

HOUSE COMMITTEE ON COMMERCE

May 29, 1997 Hearing Room 357

8:15 A.M. Tapes 54 - 57

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair

Rep. Cynthia Wooten, Vice-Chair

Rep. Ron Adams

Rep. Roger Beyer

Rep. Richard Devlin

Rep. Jim Hill

Rep. Bob Montgomery

Rep. Jackie Taylor

Rep. Tom Whelan

STAFF PRESENT:

Keith Putman, Administrator

Julie Neburka, Administrator

Coben Tistadt, Administrative Support

MEASURE/ISSUES HEARD:

SB 92 - Public Hearing and Work Session

SB 481 - Public Hearing and Work Session

SB 487 - Public Hearing and Work Session

SB 656 - Public Hearing and Work Session

SB 667 - Public Hearing and Work Session

SB 997 - Public Hearing and Work Session

SB 675 - Public Hearing and Work Session

HB 3500 - 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 54, A		
006	Chair Johnson	Calls meeting to order at 8:22 AM. States that the meeting will take 3 hours. Opens public hearing on SB 997.
<u>SB 997 - PUBLIC HEARING</u>		
022	Sen. Joan Dukes	Senate District #1. Talks of Scappoose's numerous attempts to gain admittance into Portland's extended area service (EAS). Notes that many of Scappoose's services are located in Portland. States that the situation is unreasonable, and that what amounts to calling a neighbor is billed as long-distance.
061	Rep. Montgomery	States that Portland is expanding eastward as well and that other regions would like to be considered in the future.
068	Sen. Dukes	Notes the support of PTI, the local telephone company, and US West.
070	Rep. Adams	Asks about the status of HB 3228.
072	Rep. Taylor	Answers that the bill is being held in the Senate.
080	Sen. Dukes	States that they put identical bills in either chamber to ensure that the issue would be forwarded.
085	Rep. Taylor	States that the house bill was due to be heard for yesterday but that she had it held over.
090	Chair Johnson	Opens work session on SB 997.
<u>SB 997 - WORK SESSION</u>		
096	Rep. Adams	MOTION: Moves SB 997 to the floor with a DO PASS recommendation.
100		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Devlin
	Chair	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.

103	Keith Putman	States that Legislative Counsel has informed him that the conflict amendments will be necessary for SB 125 and so the bill needs to return to the committee.
114	Rep. Montgomery	MOTION: Moves to RECONSIDER the vote by which SB 125 was sent to floor with a DO PASS AS AMENDED recommendation.
117	Chair Johnson	Comments on the size of the amendments.
120	Putman	States he requested to Legislative Counsel that they highlight the pertinent sections of the conflict amendments.
		VOTE: 8-0 EXCUSED: 1 - Devlin
	Chair	Hearing no objection, declares the motion CARRIED.
123	Chair Johnson	Opens public hearing on SB 92.
<u>SB 92A - PUBLIC HEARING</u>		
130	Kerry Barnett	Director of the Department of Consumer and Business Services. Submits written testimony (EXHIBIT A). States that the bill establishes a process for demutualizing an insurance company. Mentions the different types of insurance companies. Explains that mutual insurance companies are owned and controlled by policy-holders indirectly through an elected Board of Directors. States that if the company is liquidated, that the assets devolve to the policy-holders. Notes that there are only four companies affected by the bill: Standard Insurance, Oregon Mutual Insurance Company, Northwest Physician's Mutual, and Sublimity Mutual Insurance Company.
180	Barnett	States that the bill addresses the procedure through which a mutual insurance company can convert to a stock-holder insurance company. Notes that the bill doesn't perfunctorily allow demutualization, but that it requires the presentation of a plan which would be scrutinized for fairness. Lists the 4 steps proposed for demutualization: presentation of a plan, recompensation to the policy-holders, approval of the plan by the Board of Directors, and a vote of the policy-holders. Talks about the "minor provisions" of the bill not relating to demutualization.
235	Rep. Montgomery	Asks about opposition. Asks why they changed the original bill.
241	Barnett	Answers that the substance of the proposed legislation is the same, but that the new bill will be easier to use. Reports that there were 2 nay votes in the Senate.

255	Rep. Beyer	Asks who was in opposition to the bill.
257	Barnett	Answers that there was one individual who testified in opposition.
265	Rep. Beyer	Adds that Senator Leonard and Senator Brown voted no in the Senate.
269	Michael Keyes	Vice-President of the Oregon Mutual Insurance Company. Submits written testimony (EXHIBIT B). Supports the bill. Notes that the company has no present need to demutualize, but that there is interest in the process.
297	Rep. Taylor	Asks if the other states in which his company does business have passed similar legislation.
300	Keyes	Answers that California has passed similar legislation.
304	Rep. Hill	Asks what happens to the policy-holders if the companies take advantage of the opportunity to demutualize.
309	Keyes	Answers that the policy-holders would either become stockholders or be compensated.
313	Rep. Hill	Declares potential conflict of interest.
317	Rep. Wooten	Asks for a description of the transition from policy-holder to stockholder.
324	Keyes	Answers that the value of the company would be distributed equitably to the policy-holders through cash, stock, or other agreed-to terms.
339	Rep. Wooten	Asks about Oregon Mutual's specific plan.
342	Keyes	Answers that they have no current plan.
344	Chair Johnson	States that none of the companies have specific plans but are merely interested in the process.
349	Al Thompson	Representing Standard Insurance Company. Supports the bill.
359	John Mangan	Assistant Vice-President in charge of corporate communications for Standard Insurance Company. States that as a regulated company they work closely with Kerry Barnett. States that the bill gives the companies the flexibility to remain competitive in the industry. Mentions the company's growth into other states and its creation of jobs. States that they need the option to raise capital. Mentions large companies converting to a "mutual-holding company structure."
409	Mangan	States that the policy-holders' rights are supported by the bill.
429	David Bolton	Representing his grandfather, a policy-holder with Standard Insurance Company. States that policy-holders aren't aware of the bill. States that a portion of the premiums are used to create the company's equity. States that the bill would replace ORS 732.599, which gives definite compensation to policy-holders in the event of demutualization. States that ORS 732.599 provides for at least 50% cash compensation on equity to long-standing policy-holders such as his grandfather.

TAPE 55, A		
033	Bolton	Continues presentation. Notes that the amount of compensation isn't specified in the bill. States that the companies seek to pay less than 50% cash compensation on equity otherwise they wouldn't replace current statute. Mentions that his grandfather bought his policy over 40 years ago and that his original terms are now under attack. States that if the bill was a good idea the companies would advertise it through their publicity departments. Questions whether Standard Insurance Company really has a need to raise capital.
078	Chair Johnson	States that he is a policy-holder with Standard Insurance Company.
081	Rep. Adams	Asks where the witness works.
082	Bolton	Answers that he works for the Insurance Division
083	Rep. Adams	Asks if the bill requires that these companies bring a plan to the insurance commission.
088	Bolton	Answers yes.
091	Rep. Adams	Asks if the witness has worked for Standard Insurance Company.
092	Bolton	Answers yes.
093	Rep. Adams	Comments that the witness' anecdotal information isn't sufficient. Suggests that the witness hasn't verified his testimony with sufficient evidence.
095	Bolton	Responds that he wasn't properly notified.
115	Rep. Hill	Asks if the director intends to adopt rules protecting policy-holders.
126	Barnett	Answers yes. Refers to section 13 of the A-engrossed bill providing the criterion by which plans are approved or disapproved.
143	Chair Johnson	Believes that that criterion will address the issue of fairness to policy-holders.
151	Jim Kennedy	Representing Oregon Mutual Insurance Company and Northwest Physician's Mutual Insurance Company. Submits written testimony for James Dorigan (EXHIBIT C). States that the bill protects policy-holders by giving mutual companies access to capital through restructuring and by providing "rigorous regulatory approval standards" for demutualization plans. Mentions bills in Pennsylvania and Illinois which deprive policy-holders of compensation. States that SB 92A allows companies flexibility while protecting policy-holders' rights. States that the current statutes don't work because they require that the companies give out too much capital.
199	Rep. Hill	Comments that there is a public hearing process established by the bill.

204	Rep. Taylor	Asks about dissenter's rights in demutualization.
208	Kennedy	Answers the dissenter's rights won't apply to demutualization and that they don't exist under the bill.
224	Chair Johnson	Opens work session on SB 92A.
<u>SB 92A - WORK SESSION</u>		
230	Rep. Montgomery	MOTION: Moves SB 92A to the floor with a DO PASS recommendation.
231	Rep. Hill	Declares potential conflict of interest.
232	Chair Johnson	Declares potential conflict of interest.
245		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES . CHAIR JOHNSON will lead discussion on the floor.
252	Chair Johnson	Opens public hearing on SB 481.
<u>SB 481A - PUBLIC HEARING</u>		
266	John Brennehan	Representing Oregon Funeral Directors. Submits written testimony (EXHIBIT D). States that the bill passed unanimously in the Senate.
273	Mark Musgrove	President of the Oregon Funeral Directors Association. Mentions attempts to develop national standards for Funeral Directors Practitioners Licenses. Notes Oregon's relatively low standards for such licenses. Talks of the importance of giving directors the opportunity to move from state to state, and that Oregon's low standards prohibit their mobility. States that higher standards protect the public.
323	Rep. Montgomery	Asks why the board can't set their own standards.
329	Brennehan	Answers that the board does have broad authority to protect the public, but that they decided to take the legislative approach.
340	Rep. Taylor	Asks about the curriculum of the two year associate's degree.
351	Musgrove	Answers that there are two licenses. States that apprenticeship is required and that there is a core curriculum.
369	Rep. Devlin	Asks if there is a college in Oregon with the program.
376	Musgrove	Answers yes, Mt. Hood Community College.
396	Rep. Wooten	Asks about the grandfather clause.

400	Musgrove	Answers that there are three licensees "grandfathered" in and that current apprentices will be "grandfathered."
TAPE 54, B		
004	Rep. Wooten	Asks if raising the standards will decrease the number of entrants into the profession and if that will affect wages.
006	Musgrove	Notes that some states require a four-year degree and that it hasn't limited entry into the profession.
018	Lucinda Potter	Executive Director of the Oregon State Mortuary and Cemetery Board. Supports raising standards. States that no one currently registered would be adversely affected.
032	Rep. Adam	Asks how many funeral services practitioners there are in the state.
034	Potter	States that there are 800 licensed practitioners in the state, including individuals with both licenses and individuals with either license.
038	Rep. Adams	Doubts that every community college can afford the program. Asks how they can extend a "double A" degree to someone not in the proximity of a community college.
052	Potter	Believes that there are programs available through correspondence.
064	Musgrove	Mentions that most funeral directors have both licenses. Mentions individuals who perform funeral services yet are not licensed to embalm.
072	Rep. Adams	States that the bill doesn't specify a program. Requests that a distance learning program be established.
080	Musgrove	Responds that Mt. Hood Community College is working on that.
084	Rep. Wooten	Notes collaboration amongst community colleges in many areas providing programs on the internet.
095	Chair Johnson	Opens work session on SB 481A.
<u>SB 481A - WORK SESSION</u>		
104	Rep. Montgomery	MOTION: Moves SB 481A to the floor with a DO PASS recommendation.
109		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. MONTGOMERY will lead discussion on the floor.
115	Chair Johnson	Opens public hearing on SB 487.

