns. Testifies in support of HB 3468. Explains Shilo Inns must conform with existing statute, which is very burdensome. Adds that only businesses with more than 50 employees at one work site must comply with the statute.
066	Chair Witt	Asks how many employees at Shilo Inns are involved in this program presently.
070	Kneeland	Answers approximately 250.
072	Chair Witt	Inquires if they must survey the employees regarding their commuting practices.
076	Kneeland	Responds that is correct.
078	Chair Witt	Asks how often a survey must be conducted.
081	Kneeland	Answers they have to conduct the survey annually, but maintaining the program is a daily chore.
083	Chair Witt	Inquires how many hours employees in Shilo Inns spend trying to comply with the program.
086	Kneeland	Notes it takes a minimum of four hours a week to monitor compliance at their central office.
090	Chair Witt	Asks what their experience has been with the plan Shilo Inns submitted.
093	Kneeland	Responds it was difficult to implement the survey, and people make transportation decisions based upon their personal needs.
101	Chair Witt	Inquires if the company has considered opting out of the program by paying the \$100 per employee.
103	Kneeland	Replies he recently became aware of that option, and he will look at it, due to cost issues.
105	Chair Witt	Suggests that option might be less expensive than the cost of compliance.
107	Kneeland	Agrees this is true when all the costs of compliance are considered.
109	Dick Lindsay	Vice President, Human Resources, Oregon Cutting Systems Division, Blount, Inc. Testifies in support of HB 3468. States they are sympathetic to the need for alternative forms of transportation.

146	Lindsay	Indicates there is no effective public transportation to their business location, and they have a three-shift operation. Reports the combination of their location and being a manufacturing operation makes telecommuting difficult. Indicates the only options they have left is carpooling, and they offer monetary incentives to employees who carpool, bike, or walk. States they must respond to a yearly survey of each employee to report progress toward reducing employee commutes by 10%.
176	Lindsay	Summarizes the plan is not accomplishing the reduction of single car commutes. Adds the cost and time involved add to the already high cost of doing business in Oregon.
193	Chair Witt	Asks what the program is costing Blount per year.
197	Lindsay	Explains the direct costs are \$24,000 for the incentives, plus administrative time.
204	Rep. Rasmussen	Inquires if his company takes advantage of the business energy tax credits through the Department of Environmental Quality (DEQ).
210	Lindsay	States he is not familiar with them. Adds that most of their employees do not use bus service.
219	Chair Witt	Asks what his company pays in Tri-Met tax per year.
221	Lindsay	Responds approximately \$200,000 per year.
224	Rep. Rasmussen	Asks how the products they manufacture leave the city.
229	Lindsay	Answers the products leave by truck from their warehouse to the port of Portland, and most of them go by ship.
232	Rep. Rasmussen	Reports that Portland businesses are struggling with traffic congestion in getting their products to market. Inquires if Blount is having this problem.
237	Lindsay	Answers he has not heard of any problems.
239	Chair Witt	Inquires if Blount has considered opting out and paying the \$100 per employee.
240	Lindsay	Replies no.
243	Chair Witt	Asks how many employees at Blount are subject to the program.
244	Lindsay	States they have approximately 960 employees.

246	Chair Witt	Suggests the cost of this is approximately \$96,000 at \$100 per employee.
248	Lindsay	Answers yes.
250	Don McIntire	Member, Executive Club. Testifies in support of HB 3468. Comments if congestion is a problem for large companies, the program will not help at all in reducing congestion. Notes that most of the congestion in Portland is government-induced.
283	McIntire	Remarks on the irony of citizens being forced to live with congestion caused by the government, and there are government programs which impose a greater burden. States if the program is made voluntary, this will not be a radical departure from what other governments are doing.
329	Chair Witt	Asks if McIntire is making reference to the fact that a company can opt out of the program by making a \$100 per employee payment on an annual basis.
331	McIntire	Answers yes and adds that, if this is an effective program, why is the DEQ letting anyone opt out.
338	Rep. Rasmussen	Inquires about the government monopoly on transportation.
340	McIntire	Replies there is a bill in the Legislature which would prohibit cities and counties from regulating for-hire transportation. Adds this would result in people going into business to transport other people where they need to go. Adds the government monopolies are failing to do this.
351	Rep. Rasmussen	Asks if he is talking about a taxi service.
356	McIntire	Answers yes. Reports there is another bill which would allow people to bid on transportation services.
365	Rep. Rasmussen	Inquires what would prevent someone from running a van on bus lines now.
368	McIntire	Answers that for-hire transportation is prohibited at this point.
370	Rep. Rasmussen	Inquires by who is for-hire transportation prohibited.
372	McIntire	Responds by governments, who franchise transportation.
374	Rep. Rasmussen	Asks why a taxi company could not run a van up and down city streets.
376	McIntire	Replies she would have to ask the taxi company about that.

