

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON BUSINESS

March 11, 1997 Hearing Room 357

8:30 A.M. Tapes 18 - 20

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 57 Work Session

SB 93 Public Hearing and Work Session

SB 111 Public Hearing and Work Session

SB 112 Public Hearing and Work Session

HB 2550 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 18, A		
004	Chair Beyer	Opens the meeting at 8:37 a.m. Opens work session on SB 57.

<u>SB 57</u>		
<u>WORK</u>		
<u>SESSION</u>		
007	Keith Putman	Committee Administrator reviews provisions of the bill.
017	Rep. Taylor	MOTION: Moves SB 57 to the full committee with a DO PASS recommendation.
		VOTE: 3-0 EXCUSED: 1 - Rep. Devlin
	Chair Beyer	The motion CARRIES . REP. TAYLOR will lead discussion on the floor.
019	Chair Beyer	Closes work session on SB 57. Opens public hearing on SB 93.
<u>SB 93</u>		
<u>PUBLIC</u>		
<u>HEARING</u>		
024	Keith Putman	Committee Administrator reviews provisions of the bill.
044	Lewis Littlehales	Program Executive, Department of Consumer and Business Services, Insurance Division gives testimony in support of SB 93 (EXHIBIT A).
087	Rep. Montgomery	Asks if this was presented on the Senate side and was there any opposition.
089	Littlehales	Responds affirmatively and there was no opposition.
092	Rep. Beyer	Referring to the emergency clause in the bill, asks what the emergency is.
094	Littlehales	Responds the emergency is the state of Oregon is one of the last states to adopt this change in law because the legislature didn't convene until after the April 1996 deadline. Oregon was granted an extension until the first day of the calendar quarter beginning after the close of the legislative session. Comments we have a very short window to make the changes and adopt the rules. Therefore, we need the emergency clause to reach compliance under the terms of the extension.
108	Chair Beyer	Closes public hearing on SB 93. Opens work session on SB 93.
<u>SB 93</u>		
<u>WORK</u>		
<u>SESSION</u>		
111	Rep. Montgomery	MOTION: Moves SB 93 to the full committee with a DO PASS recommendation.
		VOTE: 3-0

		EXCUSED: 1 - Rep. Devlin
	Chair Beyer	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
119	Chair Beyer	Closes work session on SB 93. Opens public hearing on SB 111.
<u>SB 111</u> <u>PUBLIC</u> <u>HEARING</u>		
122	Keith Putman	Committee Administrator reviews provisions of the bill.
139	Lucinda Potter	Executive Director of the State Mortuary and Cemetery Board gives testimony in support of SB 111 (EXHIBIT B).
144	Rep. Montgomery	Asks if current law forces apprentices to seek other means of employment after their three year apprenticeship period, although it usually takes an additional year to meet all the requirements of embalmer apprenticeship.
146	Potter	Responds affirmatively.
163	Chair Beyer	Comments the requirements include a one and a half year academic program and a 12 month apprenticeship that must be completed in the three year period.
168	Rep. Montgomery	Asks if this was presented on the Senate side and was there any opposition.
169	Potter	Responds affirmatively and there was no opposition.
171	Chair Beyer	Closes public hearing on SB 112. Opens work session on SB 112.
<u>SB 112</u> <u>PUBLIC</u> <u>HEARING</u>		
174	Keith Putman	Committee Administrator reviews provisions of the bill.
195	Lucinda Potter	Executive Director of the State Mortuary and Cemetery Board gives testimony in support of SB 112 (EXHIBIT C).
246	Rep. Montgomery	Asks if under current law the board is prohibited from investigating its members to determine pre-need issues.
247	Potter	Responds affirmatively.
248	Rep. Taylor	Asks if this would preclude the Secretary of State audit.
250	Potter	Responds negatively.
251	Rep. Beyer	Asks who pays for the Attorney General investigation.
253	Potter	Responds currently the Secretary of State.
256	Rep. Beyer	Asks if her board had the appropriate personnel to conduct these investigations or will they need to obtain a licensing fee increase to acquire positions to do this.

