

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON BUSINESS

March 6, 1997 Hearing Room 357

8:30 A.M. 16 - 17

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:

SB 247 Public Hearing

SB 248 Public Hearing

HB 2302 Public Hearing

HB 2328 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 16, A		
004	Chair Beyer	Opens meeting at 8:37 a.m. Opens public hearing on SB 247.
<u>SB 247</u> <u>PUBLIC</u> <u>HEARING</u>		
012		

	Frank Brawner	President, Oregon Bankers Association and the Independent Community Banks of Oregon gives testimony in support of SB 247.
062	Brawner	Comments they are in full agreement with the -1 amendments of the bill passed in the Senate (EXHIBIT A). Asks for an addition to the -1 amendments as per Kerry Barnett, Director of the Department of Consumer and Business Services.
084	Rep. Taylor	Asks where the compliance review committee is housed.
088	Brawner	Responds each institution is required to have their own compliance review committee.
092	Taylor	Asks if the compliance review is the same as a bank audit.
094	Brawner	Responds negatively.
096	Pamela Pifher	Director of Legislative Affairs, Oregon Credit Union League gives testimony in support of SB 247 (EXHIBIT B).
110	Chair Beyer	Closes public hearing on SB 247. Opens work session on SB 247.
<u>SB 247 WORK SESSION</u>		
115	Rep. Montgomery	MOTION: Moves to ADOPT SB 247-1 amendments dated 2/27/97 and that the measure be FURTHER AMENDED on page 2, line 15, by inserting "relating to financial institutions" after "(D) Federal or state statutory or regulatory requirements".
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
121	Rep. Montgomery	MOTION: Moves SB 247 to the full committee with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0
	Chair Beyer	The motion CARRIES. REP. BEYER will lead discussion in full committee.
133	Chair Beyer	Closes work session on SB 247. Opens public hearing on SB 248.
<u>SB 248 PUBLIC HEARING</u>		
135	Keith Putman	Committee Administrator, reviews provisions of the bill.
150	Frank Brawner	President of Oregon Bankers Association and the Independent Community Banks of Oregon gives testimony in support of SB 248 (EXHIBIT C).
183	Rep. Montgomery	Asks for an example of a holding company.
185	Brawner	

		Responds Commercial Bank is owned by the holding company West Coast Bank Corporation. Holding companies today are strictly supervised by the federal reserve.
210	Chair Beyer	Closes public hearing on SB 248. Opens work session on SB 248.
<u>SB 248 WORK SESSION</u>		
211	Rep. Montgomery	MOTION: Moves SB 248 to the full committee with a DO PASS recommendation.
		VOTE: 4-0
	Chair Beyer	The motion CARRIES. REP. BEYER will lead discussion in full committee.
220	Chair Beyer	Closes work session on SB 248. Opens public hearing on HB 2302.
<u>HB 2302 PUBLIC HEARING</u>		
222	Rep. Bryan Johnston	State Representative, District # 31 gives testimony in support of HB 2302.
290	Rep. Johnston	Continues testimony. Encourages adding language to the bill that would cap attorney's fees at trial to not exceed \$1,000 on court determined frivolous lawsuits.
316	Rep. Montgomery	Asks for his opinion on the term "reasonable attorney fees."
320	Rep. Johnston	Responds this is determined as the amount the attorney is charging reasonable under the circumstance for the amount of work performed. The average in the state of Oregon is approximately \$110 per hour.
346	Rep. Devlin	Asks if he has seen the Justice Department's proposed amendments.
347	Rep. Johnston	Responds negatively.
348	Rep. Devlin	Asks if Rep. Johnson would respond to line 19 of the proposed amendment.
363	Rep. Johnston	Responds the language in this amendment makes the attorney's fees much worse because there would be no cap in court determined frivolous cases.
TAPE 17, A		
000	Mark Gardner	Special Counsel to the Attorney General presents Department of Justice proposed amendments to HB 2302 which would remove all amending language in Section 9 of the bill pertaining to attorney fees and leave the law as it presently is, which is "loser pays" (EXHIBIT D).

024	Rep. Montgomery	Asks if this was pre-session filed.
026	Keith Putman	Committee Administrator responds affirmatively.
030	Rep. Montgomery	Comments he is not prepared to vote at this time due to so many amendments confusing the issue. Requests a final engrossment without any additional amendments before going to work session on this bill.
053	Rep. Devlin	Asks if any of these amendments are cumulative.
055	Gardner	Responds the second set of amendments is exactly the same as the first set with one difference, which is to leave the Section 9 provision on attorney's fees alone and keeping the straight loser pays.
061	Rep. Devlin	Comments this issue is much broader than the lines being addressed in the amendment.
072	Gardner	Responds affirmatively.
073	Rep. Taylor	Asks for his position on loser pays vs. reasonable attorney fees.
080	Gardner	Responds their position is to go back to the straight loser pays.
097	Chair Beyer	Recommends committee requests final amendments from Legislative Counsel. Closes public hearing on HB 2302.
123	Chair Beyer	Calls recess at 9:14 a.m.
155	Chair Beyer	Reopens meeting at 9:17 a.m. Opens work session on HB 2328.
<u>HB 2328</u> <u>WORK</u> <u>SESSION</u>		
157	Keith Putman	Committee Administrator reviews provisions of the bill.
180	Ross Laburn	Assistant Attorney General comments on -1 and -2 amendments being basically the same with no significant changes. Presents additional amendments proposed by the Department of Justice (EXHIBIT E). Comments there is still one additional amendment still pending negotiation.
240	Rep. Montgomery	Suggests the committee put this bill aside until all negotiation is finalized.
243	Putman	Responds he agrees to hold action on this bill until all amendments are finished with negotiations.
279	Chair Beyer	Recommends Legislative Counsel draw up a new draft of amendments.
307	Chair Beyer	Closes meeting at 9:26 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 247, written testimony, Frank E. Brawner, 16 pp.

B - SB 247, written testimony, Pamela Pifher, 1 p.

C - SB 248, written testimony, Frank E. Brawner, 34 pp.

D - HB 2302, proposed amendments, Mark Gardner, 1 p.

E - HB 2328, proposed amendments, Ross Laburn, 1 p.