387	Thomas Gallagher	Lobbyist, ARCO. Summarizes the history of the Employee Commute Option (ECO) program. Notes the original Task Force Report had a series of programs to reduce air emissions in the Portland area.
TAPE 35, B		
019	Gallagher	Stresses the original plan to reduce air emissions in Portland included a major emphasis on automobiles.
036	Gallagher	Reports another part of the plan was putting pollution control equipment on outdoor power equipment. Explains the \$100 fee in the ECO Program.
066	Gallagher	States he understands the frustration of businesses concerning the ECO Program. Expresses concern about why employers are responsible for emissions when the mandate comes from government.
089	Chair Witt	Suggests he is familiar with the history of the ECO Program. Emphasizes this is a mandate on business which can impose significant costs without compensation. Inquires why there could not be a positive inducement to achieve reduction goals for voluntary participants.
101	Gallagher	Expresses they wanted to put the program on the automobile, not on businesses. Adds that when there is a voluntary program, half of the participation is lost.
110	Chair Witt	Asks if a voluntary program had positive incentive, would the participation be more meaningful.
114	Gallagher	Notes they have looked at this issue and has two observations: <ul style="list-style-type: none"> • Participation goes down in a voluntary program. • Incentives must be funded in a voluntary program through fees.
124	Jim Craven	Lobbyist, American Electronics Association. Remarks that they have a binding agreement with the federal government to produce a ten-year clean air protection plan and, if the ECO Program is taken off the table, they will be out of attainment.
149	Chair Witt	Asks if the ECO Program is pulled out of the plan, would it be incumbent upon the committee to have a replacement component for it.
153	Craven	Notes that is his understanding.
160	Rep. Simmons	Inquires how many years ago the ECO Program was put in place.
162	Craven	Answers the specific ORS sections were passed by the 1995 Legislature.

166	Rep. Simmons	Asks if cars are cleaner today than in 1995.
168	Gallagher	Replies yes. Explains that low sulfur fuel is the final answer.
183	Rep. Simmons	Inquires if someone is tracking the reduction in emissions due to improvements in cars, and has there been any corresponding reduction in the fee.
188	Gallagher	Responds yes.
200	Rep. Simmons	Asks if there has been a reduction in fees due to upgrading vehicles and less emissions.
202	Gallagher	Answers there has been no change because this is calculated into the plan.
206	Rep. Rasmussen	Asks what the role of the business energy tax credit is.
210	Craven	Replies that purchasing employer-subsidized transit passes is an allowable expenditure under the business energy tax credit.
224	Rep. Hill	Inquires if there has been an decrease in the number of people driving as a result of transit passes.
228	Craven	Answers he will have to research that data.
252	Greg Green	Administrator, Air Quality Division, DEQ. Presents testimony in opposition to HB 3468 (EXHIBIT E). Comments on the history of the Ozone Maintenance Plan. Explains controls the DEQ has placed on industries and vehicles to ensure compliance with air quality standards.
291	Chair Witt	Inquires about the possibility of having a positive incentive to achieve reduction in commuting instead of mandating compliance.
297	Green	Responds that the Environmental Protection Agency's (EPA) Clean Air Act requires the reductions to be real and enforceable. Adds the EPA did allow a small voluntary component, and that is how the education program came about. Emphasizes the only way to defeat the air quality program is through voluntary programs.
314	Rep. Hill	Asks if they have any data showing that the education program works.
320	Green	Answers yes.
326	Rep. Hill	Asks how they know employees are taking advantage of that program.

