

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON BUSINESS

May 8, 1997 Hearing Room 357

8:30 A.M. Tape 52

MEMBERS PRESENT:

Rep. Roger Beyer, Chair

Rep. Richard Devlin

Rep. Bob Montgomery

Rep. Jackie Taylor

MEMBER EXCUSED:

STAFF PRESENT:

Keith Putman, Administrator

Timaree Whitty, Administrative Support

MEASURE/ISSUES HEARD:

HB 2255 Public Hearing

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 52, A		
003	Chair Beyer	Opens meeting at 9:38 a.m. Opens public hearing on HB 2255.
<u>HB 2255</u> <u>PUBLIC</u> <u>HEARING</u>		
007	Keith Putman	Committee Administrator reviews provisions of the bill.
024'	Nancy Murray	Real Estate Lawyer gives testimony in support of HB 2255 (EXHIBIT A).
043	Chair Beyer	

		Asks if the bill is saying that unless one states on a real estate deed or conveyance that they are not acting in good faith, they are considered acting in good faith.
045	Murray	Responds you have a duty to act in good faith. Comments if the word "reasonably" is used in just one section of a lease, it can be assumed that the intent was to allow unreasonable actions under all the other sections of the lease.
120	Rep. Montgomery	Asks if this is landlord friendly or tenant friendly.
122	Murray	Responds this is neither.
143	Chair Beyer	Asks if under current law in order to protect myself, I must make sure the word "reasonable" is included in every section of the lease.
146	Murray	Responds affirmatively.
153	Chair Beyer	Asks why "reasonable" is included at all.
155	Murray	Responds this is not how lease negotiations are handled. It is where parties are focusing their attention at the inception of the lease, things change down the road and unanticipated things come up.
177	Chair Beyer	Comments he doesn't believe the word "reasonable" is used in any of his business contracts.
180	Murray	Comments as long as we are going to have the implied duty of good faith and fair dealing in contracts and leases which the courts say exists, we need the clarification this bill provides to avoid parties being caught unaware. This will make for more certainty in contracts by making it clear what rights both parties have in consensual situations.
209	Chair Beyer	Closes public hearing on HB 2255. Adjourns meeting at 9:55 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2255, written testimony, Nancy Murray, 3 pp.