**SB 487A -
PUBLIC
HEARING**

119	Ron Gould	Oregon Society of Certified Public Accountants (CPAs). Submits written testimony (EXHIBIT E). States that the bill has been around since '88 and the Oregon is one of the few states which hasn't adopted such legislation. States that the bill will improve quality of Oregon's CPAs.
139	Raymond Johnson	Licensed CPA and a Faculty Member at Portland State University. States that the bill is in the students' and the public's interest. Submits written materials including letters from students (EXHIBIT F). States reasons why students support the legislation. States that it will affect how other states view an Oregon license.
171	Karen DeLorenzo	Administrator of the Board of Accountancy. Supports the bill. Notes that it will increase communication skills. States that many of the complaints regarding CPAs are traceable to a want of communication skills.
204	Rep. Beyer	Asks if state colleges issue quarter hours.
208	DeLorenzo	Believes that the state colleges are on semester hours.
210	Rep. Adams	Clarifies that state colleges and universities are on quarter hours.
211	Rep. Beyer	Asks if the current requirement is for 45 quarter hours.
217	DeLorenzo	Answers that it is a baccalaureate degree and that minimum requirement is for 45 hours of accounting which under the bill stays the same. States that they are adding a fifth year of education making the program a 150 hour master degree requirement, but that there would be no increase in accounting hours.
230	Rep. Beyer	Asks if 225 course hours are required to graduate in accounting.
233	DeLorenzo	Answers that that is the requirement to sit for the exam.
235	Chair Johnson	Asks if the board reviews the accounting courses in the state institutions.
240	DeLorenzo	Answers that they rely on course descriptions.
242	Chair Johnson	Asks if they have the ability to deal with inadequate courses.
247	DeLorenzo	Answers yes.
249	Chair Johnson	States that his wife is a CPA and that she felt her course work was outdated. Asks if they have the authority to ensure that courses are current.
255	DeLorenzo	Answers that the board doesn't have that capacity.
265	Johnson	Answers that there are several systems. States that dean's office, the Oregon Society, accreditation standards.
290	Rep. Beyer	

		Asks why they are deleting the requirement for a certain number of hours in accounting.
297	Johnson	Answers that the intent is to let the boards decide the requirements. Mentions the growing demand for more business education in the accounting degree.
316	Rep. Adams	Notes that 45 credits was required in accounting and 18 credits in other areas. States that bill leaves it to the board's discretion. States that the "outdated information" referred to by Chair Johnson is handled by information systems but that there still is value in understanding what occurs in those systems.
350	Karey Schoerfeld	Oregon Society of CPA's. States that the minimum requirement for accounting classes is being decreased but that the requirement for communications classes is being increased. States that currently the accounting programs aren't geared towards the "business world." Talks of work with the universities. Notes that firms are going outside the state to find accountants because applicants outside the state are generally more qualified to meet their demands. Notes that students are traveling to other states and wish to be competitive in those job markets. Cites passionate support for the bill from students. Mentions the importance of being certified in other states.
TAPE 55, B		
003	Roy Rogers	Oregon Society of CPA. States that his company might have to attract accountants from outside the state.
033	Rep. Adams	Asks if changing the requirements would result in immediate recognition of our graduates in other states.
046	Rogers	Answers yes.
063	Dennie Wheeler	Practicing CPA. Submits written testimony (EXHIBIT G). Argues that implementing the bill would prevent existing students from finishing their programs in the time frame they originally intended.
085	Rep. Montgomery	Asks if the witness testified before the Senate committee.
089	Wheeler	Answers no.
099	DeLorenzo	States that students "in the pipeline" will be allowed to finish their programs as originally scheduled.
101	Wheeler	States that students not completing the program until after 2000 will not be allowed to finish as originally scheduled.
106	DeLorenzo	States that students don't declare their major until after their freshmen year, and that they will be aware of the change in the requirements by that point.
120	Wheeler	States that students in the Linfield program aren't aware of possibility.
128	Chair Johnson	Asks if Mr. Wheeler teaches.
130	Wheeler	