354	Green	Replies there are no absolutes, but they can make certain assumptions. Comments the EPA has done some extensive studies.
367	Rep. Hill	Asks how they know the program is working if there is no auditing of results or a survey.
385	Green	Answers they do some audits to make sure companies are complying with their plans. Replies they work with the companies to help them development plans rather than take enforcement actions against them.
400	Chair Witt	Reads from DEQ Chapter 340 section regarding employers contributing \$100 per employee annually to an emission reduction fund. Asks what the purpose is of allowing employers to opt out of the plan and pay the per employee assessment.
TAPE 36, B		
006	Green	Responds this is because sometimes it is not feasible for certain employers to comply with the plan due to location, shifts, etc. Adds they allow the company to pay the \$100, and Metro provides that money to other companies to enable them to comply with the plan.
013	Chair Witt	Asks if this is a direct imposition of a cost upon those businesses.
015	Green	Answers it is the substitution of a method to meet the requirements of the plan.
017	Judy Edwards	Executive Director, Westside Transportation Alliance (WTA). Presents written testimony concerning HB 3468 (EXHIBIT F). Remarks WTA acts as the Westside employersí advocate for improved transit service and reduced traffic. Explains that moving from a mandatory trip reduction program to a voluntary program has resulted in an increase in single occupancy vehicles and a decrease in carpooling.
052	Edwards	Reports that some employers fear receiving fines if they do not meet trip reduction goals. Feels they need to educate employers regarding the good faith effort.
075	Edwards	Reports their survey shows most companies feel the mandatory ECO is an effective way to reduce traffic congestion. Cites some examples of membersí trip reduction programs.
109	Rep. Hill	Asks what Edwards means by reduction.
111	Edwards	Responds she means reductions in drive-alone rates.

113	Rep. Hill	Inquires if there is an effect in the Westside on the ability to use mass transit. Adds the availability of transportation has more to do with people using it versus a program without bus service.
139	Edwards	Notes it takes a combination of service and effort to get people out of their cars. Suggests there should be creative ways to get people to try alternate modes of transportation just one day a week.
156	Bernard Bottomly	Lobbyist, Tri-Met. Reports the program is a burden on the business community, but does not go away if the ECO rule is made voluntary. Explains the burden is a result of Federal Clean Air Act requirements and not the DEQ.
182	Chair Witt	Remarks it was actually placed on them by the Legislature, and DEQ used the enabling legislation to write the program.
185	Bottomly	Answers that, in general, the requirement to reduce pollution in the Portland metropolitan area is not DEQ's decision.
186	Chair Witt	Responds that the Legislature passed the statute which enabled DEQ to come up with the program.
189	Bottomly	Agrees with this. Comments on the business energy tax credit.
217	Rep. Hill	Asks if the cap is \$25 million per year in terms of tax credits.
219	Bottomly	Answers yes. Notes there is an overall cap on the amount which can be taken in energy tax credits.
223	Rep. Hill	Inquires if the credit is first come, first serve.
227	Bottomly	States it is.
230	Rep. Hill	Suggests that a company could use the entire \$25 million at the beginning of a year.
250	Bottomly	Reports this is possible, although companies are only allowed to take 35% of their costs amortized over five years. Adds that Tri-Met works with employers to facilitate vanpooling.
264	Bottomly	Delineates results of a survey taken by Tri-Met. Indicates it validates the effectiveness of the program.
296	Bottomly	Explains the services Tri-Met provides to employers. Notes that in areas which have gone to voluntary compliance, the programs have ceased to be viable.

320	Chair Witt	Asks if those voluntary programs are without any kind of positive inducement.
327	Bottomly	Responds he does not know.
329	Joe Gilliam	Lobbyist, National Federation of Independent Business (NFIB). Testifies in support of HB 3468. Stresses the problem is too many cars on the road, and it is unfair to expect employers to solve the problem. Adds the challenge is to alter the behavior of individuals who are driving their cars in rush hour.
357	Gilliam	Proposes new language for the amendments to HB 3468. Suggests giving DEQ the charge to alter the driving behavior.
366	Chair Witt	Asks if Gilliam could support a program which was voluntary and contained positive inducements for the employer to hit certain goals.
371	Gilliam	Answers yes, that encouragement is a better way to go than bureaucracy.
377	Rep. King	Asks if Gilliam could recommend programs which would take up the capacity lost in terms of air quality if HB 3468 is passed.
390	Gilliam	Responds he does not have any specific answer. Believes there must be a way for employers to encourage employees to drive less.
403	Rep. King	Inquires what is NFIB's position on the gas tax.
409	Gilliam	Answers they have no definitive position on the gas tax.
TAPE 37, A		
012	Chair Witt	Closes public hearing on HB 3468 and opens work session on HB 3468.
<u>HB 3468 n WORK SESSION</u>		
014	Rep. Hill	MOTION: Moves HB 3468 to the full committee with a DO PASS recommendation.
017	Rep. Rasmussen	Expresses concern that other alternatives to HB 3468 have not been considered.
040	Chair Witt	Comments he will support HB 3468.
		VOTE: 3-2

		<p>AYE: 3 – Hill, Simmons, Witt</p> <p>NAY: 2 – King, Rasmussen</p>
061	Chair Witt	<p>The motion CARRIES.</p> <p>REP. WITT will lead discussion in full committee.</p>
064	Chair Witt	Closes work session on HB 3468 and opens public hearing on HB 3339.
<u>HB 3339 – PUBLIC HEARING</u>		
080	Cody	Explains HB 3339 and the 11 amendments (EXHIBIT G).
095	Tim Martinez	Lobbyist, Oregon Bankers Association. Presents written testimony in opposition to HB 3339 (EXHIBIT H). Explains auto pay through banks.
130	Karen Frolich	CEO, Orchard Federal Savings Bank (OFSB). Testifies in opposition to HB 3339 (EXHIBIT I). Describes the history of (OFSB). Reports their payment processing is done out of Texas.
156	Frolich	States there are no facilities for processing payment on a postmarked basis. Adds many payments are received either without postmarks or with illegible postmarks. Notes that HB 3339 would put them at a great disadvantage to competition.
172	Frolich	Notes they provide a grace period for their accounts prior to charging a late fee. Reports they also offer debit payments and other options for payment. Indicates they are confused about the privacy issues in HB 3339. Emphasizes that passage of HB 3339 would prompt OFSB to consider issuing their cards from outside of Oregon.
193	Chair Witt	States he brought HB 3339 after a constituent inadvertently paid his credit card bill \$40 short and was assessed an interest charge on the entire balance rather than just the \$40. Inquires if HB 3339 would affect only a small percentage of credit cards held by Oregonians.
210	Frolich	Answers yes.
213	Chair Witt	Asks what percentage of credit cards used by Oregonians are covered by HB 3339.

216	Frolich	Answers about 1% or less.
222	Chair Witt	Inquires where the state law covering the agreement between the credit card issuer and the credit card holder would originate.
224	Frolich	Answers in whatever state the bank is chartered. Indicates most large credit card issuers have multiple bank charters.
228	Alan Coogan	Compliance Manager, First Consumers National Bank (FCNB). Presents testimony in opposition to HB 3339 (EXHIBIT J). Gives a history of FCNB. Notes that FCNB services over 12 million credit card accounts for a nationwide customer base; however, less than 2% of their customers reside in Oregon.
254	Coogan	Provides information about payment processing at FCNB. Explains that the Federal Reserve Board's Regulation Z regulates credit card payment processing nationally. Adds that Regulation Z protects every credit card customer in Oregon, regardless of where their credit card issuer is located. Emphasizes that card issuers must credit customers' accounts as of the date of receipt. Notes that, even though payment processing is automated, HB 3339 would require FCNB to manually sort postmarked bills.
279	Coogan	Delineates the cost and service impacts on FCNB if HB 3339 were enacted. Reports that HB 3339 does not provide guidance on how to handle payments which arrive without postmarks or how to treat postdated checks.
298	Coogan	Remarks that HB 3339 penalizes FCNB for two factors which are beyond their control: <ul style="list-style-type: none"> • The customer's choice of when to mail the payment. • The length of time it takes for the postal service to deliver that payment to FCNB. States the Automated Clearing House (ACH) is available.
331	Coogan	Reports there are developments in electronic bill payment which would make it unnecessary for customers to rely on the postal service to deliver payments to creditors. Explains the impacts of the bill amendments on the two-cycle average daily balance finance charge calculation method.
366	Coogan	Remarks that if the customer makes a payment within the grace period and pays in full, the customer had use of a line of credit and will have paid no finance charge on it.
383	Chair Witt	Notes this is true, but adds that the merchant has paid a finance charge.
388	Frolich	Replies yes, the merchant does pay a discount for electronic-produced transactions. Explains the merchant discount is intended to compensate issuers for the risk they take in issuing cards.

407	Coogan	Adds that the ñ1 amendments to HB 3339 speak only to finance charges imposed on the account, so do not address the issue Chair Witt inquired about.
TAPE 38, A		
004	Chair Witt	Responds that when the purchaser uses a credit card, the merchant typically has agreed to take a lower price for the product.
006	Coogan	Observes that HB 3339 is at cross purposes with Regulation Z regarding the two-cycle method.
024	Chair Witt	Asks if a customer inadvertently leaves a portion of his amount due out of a payment, but pays on time, why would he be charged with a big interest charge.
028	Coogan	Answers one possibility is that this was a two-cycle average daily balance account. Suggests the customer usually paid his card in full on a monthly basis, but then established a pattern of making a charge and not paying it off in full. Adds that a finance charge is then assessed for the period of time the balance was outstanding.
045	Chair Witt	Notes he disagrees with this because if he pays a credit card in a timely manner, there is no interest charge.
049	Frolich	Responds that this is what did not happen in Chair Witt's hypothetical situation. Adds if the balance is paid in full by the cycle date, there will be no finance charge. Explains the system looked at the average daily balance on the customer's account and decided he had not paid the balance in full, so he got billed interest on the average daily balance for the month.
056	Chair Witt	States he understands this, but does not feel it is the same as taking a loan from the bank because, if the customer had paid the entire balance, he would not have paid any interest.
060	Frolich	Comments this can be likened to a mortgage loan where the customer will pay interest on the average daily balance of the mortgage for the entire month. Adds there is no free period, as is offered by some credit card issuers. Notes many card issuers are now charging interest from the date of posting.
069	Chair Witt	Asks why anyone would use a credit card like that.
073	Frolich	States that people have a choice.
076	Chair Witt	Reports he is not going to move the bill because of its ramifications on Oregon. Notes some clarification of these issues needs to be addressed by Congress.

096	Erin Thurber	Homeowner. Testifies in support of HB 3339 and ñ2 amendments (EXHIBIT K).Explains the problems he and his wife encountered regarding a credit card application.
140	Thurber	Suggests bankers should be more selective about who they offer credit cards to and perhaps do some underwriting for disability coverage.
163	Frolich	Remarks she does not understand why the bank would not talk to Thurber. Explains if both his and his wife's names are on the account, both are legally liable for the account. Adds that banks are precluded from selling insurance.
180	Coogan	Asks when Thurber received a preapproved offer of a credit card.
182	Thurber	Responds it was in 1996.
184	Coogan	Asks if the preapproval letter was addressed to both Thurber and his wife.
186	Thurber	States he does not remember.
188	Coogan	Indicates that preapprovals are typically only directed to one individual. Indicates it is possible the preapproval was directed to one person, the form was signed and returned, and this was not viewed as a joint account.
194	Thurber	Notes he has a paper trail which he is willing to show anyone who is interested.
197	Rep. Rasmussen	Suggests that a time could be set up with Martinez to pursue this case more closely.
203	Chair Witt	Agrees with this suggestion and asks Martinez to review Thurber's situation with him.
215	Thurber	Thanks Chair Witt and adds Oregon law is unclear about his situation.
218	Chair Witt	Asks if Martinez would be agreeable to talking with Thurber.
219	Martinez	Answers yes.
223	Frolich	Comments that a change in Oregon law would not have helped with this incident because the issuer is from Delaware.
225	Chair Witt	Responds that is probably true, and a lot of these issues need resolution at the national level.

