

SENATE COMMITTEE ON TRANSPORTATION

May 19, 1999 Hearing Room C

03:05 p.m. Tapes 96 - 97

MEMBERS PRESENT: Sen. Marylin Shannon, Chair

Sen. Mae Yih, Vice-Chair

Sen. Susan Castillo

Sen. Ted Ferrioli

Sen. Gary George

MEMBER EXCUSED:

STAFF PRESENT: Megan Palau, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: HB 2764 Public Hearing and Work Session

HB 2440A Public Hearing and Work Session

HB 3521A Public Hearing and Work Session

HB 2738A Public Hearing and Work Session

HB 2739A 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 96, A		

001	Chair Shannon	Opens the meeting at 3:20 p.m. and opens a public hearing on HB 2764A.
<u>HB 2764 PUBLIC HEARING</u>		
004	Megan Palau	Administrator. Explains the provisions of HB 2764 which authorizes a railroad company or public authority in interest to submit a claim for lump-sum reimbursement from the Grade Crossing Protection Account under specified circumstances.
013	Everett Cutter	Manager, Oregon Railroad Association. Presents (EXHIBIT A) and testifies in support of HB 2764. Notes that the purpose is to allow ODOT to work with the railroads and road authorities to establish costs for safety projects in advance.
056	Chair Shannon	Asks if any states have implemented this system and then returned to the old system.
057	Cutter	Responds that he is not aware of any and that the trend has been toward this form of reimbursement.

059	Claudia Howells	Manager, Oregon Department of Transportation (ODOT) Rail Division. Presents (EXHIBIT B) and testifies in support of HB 2764. Remarks that the bill will allow ODOT to improve efficiency, accountability, and maximize the use of the available funds.
072	Sen. Yih	Asks if the current process is to bill for actual costs and the proposed process is to bill for estimated costs.
079	Howells	Responds that ODOT pays bills as they come in from the railroad companies and the road authorities. Adds that the costs can be established in advance under the provisions of the bill.
086	Sen. Yih	Comments that the reporting would be of estimated costs and not actual costs. Adds that this does not seem to improve accountability.
100	Cutter	Answers that the railroad companies are confident that they can provide an accurate estimate of the up-front costs. Emphasizes that the language of the bill is permissive which allows this procedure to be used on smaller projects to save overhead expenses.
117	Sen. Yih	Notes that she is concerned that the parties will opt for the easier system of estimating costs.
131	Howells	Responds that these rail crossing projects are normally completed by the railroads

or a local road authority. Notes that the purpose of the bill is to determine in advance what the actual costs will be so as to budget more effectively.

- 156 Chair Shannon Comments that an actual accounting is given to ODOT on how the funds were spent.
- 164 Sen. Castillo Asks if the lump sum payments allow ODOT to leverage the federal dollars spent.
- 171 Howells Answers that it does not improve the ability to leverage funds but does allow ODOT to more efficiently control costs.
- 176 Sen. Yih Emphasizes that allowing ODOT to estimate costs is not consistent with recent attempts to mandate a cost accounting system within ODOT. Discusses the provisions of the bill that cap the project with the Chair.
- 203 Chair Shannon Closes the public hearing and opens a work session on HB 2764.

HB 2764 WORK SESSION

- 215 Sen. Castillo **MOTION: Moves HB 2764 to the floor with a DO PASS recommendation.**

VOTE: 3-1

AYE: 3 - Castillo, Ferrioli, Shannon

NAY: 1 - Yih

EXCUSED: 1 - George

Chair Shannon The motion CARRIES.

SEN. CASTILLO will lead discussion on the floor.

- 233 Chair Shannon Closes the work session and opens a public hearing on HB 2440A.

HB 2440A PUBLIC HEARING

- 236 Palau Explains the provisions of HB 2440 which requires the completion for a driver training program and period of supervised driving before a person under 18 years of age may be issued a provisional driver license. Presents (**EXHIBIT C**) and explains the provisions of the ñA6 amendments.

259	Mike Sherlock	Notes that the ñA6 amendments propose moving the responsibility for developing driver education curriculum to ODOT.
264	Joanne Flint	Oregon Department of Education (DOE). Explains that the ñA6 amendments move the responsibility for curriculum of driver education from the Department of Education to ODOT. Notes that the department has no objection to the move of responsibilities.
309	Chair Shannon	Comments that driver education does not always reduce accidents but the curriculum developed by ODOT has resulted in a drop in the accident rate. Asks how many staff at DOE work on driver education.
335	Flint	Responds that DOE has a half-time staff person working on driver education. Notes that DOE is concerned that the instructors of the behind-the-wheel portion of the courses do not require a license.
369	Sen. Castillo	Asks if the concern is with the qualification of the instructors.
375	Flint	Responds that is the concern.
376	Sen. Yih	Asks if there are any minimum requirements for the driving instructor.
380	Flint	Answers that there is no specific licensing required.
408	Chair Shannon	Notes for the record that the Oregon Education Association supports HB 2440A.

