HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 22, 1999 Hearing Room 350

1:00 p.m. Tapes 27 - 28

MEMBERS PRESENT: Rep. Jerry Krummel, Chair

Rep. Ryan Deckert

Rep. Bob Montgomery

Rep. Diane Rosenbaum

STAFF PRESENT: Jason Cody, Administrator

Annetta Mullins, Administrative Support

MEASURE/ISSUES HEARD: HB 2669 ñ Work Session

HB 2878 ñ Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speakerís exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 27, A		
004	Chair Krummel	Calls meeting to order and opens a work session on HB 2669.
HB 2669 ñ WORK SESSION		
006	Chair Krummel	Explains that HB 2669 has been referred back to subcommittee by the full committee.
007	Jason Cody	Administrator. Explains why the bill was re-referred to the subcommittee.

024	Mike Dewey	Oregon Cable Telecommunications Association. Testifies in support of the HB 2669-1 amendments **(EXHIBIT A).** Explains that originally the penalty provisions would fall under the Public Utility Commission (PUC). The PUC does not regulate cable. Usually interest charges and late fees are found under the Unlawful Trade Practices Act and they felt that would be the best place for the penalty provisions.
035	Rep. Rosenbaum	Asks what the process is if a consumer feels he/she has been wrongly charged by the cable provider.
040	Dewey	States the customer would call the provider to see if the complaint could be worked out. States their goal is to keep customers and if the complaint is about a small amount of dollars, it will be fixed. Adds that HB 2669 does not change charging of late fees. It gives a little more protection to the customer because today they could charge a $10 late fee and it would not fall under the Unlawful Trade Practices Act.
072	Rep. Rosenbaum	Asks what she would do if she had a complaint about a late fee.
080	Dewey	Responds that if there were a violation of the late fee policy, the customer would have a cause of action under the Unlawful Trade Practices Act.
083	Rep. Rosenbaum	Asks what remedy is available under the Unlawful Trade Practices Act.
085	Dewey	Explains it is a civil remedy.
101	Rep. Rosenbaum	Asks if the companies have attempted to deal with the regulatory commissions on this issue.
103	Dewey	States the reason they introduced the bill is because they are seeing a number of lawsuits across the country and rather than defend all the lawsuits they felt it was in their best interest to find a late fee amount that is fair and reasonable. Comments on costs associated with attempting to collect past due accounts.
130	Chair Krummel	Asks if the HB 2669-1 amendments relate to the Unlawful Trade Practices Act.
136	Dewey	Responds affirmatively. Notes the amendment on page 4, line 1.
161	Chair Krummel	Comments there were two concerns with HB 2669. One concern by the full committee was that the amount charge. States that the late fee is for the balance of the service bill and not for the balance of the late fees and not to have late fees accumulating.
174	Cody	Responds the concern was to make sure that each month a new percentage was not chargedóit would be a one-time fee until it was paid.

177	Dewey	Gives example of a past due account and the notification process.
191	Chair Krummel	Comments that if a customer does not pay their January bill, they do not get a late fee charged until their March bill.
193	Dewey	States that generally would be the case. Provides scenario of non-payment and assessment of the late fee.
217	Rep. Montgomery	Asks when the second late fee would take effect. Asks when the customer would have service cut off.
228	Dewey	States that service usually would be cut off on day 62. They want to make it clear they are giving the customer enough time to pay their bill, and they want to make sure they provide notice in a conspicuous way.
266	Dewey	Comments on decision of court on the east coast that the late fee could not exceed 32 cents. Comments on late fees in other states.
314	Chair Krummel	Asks what the PUC allows for delinquent fees on telephone bills.
317	Cody	Responds that U. S. West charges one percent rolling.
329	Dewey	States he believes the highest is 1.5 percent.
375	**Rep. Montgomery**	**MOTION: Moves to ADOPT HB 2669-1 amendments dated 03/22/99.**
387		**VOTE: 3-1-0** **OBJECTING: 1 - Rep. Rosenbaum**
	Chair Krummel	**Noting objection by Rep. Rosenbaum, declares the motion CARRIED.**
391	**Rep. Montgomery**	**MOTION: Moves HB 2669 to the full committee with a DO PASS AS AMENDED recommendation.**
397	Rep. Rosenbaum	Comments she thinks this preempts local government. Three jurisdictions are objecting to the bill on the basis they have the authority to regulate in this area. Adds that she thinks the fees are excessive, and that the amendments do nothing to clarify the unclear drafting of the bill.

420		**VOTE: 3-1-0** **OBJECTING: 1 - Rep. Rosenbaum**
	Chair Krummel	**Noting objection by Rep. Rosenbaum, declares the motion CARRIED.** **REP. DECKERT will lead discussion in full committee.**
432	Chair Krummel	Closes the work session on HB 2669 and opens a work session on HB 2878.
TAPE 28, A		
HB 2878 ñ WORK SESSION		
031	Chair Krummel	Requests that Michael Grainy, Department of Energy, provide information on proposed amendments he was asked to prepare based on what was done at the last session.
040	Cody	Advises members that the fiscal statement has not been prepared by Legislative Fiscal Office.
043	Mike Grainey	Assistant Director, Office of Energy, Department of Consumer and Business Services. States the fiscal statement is from their office **(EXHIBIT B)** and is their best estimate of the bill.
046	Grainey	States that the amendments are in the alternative and they do not believe they are likely to change the fiscal impact significantly. The amendments are in response to concerns about the maximum size of the tax credit. The amendments do that in two slightly different ways **(EXHIBIT C).**
051	Grainey	Explains that the first two lines of the amendments are technical and would allow smaller photovoltaic system to qualify. Their tax credit would be proportionately smaller. Explains that there are stand-alone photovoltaic systems. There are some situations in rural Oregon where people are beyond the service area of their electric utility and pay significant hook up charges. This is one area where solar photovoltaics can be competitive with diesel generators or paying for the line extension.
062	Grainey	The amending in line 3 simply reduces the size of the tax credit. Adds that the additional amendment **(EXHIBIT C, page 3)** gets one to the same place but does it based on phasing out the amount of the tax credit per watt of energy produced. The maximum credit under that would also be $6,000.

074	Rep. Montgomery	Notes that the fiscal statement says the impact for the first biennium is $34,500 and $55,500 for the second biennium. Asks if the amount will keep increasing.
075	Grainey	Responds it would probably be at about the same rate.
090	Rep. Montgomery	Comments on eliminating tax credits this session and states this adds another tax credit. States he will support the bill to get it to the full committee but will probably be a no vote on the floor.
098	Rep. Rosenbaum	Asks if the fiscal represents the excess over the $1,500 credit that is in the law currently.
101	Grainey	States no. Explains that for the most part, the solar systems would not qualify for that tax credit right now. That is because they have to produce at least 10 percent of the energy load of the house. Most photovoltaeic systems, except for the very largest, cannot meet that threshold.
111	**Rep. Deckert**	**MOTION: Moves HB 2878 to the full committee with a DO PASS recommendation.**
116	Chair Krummel	Asks if Rep. Deckert is interested in the conceptual amendments **(EXHIBIT C).**
119	Rep. Deckert	Responds that in working with the sponsor of the bill, they will look at the three-line amendment **(EXHIBIT C, page 1)** and have it ready for the full committee to adopt before sending the bill to Revenue.
135	Rep. Deckert	Withdraws his motion.
143	**Rep. Deckert**	**MOTION: Moves to ADOPT the amendments offered by the Mike Grainey to HB 2878 (EXHIBIT C, page 1).**
		VOTE: 4-0-0
	Chair Krummel	**Hearing no objection, declares the motion CARRIED.**
158	**Rep. Deckert**	**MOTION: Moves HB 2878 to the full committee with a DO PASS AS AMENDED recommendation.**
161	Rep. Rosenbaum	Comments she shares the concerns about whom would be benefiting from this tax credit. States she will give it a courtesy vote to move the bill but may be a no.

168	Rep. Montgomery	States he, too, will give it a courtesy vote and may be a no vote on the floor.
172		**VOTE: 4-0-0**
	Chair Krummel	**Hearing no objection, declares the motion CARRIED.** **REP. DECKERT will lead discussion in full committee.**
174	Chair Krummel	Closes the work session on HB 2878 and adjourns meeting.

Submitted By, Reviewed By,

Annetta Mullins, Jason Cody,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2669,HB 2669-1 amendments, Mike Dewey, 4 pp

B ñ HB 2878, fiscal statement, Mike Grainey, 2 pp

C ñ HB 2878, proposed amendments, Mike Grainey, 4 pp