226	Thurber	Notes at the last meeting they talked about Regulation Z, which indicates regulating insurance sales is a state matter.
234	Chair Witt	Suggests Thurber talk with Martinez.
		NOTE: Written testimony on HB 3339 was submitted by Julie Brandis of Associated Oregon Industries and is labeled (EXHIBIT L) .
242	Chair Witt	Closes public hearing on HB 3339 and opens work session on HB 3107.
<u>HB 3107 n WORK SESSION</u>		
245	Cody	Explains HB 3107.
264	Mike Kortenhof	DEQ. Explains that the n1 amendments (EXHIBIT M) to HB 3107 were requested by Rep. Rasmussen based on input from the DEQ regarding the heating oil tank program.
276	Rep. Rasmussen	States they are continuing to analyze how to get the oil tanks out of the ground. Presents a handout regarding consumer protection regarding heating oil tanks (EXHIBIT N) .
285	Chair Witt	Inquires if Kortenhof prepared (EXHIBIT N) .
288	Kortenhof	Answers yes, it was prepared to summarize and explain the content of the n1 amendments to HB 3107.
295	Rep. King	Comments that making the DEQ responsible in the n1 amendments, Section 4 (b), for posting the information on vendors makes it appear the DEQ has approved these vendors.
320	Rep. Rasmussen	Remarks she is concerned about deleting subsection (b) because there is a similar process through the Contractorís Board to check a contractorís references. Adds she is not sure if that Board would cover whether or not the contractors are capable of doing what they say they can do. Inquires if Rep. King would allow the n1 amendments to move forward to the full committee for discussion.
343	Rep. King	Answers yes
345	Rep. Rasmussen	MOTION: Moves to ADOPT HB 3107-1 amendments dated 4/5/99.
		VOTE: 4-0

347	Chair Witt	Hearing no objection, declares the motion CARRIED.
352	Rep. Rasmussen	MOTION: Moves HB 3107 to the full committee AS AMENDED to the full committee WITHOUT recommendation as to passage.
		VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 ñ Rep. Simmons
356	Chair Witt	The motion CARRIES. REP. RASMUSSEN will lead discussion in full committee.
370	Chair Witt	Closes work session on HB 3107 and opens work session on HB 2827
<u>HB 2827 ñ WORK SESSION</u>		
373	Cody	Explains HB 2827.
387	John Gervais	Lobbyist, National Electrical Contractors Association. Offers written testimony (EXHIBIT O) regarding HB 2827. Notes he got an Attorney General's opinion regarding the upward citation of the general contractor. NOTE: (EXHIBIT O) was presented to the committee by staff after the meeting.
390	Rep. Rasmussen	MOTION: Moves to ADOPT HB 2827-1 amendments dated 4/12/99.
		VOTE: 3-0 EXCUSED: 1 - Rep. Simmons
396	Chair Witt	Hearing no objection, declares the motion CARRIED.
		NOTE: The ñ1 amendments to HB 2827 are entered as (EXHIBIT P).

400	Rep. Rasmussen	MOTION: Moves HB 2827 to the full committee with a DO PASS AS AMENDED recommendation.
		VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Rep. Simmons
404	Chair Witt	The motion CARRIES. REP. KING will lead discussion in full committee.
406	Chair Witt	Closes the work session on HB 2827 and adjourns the meeting at 6:00 p.m.

Submitted By, Reviewed By,

Nancy Geisler, Jason Cody,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2968, proposed ñ3 amendments, Rep. Jeff Merkley, 3 pp

B ñ HB 3219, proposed ñ2 amendments, Tom Novick, 3 pp

C ñ HB 3219, proposed ñ4 amendments, Steve Vincent, 1 p

D ñ HB 3219, proposed conceptual amendments, Sandy Flicker, 1 p

E ñ HB 3468, written testimony, Greg Green, 14 pp

F ñ HB 3468, written testimony, Judy Edwards, 3 pp

G ñ HB 3339, proposed ñ1 amendments, staff, 5 pp

H ñ HB 3339, written testimony, Tim Martinez, 2 pp

I ñ HB 3339, written testimony, Karen Frolich, 1 p

J ñ HB 3339, written testimony, Alan Coogan, 7 pp

K ñ HB 3339, proposed ñ2 amendments, Erin Thurber, 1 p

L ñ HB 3339, written testimony, Julie Brandis, 2 pp

M ñ HB 3107, proposed ñ1 amendments, Mike Kortenhof, 7 pp

N ñ HB 3107, written material, Rep. Anitra Rasmussen, 1 p

O ñ HB 2827, written material, John Gervais, 5 pp

P ñ HB 2827, proposed ñ1 amendments, staff, 1 p