257	Potter	Responds we currently anticipate absorbing this with our current staffing levels.
259	Rep. Beyer	Asks what is your current staffing level.
261	Potter	Responds we have five positions: two investigators, two office support, and myself.
266	Rep. Beyer	Asks what the investigators are currently doing since they are prohibited from conducting investigations.
269	Potter	Responds they are currently doing other types of investigations; however, we don't anticipate these additional investigations to create enough of an increase in caseload to hire additional staff.
273	Rep. Beyer	Asks if their budget is entirely paid by user fees from the industry.
275	Potter	Responds affirmatively.
276	Rep. Beyer	Asks what kind of investigations does your staff currently perform since they are prohibited from membership investigations.
278	Potter	Responds they do consumer complaints, background investigations, annual facility inspections, and all other complaints. Comments it is only the pre-need issue investigations we are prohibited from conducting.
290	Putman	Asks if the Insurance Division ever gets involved in this issue.
292	Potter	Responds we are addressing the trust aspect not the insurance aspect.
297	Rep. Montgomery	Asks if there is any opposition to this bill.
302	Potter	Responds there has been no opposition.
304	Rep. Beyer	Asks if there was any opposition in the Senate.
305	Potter	Responds there was none.
309	Chair Beyer	Closes public hearing on SB 112. Opens work session on SB 111.
<u>SB 111 WORK SESSION</u>		
313	Rep. Montgomery	MOTION: Moves SB 111 to the full committee with a DO PASS recommendation.
		VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Rep. Devlin
	Chair Beyer	The motion CARRIES. REP. MONTGOMERY will lead discussion in full committee.

317	Chair Beyer	Closes work session on SB 111. Opens work session on SB 112.
<u>SB 112 WORK SESSION</u>		
318	Rep. Montgomery	MOTION: Moves SB 112 to the full committee with a DO PASS recommendation.
		VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Rep. Devlin
	Chair Beyer	The motion CARRIES. REP. MONTGOMERY will lead discussion in full committee.
335	Chair Beyer	Closes work session on SB 112. Opens public hearing on HB 2550.
<u>HB 2550 PUBLIC HEARING</u>		
340	Keith Putman	Committee Administrator reviews provisions of the bill.
TAPE 19, A		
002	Ron Terry	Oregon Dealers Advisory Commission (ODAC) gives testimony in support of HB 2550.
010	Wanda Wahus	Executive Director of the Oregon Independent Auto Dealers Association gives testimony in support of HB 2550. Comments on proposed changes in DMV Law (EXHIBIT D).
061	Jerry Hamblin	Chief Investigator, Department of Motor Vehicles (DMV) gives testimony on HB 2550.
088	Chair Beyer	Comments it seems car dealers are changing their name every other week. Asks how often they are going to change their name.
089	Hamblin	Responds he has no numbers to give the committee at this time; however, it is not every other week. It is done on a regular basis and often enough to create grief to the consumer.
097	Chair Beyer	Asks if dealers go to the DMV to renew licenses same as everyone else or is their a special office they go to.
099	Hamblin	Responds they need to go to the DMV corporate headquarters licensing division.
104	Chair Beyer	Asks about out of state dealers.
106	Hamblin	Responds they can renew via the mail.
116	Chair Beyer	Asks what the timeline is for dealer license renewal.
120	Hamblin	Responds 30 calendar days.

122	Chair Beyer	Asks what is the penalty for an expired license.
124	Hamblin	Responds they would have to adopt an administrative rule to establish the penalty for that offense of noncompliance.
126	Putman	Asks if this is stated in the law as a class A misdemeanor
129	Hamblin	Responds affirmatively; however, this is enforced by police officers and not by the DMV. The DMV does administrative law through civil hearings only.
138	Putman	Asks under what circumstances would DMV contact the police.
142	Hamblin	Responds they have not had to take this action in the 13 years he has been with the division.
145	Chair Beyer	Asks if they currently have civil action authority.
147	Hamblin	Responds affirmatively.
165	Wahus	Continues with explanation of proposed changes to DMV law.
223	Putman	Asks if you give a license extension to a dealer waiting zoning approval.
229	Hamblin	Responds this scenario has not come up before. In this instance we would have to bring it up to administrative rule.
263	Wahus	Asks if this process could not be presented to DMV until after it is appealed at the local level.
270	Chair Beyer	Responds he is in agreement with changing language regarding the zoning appeal process to avoid license revocation.
273	Hamblin	Comments he is also in agreement of this change and believes the ODAC committee would make this recommendation when they provide the administrative rule.
280	Chair Beyer	Suggest we take the opportunity to change the language in the law at this time.
284	Wahus	Responds there is no problem with changing the language at this time. Continues with presentation of law changes. Comments on the overwhelming large number of unlicensed persons repairing and rebuilding automobiles for resale. HB 2550 would change law to require these people to hold a dealer license.
312	Rep. Taylor	Asks if this requires any person who works on vehicles and plans to resell them to obtain a license.
315	Wahus	Responds this requirement is for anyone who rebuilds vehicles. They are aware of the hobbyist that works on automobiles and there is an amendment that exempts them from this dealer requirement.
333	Rep. Taylor	Comments she prefers keeping with the two vehicles per year allowance currently in the law. This distinguishes the hobbyist from the rest.
336	Wahus	Asks how DMV is going to determine how many vehicles an individual rebuilds and resells per year.
347		

	Rep. Montgomery	Asks how difficult will this be for DMV to police and how much a license costs.
349	Wahus	Responds the license costs \$109.00. Comments with a license, zoning fees, a bond, and insurance, a person can be in business for about \$1,500.
365	Rep. Devlin	Comments this issue isn't just about vehicles needing a few repairs, but more about the number of seriously damaged vehicles on the road. He is in support of this provision.
TAPE 18, B		
037	Rep. Montgomery	Asks if this dealer license requirement would apply to local cities and counties that sell cars.
043	Hamblin	Responds negatively.
047	Chair Beyer	Referring to the bill regarding exemptions for farm or utility trailers weighing 1,800 pounds or more, asks if this is a change in language or current law.
052	Wahus	Responds this seems to be a change.
057	Hamblin	Comments the only reference to vehicle poundage is the registration requirement for any vehicle weighing over 1,800 pounds. This requirement is in current statute; however, a dealer license requirement to sell this type of vehicle is not in statute yet.
080	Rep. Montgomery	Asks what an implement of husbandry is.
082	Hamblin	Responds a well drilling machine is one example.
084	Chair Beyer	Comments a horse trailer is another example of an implement of husbandry.
088	Wahus	Presents proposed amendments.
093	Chair Beyer	Asks what is meant by a special interest vehicle.
101	Wahus	Responds any American or foreign made vehicle that is maintained as a collector's item that is either 25 years or older, or sanctioned as a special interest vehicle by an established appropriate organization.
111	Wahus	Continues with presentation of amendments.
132	Don Miner	Representative for the Oregon Manufactured Housing Association gives testimony in support of HB 2550
163	Rep. Montgomery	Asks if local governments selling vehicles at city and county auctions are zoned properly and required to hold a dealer's license.
174	Miner	Responds he doesn't believe so.
179	Rep. Montgomery	Comments on inequities; what is fair for one should be fair for all.
185	Brian Doherty	

		Representative for Insurance Auto Auctions, Inc. gives testimony on HB 2550. Presents proposed amendments to the bill(EXHIBIT E).
260	Rep. Montgomery	Asks who lifted the requirement for a dealers license to purchase salvage vehicles.
263	Doherty	Responds he can't answer this.
279	Hamblin	Responds the industry has allowed anyone to purchase salvaged vehicles without a dealer's certificate.
284	Rep. Montgomery	Asks if it was the government or the industry that lifted this requirement.
287	Hamblin	Responds it did not come from the government..
294	Doherty	Continues with testimony.
375	Rep. Devlin	Asks if the insurance companies returning these vehicles for sale provide an inspection report regardless of condition.
380	Doherty	Responds negatively. It is his understanding that these vehicles are sold "as is."
TAPE 20, A (tape 19, B blank)		
006	Rep. Devlin	Asks if it is true that neither the insurance company or Insurance Auto Auctions, Inc. make a certification to whether or not the vehicle is repairable.
008	Doherty	Responds he believes no such claims are made.
015	Rep. Devlin	Asks what kind of titles are they issuing for these vehicles and also if they auction out of state vehicles.
019	Doherty	Responds he doesn't know, but can provide the committee with this information at a later date.
021	Chair Beyer	Requests further work and preparation on this bill before holding a work session.
028	Chair Beyer	Closes public hearing on HB 2550.
047	Chair Beyer	Adjourns meeting at 10:01 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 93, written testimony, Lewis Littlehales, 2 pp.

B - SB 111, written testimony, Lucinda Potter, 1 p.

C - SB 112, written testimony, Lucinda Potter, 2 pp.

D - HB 2550, written proposal, Wanda Wahus, 3 pp.

E - HB 2550, written request for amendments, Brian Doherty, 2 pp.