

HOUSE COMMITTEE ON COMMERCE

May 8, 1997 Hearing Room 357

8:00 A.M. Tapes 36 - 37

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair

Rep. Cynthia Wooten, Vice-Chair

Rep. Ron Adams

Rep. Roger Beyer

Rep. Jim Hill

Rep. Bob Montgomery

Rep. Jackie Taylor

Rep. Tom Whelan

MEMBER EXCUSED: Rep. Richard Devlin

STAFF PRESENT:

Keith Putman, Administrator

Timaree Whitty, Administrative Support

MEASURE/ISSUES HEARD:

HB 3081 Work Session

HB 2550 Work Session

HB 2418 Work Session

HB 3384 Work Session

HB 2137 Work Session

HB 2151 Work Session

SB 82A Work Session

SB 324 Work Session

HB 3382 Work Session

HB 3675 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 36, A (Tape #35 not used)		
003	Chair Johnson	Opens meeting at 8:12 a.m. Opens work session on HB 3081.
<u>HB 3081</u> <u>WORK</u> <u>SESSION</u>		
010	Rep. Beyer	Reviews provisions of the bill.
020	Chair Johnson	Comments he contacted both the Department of Consumer and Business Services, as well as several insurance carriers and found no objections to the bill.
029	Rep. Hill	Asks why the twenty years was originally established.
031	Rep. Beyer	Responds this time frame gives nonprofit organizations a chance to prove themselves.
044	Rep. Adams	Asks who is the Louis Palau Evangelical Association.
049	Rep. Beyer	Responds an Evangelist church organization.
059	Rep. Starr	MOTION: Moves HB 3081 to the floor with a DO PASS recommendation.
		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Devlin
	Chair Johnson	The motion CARRIES. REP. STARR will lead discussion on the floor.
069	Chair Johnson	Closes work session on HB 3081. Opens work session on HB 2550.
<u>HB 2550</u> <u>Work</u> <u>Session</u>		
073	Rep. Beyer	Reviews provisions of the bill.
093		Committee Administrator comments on amendments.

	Keith Putman	
101	Rep. Hill	MOTION: Moves HB 2550 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Devlin
	Chair Johnson	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
115	Chair Johnson	Closes work session on HB 2550. Opens work session on HB 2418.
<u>HB 2418</u> <u>Work</u> <u>Session</u>		
119	Rep. Beyer	Reviews provisions of the bill.
130	Chair Johnson	Reads from letter received from the Oregon State Bar Association addressing HB 2418, which states "after further review of the debtor/creditor section, the Oregon State Bar has elected to withdraw its opposition to the bill."
170	Rep. Adams	MOTION: Moves HB 2418 to the floor with a DO PASS recommendation.
		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Devlin
	Chair Johnson	The motion CARRIES. REP. BEYER will lead discussion on the floor.
174	Rep. Adams	Asks if this bill eliminates the ability to make payment in full, with "paid in full" language included, for long-term loans before the period of the loan expires.
184	Rep. Beyer	Responds the committee never discussed long-term loans; however, payments accepted by credit card companies with "paid in full" language written on the statement cannot require additional payment even if there is a remaining balance on the account.
209	Rep. Hill	

		Comments he is a little concerned this may create the ability for a debt collector to misrepresent someone by leading them to believe their debt was settled but in actuality it wasn't.
226	Jim Markee	Representative, Oregon Collector's Association responds if a third party debt collector practiced this they would be in violation of the Fair Debt Collection Practices and their would be liability under that giving opportunity for recourse.
244	Frank Brawner	President, Oregon Bankers Association responds this is correct and there also is a state version of unlawful debt collection practices that would cover this.
275	Chair Johnson	Closes work session on HB 2418. Opens work session on HB 3384
<u>HB 3384</u>		
<u>Work</u>		
<u>Session</u>		
289	Rep. Taylor	Reviews provisions of the bill
305	Rep. Adams	Asks if this is specific of replacements only.
306	Chair Johnson	Responds affirmatively.
308	Rep. Whelan	Asks if this requires licensed professionals to replace garbage disposals.
314	Rep. Taylor	Responds for new electrical installations or alterations of existing installations the law requires the work be performed by a licensed professional.
321	Rep. Hill	Asks if a landlord must hire a licensed professional to install a new garbage disposal.
331	Rep. Taylor	Responds affirmatively.
334	Rep. Hill	Asks if a capable maintenance person would not be allowed to do the installation.
356	Keith Putman	Responds unless you are the owner of the property and it is your residence, you must hire a licensed person to make installations. This bill allows landlords to replace with a like appliance a garbage disposal, a dishwasher or an electrical water heater with a similar appliance.
384	Rep. Whelan	Asks if the landlord would simply be replacing the fixture, not performing wiring or restructuring.
390	Putman	Responds that is correct.
TAPE 37, A		
000	Rep. Adams	Asks what does 30 amps or less mean.
006	Putman	Responds the amperage is the total volume of current coming through the wire, the volts is how much pressure is behind that. I