TAPE 97, A

002	Sen. Castillo	Asks how the program will be implemented.
006	Troy Costales	Manager, Transportation Safety Division, ODOT. Responds that ODOT is charged with the development of the curriculum and outlines envisioned procedures and makeup of the development workgroup.
022	Palau	Explains that the proposed ñA7 amendments change the requirements to 25, and explains that this could create a conflict with other statutes. Adds that the ñA8 moves the restricted driving time from 12:00 a.m. to 9:00 p.m.
031	Sen. Yih	Notes that the accident rate is high for young drivers early in the evening. Discusses accident rates with the Chair and the advisability of moving the time restrictions from 12:00 a.m. to 9:00 p.m.
059	Kelly Taylor	ODOT. Explains that the highest accidents rates for young drivers occur from 3-6:00 p.m. Notes that the 12:00 a.m. restriction is a realistic one and matches up with the state curfew law.

080	Chair Shannon	Notes that there may not be support in the House for the earlier restriction.
089	Costales	Adds that the discussions in the House centered on 12:00 a.m.
095	Sen. Yih	Notes that she will withdraw her recommendation to move the restriction up to 9:00 p.m.
108	Brad Fields	Legislative Aide, Sen. Cliff Trow, Senate District 18. Testifies that Sen. Trow supports that ñA6 amendments.
118	Chair Shannon	Closes the public hearing and opens a work session on HB 2440A.

HB 2440A WORK SESSION

124	Chair Shannon	MOTION: Moves to ADOPT HB 2440A-6 amendments dated 5/13/99 (EXHIBIT C).
	Chair Shannon	Hearing no objection, declares the motion CARRIED.
129	Chair Shannon	MOTION: Moves HB 2440A to the floor with a DO PASS AS AMENDED recommendation.

VOTE: 3-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 2 - Ferrioli, George

Chair Shannon	The motion CARRIES.
	SEN. SHANNON will lead discussion on the floor.

139	Chair Shannon	Closes the work session and opens a public hearing on HB 3521A.
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HB 3521A PUBLIC HEARING

153	Palau	Explains the provisions of HB 3521A which allows the seller of a motor vehicle to sell the vehicle subject to future acceptance by the lender that may finance the sale. Presents (EXHIBIT D) and summarizes the provisions of the ñA2 amendments.
172	Rep. Karen Minnis	House District 20. Testifies in support of HB 3521A which would require a dealer to return all items of value received by the dealer as part of the transaction in case

financing is not approved.

- 187 Chair Shannon Notes that the auto dealers support the bill and asks why a car dealer would want to wait two weeks to sell the used vehicle.
- 200 Darrell Fuller Oregon Auto Dealers Association. Explains that many vehicles are sold on weekends when financing institutions are closed. Adds that the finance contracts are sold on Monday after the sale, and in some cases the contracts cannot be sold. Notes that the ñA2 amendments require the consumer to return the purchased vehicle.
- 250 Monty King Executive Director, Oregon Independent Auto Dealers Association. Testifies in support of HB 3521A and the ñA2 amendments.
- 274 Pete Shephard Financial Fraud Consumer Protection Division, Department of Justice. Testifies in support of HB 3521A and notes that the bill deals with a significant consumer protection issue.
- 299 Chair Shannon Closes the public hearing and opens a work session on HB 3521A.

HB 3521A WORK SESSION

- 307 Sen. Yih **MOTION: Moves to ADOPT HB 3521A-2 amendments dated 5/19/99 (EXHIBIT D).**
- Chair Shannon **Hearing no objection, declares the motion CARRIED.**
- 312 Sen. Yih **MOTION: Moves HB 3521A to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - George

- Chair Shannon **The motion CARRIES.**
- SEN. YIH will lead discussion on the floor.**

- 323 Sen. Castillo Declares a possible conflict of interest due to the fact that her husband provides advertising services to auto dealers.

325 Chair Shannon Closes the work session and opens a public hearing on HB 2738A.

HB 2738A PUBLIC HEARING

327 Palau Explains the provisions of HB 2738 which extends the duration of lien based on transitional ownership of a vehicle from 20 to 90 days. Presents (**EXHIBIT E**) and summarizes the provisions of the ñA3 amendments. Presents (**EXHIBIT F**) and explains the provisions of the ñA4 amendments.

338 Fuller Presents (**EXHIBIT G**) and testifies in support of HB 2738A. Notes that delays in receiving titles on vehicles can cause problems for dealers and the bill extends the "Temporary Ownership Document" to 90 days.

383 Chair Shannon Discusses the new Star Wars movie with the witness.

TAPE 96, B

018 Sen. Yih Asks why the bill extends the time to 90 days.

020 Fuller Notes that it sometimes takes over 90 days to get the title back and that processing time with national banks can be lengthy. Explains the exposure for car dealers under current bankruptcy laws if the lien is not perfected.

053 Sen. Yih Notes that fax and e-mail should be able to speed up the processing.

056 Fuller Responds that fax and e-mail are not presently permitted by law.

076 Paul Cosgrove Oregon Financial Services Association. Testifies in support of HB 2738A and the ñA3 amendments. Explains that the financial institutions provide both "purchase money" for a consumer to buy a vehicle, and "non-purchase money" where a consumer is using a vehicle for collateral. Adds that the ñA4 amendments allow for a 90- day extension for "non-purchase money" agreements.

112 Sen. George Comments that the electronic transfers will greatly improve the efficiency of these transactions.

118 Cosgrove Agrees that the actual transfer of paper is cumbersome.

122 Sen. George Relates problems with an incident when purchasing a trailer from out-of-state.

131 Cosgrove Notes that the Department of Motor Vehicles has no concerns with the ñA4 amendments.

136 Chair Shannon Closes the public hearing and opens and work session on HB 2738A.

HB 2738A WORK SESSION

138 Sen. Yih **MOTION: Moves to ADOPT HB 2738A-3 amendments dated 5/12/99 (EXHIBIT E).**

Chair Shannon **Hearing no objection, declares the motion CARRIED.**

141 Sen. Yih **MOTION: Moves to ADOPT HB 2738A-4 amendments dated 5/17/99 (EXHIBIT F).**

Chair Shannon **Hearing no objection, declares the motion CARRIED.**

143 Sen. Castillo Notes a possible conflict of interest because her husband provides advertising services to auto dealers.

151 Sen. Yih **MOTION: Moves HB 2738A to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 4-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 1 - Ferrioli

Chair Shannon **The motion CARRIES.**

SEN. GEORGE will lead discussion on the floor.

158 Chair Shannon Closes the work session and opens a public hearing on HB 2739A.

HB 2739A PUBLIC HEARING

164 Palau Explains the provisions of HB 2739A which modifies vehicle dealer certificates by increasing the amount of bond or letter of credit required, extending the term of certificate to three years, and increasing the fees for the original issuance and for renewal.

175 Fuller Presents (**EXHIBIT H**) and testifies in support of HB 2739A. Explains that the bill changes the licensing of auto dealers from one to three years, increases the amount of the required bond, and removes the requirement that dealers obtain the signature of a local government indicating the dealer location is zoned for a dealership.

225	Chair Shannon	Asks why the bond amount is being increased.
238	Fuller	Responds that the bond serves the purpose of protection for the consumer and the dealer is required to qualify for the bond to obtain the dealer's license.
247	Sen. Yih	Asks how often the bonds are utilized.
250	Fuller	Answers that it occurs infrequently and explains that there is an indemnity agreement between the dealership and the bonding company which requires the dealership to reimburse the bonding company in the event of a judgment.
271	Sen. Yih	Asks for clarification that the dealership pays the amount of the bond.
277	Fuller	Responds that the bond is protection in the event the dealer cannot pay a judgment. Adds that DMV supports HB 2739A.
303	King	Notes that there is a provision that prevents a dealer whose license was revoked in Oregon from obtaining a license from another state and using that license to operate as a dealer in Oregon.
325	Shephard	Testifies in support of HB 2739A. Clarifies that the consumer usually is left without recourse when a dealer goes out of business.
358	Sen. Yih	Asks if the bond should be higher.
367	Fuller	Responds that his association supports a higher amount but other dealership associations would not support a higher bond amount.
389	Chair Shannon	Closes the public hearing and opens a work session on HB 2739A.

HB 2739A WORK SESSION

391	Sen. Castillo	Notes a possible conflict of interest because her husband provides advertising services to auto dealers.
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399	Sen. Yih	MOTION: Moves HB 2739A to the floor with a DO PASS recommendation.
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VOTE: 3-0

AYE: In a roll call vote, all members present vote Aye.

EXCUSED: 2 - Ferrioli, George

Chair Shannon

The motion CARRIES.

SEN. FERRIOLI will lead discussion on the floor.

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Chair Shannon

Closes the work session and adjourns the meeting at 4:42 p.m.

Submitted By, Reviewed By,

Gary Roulier, Megan Palau,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2764, written testimony, Everett Cutter, 2 pp

B ñ HB 2764, written testimony, Claudia Howells, 1 p

C ñ HB 2440A, amendments, staff, 12 pp

D ñ HB 3521A, amendments, staff, 2 pp

E ñ HB 2738A, amendments, staff, 2 pp

F ñ HB 2738A, amendments, staff, 1 p

G ñ HB 2738A, written testimony, Darrell Fuller, 1 p

H ñ HB 3739A, written testimony, Darrell Fuller, 2 pp