		Answers that he will be teaching soon. Notes that students are currently studying for their exams.
135	Rep. Adams	Agrees that those "in the pipeline" should be "grandfathered" in with the present requirements.
159	DeLorenzo	Specifies that by referring to those "in the pipeline" she was referring to those already accepted into the "exam pipeline." Suggests that those in the "college pipeline" could be "grandfathered in" if they were enrolled in an accounting program by a specific date.
167	Chair Johnson	Asks if the board could set that date and so "grandfather in" those students.
169	DeLorenzo	Answers no.
171	Rep. Adams	Notes that the bill is supposed to be for the good of the individual and that the individual should have "some choice there." States that Jan. 1, 2000 is the "drop dead date" and that they better have applied for the test before that date if they want the old requirements.
182	Ted Hughes	Oregon Association of Independent Accountants. Notes initial support but states that with growing familiarity with the bill he opposes it. Requests protection for public accountants. Submits legislative counsel's opinion (EXHIBIT H).
245	Rep. Adams	Asks if today a public accountant has to pass 2 of 4 CPA tests.
250	Hughes	Answers that they have to pass all four.
255	Keith Putman	Clarifies that they have to take four but can pass two.
264	Rod Douglas	Representing Public Accountants. Supports the bill.
271	Rep. Adams	Asks if Mr. Wheeler's concerns are valid enough to stop the bill.
279	Douglas	Opines that students are aware that the standards are changing nationwide and should anticipate this bill being passed.
288	Rep. Adams	States that the students can decide these issues for themselves.
299	Douglas	Talks of discussions with the student population.
309	Rep. Adams	Expresses his hope that the board add to the requirements computer program courses.
325	Steve Deforee	University of Phoenix. States that the amendments submitted in the Senate weren't included due to a clerical error, and that the chair of the Senate committee suggested amending the bill on the House side. Submits and discusses the -3 amendments (EXHIBIT I).
372	Chair Johnson	Asks the administrator of the board if he approves the amendments.
376	DeLorenzo	Supports the concept of the amendments. Asks what the six accredited regions are.
386	Douglas	States that they have no objection.

392	Chair Johnson	Asks if Ms. DeLorenzo believes the six accredited regions need to be defined.
400	DeLorenzo	Asks that "six" be taken out.
403	Deforee	Notes that David Young from the Office of Educational Policy and Planning supports the amendments.
TAPE 56, A		
000	DeLorenzo	Defers to Mr. Young's opinion.
005	Rep. Montgomery	Asks where the University of Phoenix was founded.
008	Deforee	Answers that it started in Phoenix, Arizona and has expanded to other regions. Explains that the founder didn't expect the expansion
015	Chair Johnson	Opens work session SB 487.
018	Rep. Adams	MOTION: Moves to ADOPT SB 487-3 amendments dated 3/25/97.
019	Rep. Beyer	States that the -3 amendments are for the original bill and that they are dealing with the A-engrossed version of the bill. Questions whether there is a conflict.
023	Putman	Answers that it doesn't matter because amendments are sequential by number.
030	Rep. Beyer	Notes, however, that the amendments address the original bill, and that the amended version of the bill might conflict with those amendments.
034	Rep. Hill	States that the -3 amendments replace the entire contents of the A-engrossed bill.
035	Chair Johnson	Asks when the amendments were drafted.
037	Deforee	Answers that the amendments were drafted at the time the bill was passed.
043	Putman	Suggests that the amendments amend the A-engrossed version of the bill.
050	Rep. Adams	Suggests deleting "six."
056	Rep. Beyer	Requests that they allow students to finish in the program in which they started.
070	Rep. Adams	States that an individual has a right to become a CPA or simply a PA
087	Rep. Devlin	States that he doesn't share the concern raised because only freshmen would be affected and freshmen should be willing to adapt. States that part-time students could benefit from the increased marketability.
107	Rep. Hill	Notes the reality of students choosing to go to out-of-state schools because of antiquated requirements.
117		VOTE: 7-0

		EXCUSED: 2 - Wooten, Whelan
	Chair	Hearing no objection, declares the motion CARRIED.
119	Rep. Hill	MOTION: Moves SB 487A to the floor with a DO PASS AS AMENDED recommendation.
121		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Whelan, Wooten
	Chair	The motion CARRIES. Rep. Devlin will lead the discussion on the floor.
130	Chair Johnson	Opens public hearing on SB 656.
<u>SB 656 - PUBLIC HEARING</u>		
146	Paul Romain	Oregon Pawnbrokers Association. Submits written materials (EXHIBIT J). Notes support in the Senate. States that the bill allows pawnbrokers to make more money, and so the number of pawnbrokers in the state will increase.. States that unregulated stores "rip off" customers, and that they don't provide the customers with any protection. Mentions that Washington and California have more pawnbrokers than Oregon.
191	Earl Oller	National Pawnbroker Association. Submits letter from Portland's Bureau of Police Office (EXHIBIT K). States that pawnbrokers can't make money with the current laws. Talks of buy-backs and outrageous interest rates with the lack of regulation.
216	Cecil Monroe	Administrator of the Division of Finance and Corporate Securities with the Department of Consumer and Business Services. States that he regulates pawnbrokers in the state. Notes that regulation of pawnbrokers dates back to 1905. States that he has not encountered any problem with pawnbrokers. Expresses satisfaction with the bill.
235	Rep. Beyer	Asks for identification of the "dire need for the health and the safety of the people of Oregon" necessitating the emergency clause.
241	Romain	Answers that the emergency clause applies only to section 4 of the bill. States that section 4 allows for fees accruing to the transfer of firearms to be charged to the individuals pawning

		firearms. Notes that current law doesn't allow pawnbrokers to pass on that fee, but that that law is commonly broken.
254	Rep. Adams	Asks what will happen to the unregulated stores currently engaged in buy-backs.
266	Romain	Answers that buy-backs are illegal but that it is hard to enforce it.
272	Oller	Mentions his work with the police department. States that the problem is largely located in smaller communities.
281	Romain	Notes that the bill provides incentives for businesses to become regulated pawnshops. States that legitimate alternatives could drive the illegal operations out of business.
297	Rep. Adams	Asks why he should care.
300	Romain	Answers that pawning at an illegal shop might cause individuals to lose their property.
308	Monroe	Tells of particular instance where an individual lost their property.
316	Chair Johnson	Opens work session on SB 656.
<u>SB 656 - WORK SESSION</u>		
326	Rep. Whelan	MOTION: Moves SB 656 to the floor with a DO PASS recommendation.
336		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Wooten
	Chair	The motion CARRIES . REP. WHELAN will lead discussion on the floor.
338	Chair Johnson	Opens public hearing on SB 667.
<u>SB 667A - PUBLIC HEARING</u>		
344	Grover Simmons	Represents the Oregon Federated Organization and the Oregon State Elks Association. States that the bill addresses the number of people required to have police background checks in conjunction with lottery operations in Elks Lodges. States that currently the backgrounds are only performed on individuals directly involved with lottery operations, but that current law requires checks on members, officers, and directors, roughly 65,000 individuals. Notes that the bill received 28 "ayes" on the Senate floor.

385	David Hooper	Public Affairs Manager with the Oregon State Lottery. Concurs with Mr. Simmons. States that this bill is a good "housekeeping bill." Notes that the bill deals with the same sections of law as HB 3404 which passed, and so there might be the need for conflict amendments.
415	Rep. Montgomery	Declares conflict of interest.
TAPE 57, A		
006	Hooper	States that ceremonial officers, under current law, reveal name and address and are subject to background checks.
012	Rep. Hill	States that HB 3404 specifically excluded video lottery. Asks for a recommendation on how to conform the two bills.
017	Hooper	Suggests that sections G and H of SB 667A could be amended into HB 3404 as additions.
028	Chair Johnson	States that he will request that the Senate add the conformity amendments into HB 3404.
032	Hooper	Assures the committee that there will be no lessening of the video lottery requirements.
033	Chair Johnson	Opens work session on SB 667A.
<u>SB 667A - WORK SESSION</u>		
036	Rep. Montgomery	MOTION: Moves SB 667A to the floor with a DO PASS recommendation.
038		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Wooten
	Chair	The motion CARRIES. REP. BEYER will lead discussion on the floor.
047	Chair Johnson	Announces that they will recess for 5 minutes.
055	Chair Johnson	Opens public hearing on SB 675.
<u>SB 675A - PUBLIC HEARING</u>		
063	Pat Schwooch	Representing Manufactured Home-Owners of Oregon and a member of the Residents' Coalition. Submits written testimony (EXHIBIT L). Supports abolishing rent-control meetings. Notes that the bill requires that the landlords meet with tenant

		associations once a year. States that the bill prohibits "up-charging" on utilities for which the landlord isn't billed.
096	Frank Burleson	Resident Coalition. Submits and reads written testimony (EXHIBIT M). Notes the considerable time spent in coming up with the bill. Discusses the prohibition on "up-charging" and the elimination of rent-control meetings. States that the bill will encourage the development of resident associations.
142	Linda Sample Lindholm	Executive Director of Manufactured Housing Community Organization. Submits written testimony (EXHIBIT N). Supports the bill. States that the bill represents compromise on both sides. Cites 4 key components of the bill: eliminating requirement for rent-raise meetings, new emphasis on the screening of prospective purchasers of dwellings, the change of the title "mobile home park ombudsman" to "the manufactured park ombudsman," and establishment of specific procedures to deal with abandonment of dwellings.
166	Sally Harrington	Vice-President of Commonwealth Real Estate Services and the Legislative Chair for the Manufactured Housing Communities of Oregon. Notes that SB 675 represents cooperation between tenants and landlords. Mentions the current lack of procedures to deal with abandonment issues. States that the rent-raise meetings were unproductive.
201	Rep. Montgomery	Asks if the witnesses support the -8 amendments.
203	Witnesses	Answers yes.
206	Rep. Taylor	Asks if the discussed modifications apply only to manufactured home dwellings.
214	Harrington	Answers that the bill applies to mobile homes and floating homes. States that apartments will be dealt with separately.
227	John Vanlandingham	Lane County Law and Advocacy. Mentions that he was the principal drafter of the amendments. Submits written materials explaining the various sections of the bill (EXHIBIT O). States that the amendments mainly address abandonment issues. States that the bill amends laws relating to park and non-park tenancy. Asks for conceptual amendments to the -8 amendments: 1) on page 11, line 12, changing cross-reference to subsection 21, 2) on page 21, line 9, changing cross-reference to subsection 19, and 3) on page 23, line 25, deleting "and owner." Reports that Frank Brawner, representing the Oregon Bankers' Association, supports the amendments.
281	Emily Cedarleaf	Multifamily Housing Council. Mentions non-legislative efforts to resolve the issues amongst the interested parties. States that changes proposed by the bill aren't substantive. States that the bill positively affects housing which will in turn positively affect both tenants and landlords.

310	Rep. Wooten	Asks Mr. Vanlandingham to identify the potential problems in the bill for tenants concerning landlord-tenant laws.
320	Vanlandingham	Answers that there have been fair trade-offs for both sides.
353	Rep. Wooten	Asks if the witness is waiting for a report on tenant provisions due Friday.
360	Vanlandingham	Refers to explanatory handout.
374	Rep. Hill	Refers to page 20, lines 14-17 of the -8 amendments. Asks why unclaimed deposits are given to the county which would use the money in their general funds after 3 years and not given to the Division of State Lands which would hold those deposits for 25 years.
399	Vanlandingham	Answers that that law has been in statute since the 1970s. Explains provisions in the bill which add new elements to existing law.
TAPE 56, B		
012	Rep. Hill	Requests that the uncollected deposits be kept with the Division of State Lands.
019	Sharon Fleming Barrett	Legislative Director with the Oregon Rental Housing Association. Submits written testimony and materials (EXHIBIT P). Notes the participation of all interested parties. Supports the bill.
028	Cedarleaf	Requests that the committee adopt the section-by-section analysis (EXHIBIT O) for the legislative intent.
046	Chair Johnson	Explains that members are leaving the committee to present bills on the floor.
050	Rep. Devlin	Asks if all parties are familiar with EXHIBIT O.
052	Cedarleaf	Answers that all the details of the meetings between the interested parties were included as part of the document.
059	Rep. Devlin	Asks if all parties have had the opportunity to object to the document.
062	Barrett	Answers yes.
063	Rep. Montgomery	States that he can't support adopting a 64-page document without reading it.
075	Bob Cantine	Association of Oregon Counties. Opposes the proposed conceptual amendments by Rep. Hill.
083	Rep. Hill	States that he is attempting to take this mandate off of counties and thereby to extend the period over which individuals can recover their money.
093	Chair Johnson	Opens work session on SB 675A. Asks Mr. Vanlandingham to identify his proposed amendments.
<u>SB 675A - WORK SESSION</u>		

103	Rep. Hill	MOTION: Moves to FURTHER AMEND SB 675A-8 amendments (EXHIBIT Q) dated 5/27/97 on page 11, line 12, by changing "subsection (19)" to "subsection (21)," on page 21, line 9, by changing "subsection (18)" to "subsection (19)," and on page 23, line 25, by deleting "and owner."
127		VOTE: 9-0
	Chair	Hearing no objection, declares the motion CARRIED.
133	Rep. Beyer	MOTION: Moves to ADOPT SB 675A-8 amendments dated 5/27/97 as conceptually amended.
134		VOTE: 9-0
	Chair	Hearing no objection, declares the motion CARRIED.
136	Rep. Hill	MOTION: Moves to that SB 675A-8 amendments dated 5/27/97 be FURTHER AMENDED on page 10, lines 16-18, by changing "the county treasurer of the county in which the sale occurred, and if not claimed within three years shall revert to the general fund of the county available for general purposes" to "the Division of State Lands" and on page 20, lines 15-17, by changing "the county treasurer of the county in which the sale occurred, and if not claimed within three years shall revert to the general fund of the county available for general purposes" to "the Division of State Lands".
154	Vanlandingham	Notes that Ms. Harrington, who has sold manufactured dwellings, indicates that the proceeds after distribution haven't been sufficient to give to the county.
168	Rep. Montgomery	Asks how the counties feel about the proposed amendments.
172	Cantine	States that the money should stay with the county.
185	Rep. Hill	Notes that the Division of State Lands has a system for tracking individuals to return such proceeds, and that the counties would be relieved of that task.
193	Rep. Montgomery	States that if the counties oppose the amendments then he does.
197	Rep. Whelan	States opposition to the amendments.
203	Rep. Beyer	States opposition to the amendments.
211	Rep. Devlin	States opposition to the amendments while recognizing some merit in the proposal.
219		VOTE: 4-5 AYE: 4 - Adams, Hill, Taylor, Johnson NAY: 5 - Beyer, Devlin, Montgomery, Whelan, Wooten

	Chair	The motion FAILS.
231	Rep. Beyer	MOTION: Moves SB 675A to the floor with a DO PASS AS AMENDED recommendation.
236	Rep. Hill	States that he will support the bill despite the committee's unwillingness to "uphold personal property rights for individuals."
239		VOTE: 9-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. WOOTEN will lead discussion on the floor.
256	Chair Johnson	Adjourns meeting.

Submitted By, Reviewed By,

Coben Tistadt, Julie Neburka,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 92A, written testimony, Kerry Barnett, 3 pp.

B - SB 92A, written testimony, Michael Keyes, 2 pp.

C - SB 92A, written testimony, James Dorigan, 3 pp.

D - SB 481, written testimony, John Brenneman, 1 p.

E - SB 487A, written testimony, Ron Gould, 5 pp.

F - SB 487A, written materials, Raymond Johnson, 15 pp.

G - SB 487A, written testimony, Dennie Wheeler, 3 pp.

H - SB 487A, LC opinion, Ted Hughes, 2 pp.

I - SB 487A, LC amendments, Steve Deforee, 2 pp.

J - SB 656, written materials, Paul Romain, 2 pp.

K - SB 656, letter, Earl Oller, 1 p.

L - SB 675A, written testimony, Pat Schwooch, 1 p.

M - SB 675A, written testimony, Frank Burleson, 1 p.

N - SB 675A, written testimony, Linda Lindholm, 1 p.

O - SB 675A, section-by-section analysis, John Vanlandingham, 25 pp.

P - SB 675A, written testimony, Sharon Fleming-Barrett, 3 pp.

Q - SB 675A, LC amendments, staff, 24 pp.