		use the analogy of the water hose; the voltage is the pressure, the amount of water coming out the end is the amperage.
008	Rep. Adams	Asks how this compares to 110.
009	Putman	Responds you could have 30 amps at 110 or 30 amps at 240. A water heater would probably draw 8 to 12 amps at 240 and draw probably twice that at 110. Comments the Building Codes Division recommended to change the proponents of the bill and are in agreement with it. It has to do with how much power you are allowing an unlicensed person to deal with.
020	Rep. Whelan	Comments he is concerned with fire hazards.
024	Rep. Hill	MOTION: Moves HB 3384 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Beyer
	Chair Johnson	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.
036	Chair Johnson	Closes work session on HB 3384. Opens work session on HB 2137.
<u>HB 2137</u> <u>Work</u> <u>Session</u>		
040	Rep. Taylor	Reviews provisions of the bill.
052	Chair Johnson	Comments he had extensive discussion with Scott Taylor, head of the Real Estate Division and he indicated the reason for the fee increase was they expect a reduction in the number of licensees, which would result in a fee increase to cover costs. He believes this bill is supported by the industry.
073	Rep. Adams	MOTION: Moves HB 2137 to the floor with a DO PASS recommendation.
078	Rep. Adams	VOTE: 6-1 AYE: 6 - Hill, Montgomery, Taylor, Whelan, Wooten, Johnson NAY: 1 - Adams EXCUSED: 2 - Beyer, Devlin
	Chair Johnson	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.

080	Rep. Adams	Asks what the total budget is for this group.
082	Rep. Taylor	Responds \$5.22 million per biennium.
084	Rep. Adams	Asks why reduced licenses would create a need for more money since this would result in reduced activity.
090	Chair Johnson	Responds his understanding is that licensee reduction would not reduce activity, but increase problems within the industry they would need to be dealt with and would require additional funds.
096	Rep. Whelan	Comments he is surprised Ways and Means is anticipating fewer licensees. Asks if they justified the remainder of the budget through increased complaints and investigations.
109	Rep. Taylor	Comments housing market changes have created fewer consumers which causes inactivity and a decline in licensees. Also, the continuing education requirement has contributed to the reduction in licensees. However, the number of complaints has remained constant.
135	Keith Putman	Committee Administrator comments \$300,000 is for the computer conversion, which in itself would not be an ongoing cost.
144	Rep. Hill	Asks why we are increasing the fees by \$3.5 million, with \$309,000 for a computer system, leaving \$1,240,000 of extra money and an ending cash balance of \$1,000,000 at the end of the biennium.
154	Rep. Taylor	Responds the agency testified that this cash balance would carry them through the anticipated decrease in number of licensees and examinees.
161	Putman	Comments he looked at what the fees would have been if simply adjusted for inflation and they are very close to what the adjustment for the CPI would have been since the last general increase.
167	Rep. Hill	Comments he has a problem with raising fees for the future.
176	Rep. Taylor	Responds the agency is augmenting their educational training program which explains some of their need for additional funds.
182	Rep. Montgomery	Comments a potential conflict of interest because he holds a real estate license.
187	Rep. Adams	Asks about exact numbers of fee increases and budget.
193	Rep. Taylor	Responds from testimony she received the agency needed \$1.3 million in fee increases to meet their \$5.22 million budget.
198	Rep. Adams	Asks when their last increase was.
234	Rep. Taylor	Responds their last increase was in 1987 for escrow agents and 1977 for real estate agents.
258	Chair Johnson	Closes work session on HB 2137. Opens work session on HB 2151.

<u>HB 2151</u>		
<u>Work</u>		
<u>Session</u>		
268	Rep. Taylor	Reviews provisions of the bill.
299	Keith Putman	Committee Administrator comments Rep. Devlin met with members of the House of Representatives who had objections to the original bill and he believes the proposed amendments has alleviated any further opposition.
316	Rep. Hill	Asks if this has a sunset clause.
320	Rep. Adams	Responds the -1 amendment has a sunset clause.
321	Rep. Hill	Asks if we don't anticipate people needing disclosure statements after November 1, 1999.
327	Rep. Taylor	Responds we heard testimony that should misuse occur they would seek legislative relief.
330	Rep. Montgomery	Comments oral agreements are bound to create legal ramifications in the future.
344	Rep. Hill	MOTION: Moves HB 2151 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Beyer
	Chair Johnson	The motion CARRIES .
350	Rep. Adams	Asks if the -1 amendment is now the bill.
352	Chair Johnson	Responds affirmatively.
370	Chair Johnson	Closes work session on HB 2151. Opens work session on SB 82A.
<u>SB 82A</u>		
<u>Work</u>		
<u>Session</u>		
374	Rep. Taylor	Reviews provisions of the bill
400	Rep. Hill	Asks if this relates to someone building their own house. Asks if there are like requirements in terms of roof loads, for example.
402	Rep. Taylor	Responds she would need to consult with the Building Codes Division to answer.
TAPE 36, B		

003	Joe Brewer	Administrator, Building Codes Division, Department of Consumer and Business Services responds these disclosures and limitations in no way relate to site built structures, which are built under the Uniform Building Code.
008	Rep. Hill	Asks if there is a roof load requirement if you build a structure in an area with potential for snow.
011	Brewer	Responds yes and those issues are addressed at the local planning level.
016	Hill	Asks if they plan to require this by rule.
017	Brewer	Responds affirmatively.
020	Rep. Hill	MOTION: Moves SB 82A to the floor with a DO PASS recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Beyer
	Chair Johnson	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.
029	Chair Johnson	Closes work session on SB 82A. Opens work session on SB 398.
<u>SB 398 Work Session</u>		
031	Rep. Montgomery	Reviews provisions of the bill.
046	Rep. Hill	MOTION: Moves SB 398A to the floor with a DO PASS recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Beyer
	Chair Johnson	The motion CARRIES. REP. MONTGOMERY will lead discussion on the floor.
050	Chair Johnson	Closes work session on SB 398A. Opens work session on SB 324.
<u>SB 324 Work Session</u>		

060	Rep. Beyer	Reviews provisions of the bill.
076	Rep. Hill	MOTION: Moves SB 324A to the floor with a DO PASS recommendation.
		VOTE: 8-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Devlin
	Chair Johnson	The motion CARRIES. REP. BEYER will lead discussion on the floor.
080	Rep. Adams	Comments he has received more complaints about dealing with the elevator board and the elevator division than anything else. He wants to make sure this bill doesn't tighten the restrictions the board has on these people's ability to their jobs rather than loosen it.
089	Rep. Beyer	Responds this is exactly what this bill does.
102	Rep. Whelan	Comments he is concerned about loosening regulations on elevator maintenance people in terms of safety.
119	Chair Johnson	Closes work session on SB 324A. Opens work session on HB 3382.
<u>HB 3382</u> <u>Work</u> <u>Session</u>		
121	Rep. Adams	Reviews provisions of the bill.
192	Rep. Montgomery	Asks why the emergency clause.
194	Rep. Adams	Responds in order to do business internationally we need this loan guarantee capability.
198	Rep. Montgomery	Comments the other sub is hearing a similar bill. Why are the banks not taking care of this.
212	Rep. Adams	Responds the reason for the guarantees is these are loans to small business that banks normally would not make without the state's participation.
233	Rep. Adams	Asks why the state needs to participate in what is basically a bank loan.
236	Frank Brawner	President, Oregon Bankers Association responds none of these loans
		would be made without the partnership from the state of Oregon. With the capital access program there is a built in discipline because if the borrower can borrow the money some place else

		they are not going to use the capital access program due to its expense. On the credit enhancement program about the same thing applies
269	Mark Huston	Manager, Business Finance, Oregon Economic Development Department responds he echoes Mr. Brawner's comments and confirms the statistic that approximately one third of the loans in the capital access program are to startup businesses.
278	Rep. Hill	MOTION: Moves HB 3382 to Ways and Means with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 3 - Taylor, Devlin, Beyer
	Chair Johnson	The motion CARRIES.
296	Rep. Adams	Requests a list of the various accounts and funding mechanisms at Oregon Economic Development Department's disposal, as well as listings by fund of loans made and guaranteed, including their location. Comments he hopes both Mr. Brawner and Mr. Huston feel the obligation to work this in Ways and Means and not leave it up to him to carry.
300	Brawner	Responds they will work with Ways and Means. Responds there are detailed reports for both the capital access program and the credit enhancement program that list the counties where the loans are made, the amounts of the loans and the startup businesses.
305	Chair Johnson	Comments when made available he will see this report is distributed.
308	Rep. Adams	Asks if he answered correctly regarding the \$1.5 million and \$500,000 question that this is loan guarantee not loan.
312	Brawner	Responds the leverage on the capital access program is 21 to 1.
315	Huston	Responds the leverage on the credit enhancement program will be operated at the intermediate term at a 4 to 1 ratio.
325	Brawner	Comments on the credit enhancement program there is risk by the bank because it isn't 100 percent guaranteed by the state.
347	Chair Johnson	Closes work session on HB 3382. Opens work session on HB 3675.
<u>HB 3675</u>		
<u>Work Session</u>		
350	Rep. Wooten	Reviews provisions of the bill.
374	Rep. Hill	

		MOTION: Moves HB 3675 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Taylor
	Chair Johnson	The motion CARRIES. REP. WOOTEN will lead discussion on the floor.
380	Rep. Adams	Comments this is permissive legislation not mandating. The PUC has informed us that this gives us an additional tool and will not cost rate payers any additional money, but should reduce their rates.
413	Chair Johnson	Closes work session on HB 3675.
TAPE 37, B		
003	Keith Putman	Comments to Chair Johnson on HB 3382 the motion voted on was to move it to Ways and Means, but I believe after the vote you used the words "to the floor" and I assume you meant to say Ways and Means.
005	Chair Johnson	Responds he amends his statement to indicate HB 3382 will move to Ways and Means and not to the floor.
012	Chair Johnson	Adjourns meeting at 9:36 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator