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SENATE COMMITTEE ON BUSINESS, LAW, & GOVERNMENT

April 11, 1997 Hearing Room A

1:00 PM Tapes 154 - 156

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Kate Brown

Sen. Randy Leonard

Sen. David Nelson

Sen. Randy Miller

Sen. Gene Derfler

MEMBER EXCUSED:

STAFF PRESENT:

Brian Krieg, Administrator

Dave Amesbury, Administrator

Vicki Champ, Administrative Support

MEASURE/ISSUES HEARD:

SB 92 Public Hearing and Work Session

SB 345 Public Hearing

SB 643 Public Hearing and Work Session

SB 125 Work Session

SB 526 Reconsideration and Work Session

SB 143 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 154, A		
007	Chair Bryant	Opens the meeting at 1:15 p.m. and opens public hearing on SB 92.
<u>SB 92 PUBLIC HEARING</u>		
008		Staff presents proposed-1 amendments to SB 92 (EXHIBIT A).
009	Kerry Barnett	Director, Department of Consumer and Business Services. Presents and explains (EXHIBIT B) in support of SB 92. Discusses mutual insurance companies.
070	Barnett	Explains SB 92 does not give approval for an insurance company to demutualize. Explains the demutualization process and planning.
120	Barnett	States SB 92 deals with a number of types of conversions.
148	Chair Bryant	Comments on banks converting form non-stock to stock corporations.
155	Barnett	Comments on other provisions of SB 92, clarifies language.
174	Chair Bryant	Recess public hearing on SB 92 and opens public hearing on SB 345.
<u>SB 345 PUBLIC HEARING</u>		
176	Sen. John Lim	Senate district 11. Supports SB 345. Comments that the progress towards accessibility for handicapped people or those with seeing eye dogs is lost if their assistive devices fail them.
214	Chair Bryant	Recess public hearing on SB 345 and re-opens public hearing on SB 92.
<u>SB 92 PUBLIC HEARING</u>		
222	Sen. Brown	Asks why an insurance company would convert.

224	Barnett	States being a mutual insurance company places limitations on ability to engage in certain activities.
246	John W. Mangan	Assistant Vice President, Public Affairs, Standard Insurance Company, Portland, Oregon. Presents (EXHIBIT C) in support of SB 92. States these companies would like more flexibility. States SB 92 has a fair balance between companies and policy owners.
287	Chair Bryant	Asks for explanation of page 28, section 14 changes.
297	Mangan	Explains the conversion changes.
324	James T. Dorigan	Chief Executive Officer, Northwest Physicians Mutual Insurance Company. Presents (EXHIBIT D) in support of SB 92. States SB 92 clarifies options and gives flexibility.
368	Michael E. Keyes	Vice President-Administration and Treasurer, Oregon Mutual Insurance Company. Presents (EXHIBIT E) in support of SB 92. Comments on the flexibility offered by SB 92 and supports the -1 amendments.
385	Jim Kennedy	Attorney, Kennedy and Kennedy, LLP, Multnomah County. Supports SB 92. States insurers need both regulation and flexibility to compete. States SB 92 provides for the protection of the consumers during this change.
425	Kennedy	Comments on section 14 of the -1 amendments.
440	Chair Bryant	Asks about the limits concerning directors.
449	Kennedy	Explains section 14, subsection 2 of the -1 amendments.
455		Discussion of the plans and provisions of these sections.
489	Chair Bryant	Asks if he has seen a letter from David Bolton.
492	Kennedy	States he has not seen it.
TAPE 155, A		
035	Chair Bryant	Explains it discusses a standard insurance policy and expresses concern for the value of current equity held in the insurance company.
042	Kennedy	Comments on the flexibility goals of SB 92.
048		Discussion of ownership interests.
072	Chair Bryant	Comments on ORS.732.599 referred to in Bolton's testimony.
081	Kennedy	Comments on capital holders.
087	Keyes	Comments on the approval which is needed.
094	David H. Bolton	Multnomah County. Presents (EXHIBIT F) in opposition to SB 92. Comments on equity in insurance companies and explains concerns his grandfather has for his own policy.
142	Bolton	Asks for whose benefit the increased equity would be.
147	Chair Bryant	States the equity probably goes for the benefit of the policy holders.
172	Mangan	Comments on loyal policy owners and states the equity is for the direct protection of the policy holders.
205	Brian Krieg	Committee Administrator. States there is no fiscal impact on SB 92.

210	Chair Bryant	Closes public hearing on SB 92 and opens the work session on SB 92.
SB 92 WORK SESSION		
211	Chair Bryant	Comments a vote does not need to be taken today since the amendments were recently received.
213	Sen. Leonard	Comments that Bolton's concerns have not been addressed and requests more time to review the amendments.
237	Chair Bryant	Closes work session on SB 92 and opens public hearing on SB 643.
SB 643 PUBLIC HEARING		
260	Sen. Brown	Explains SB 643 and states children need to be taken out of bad homes, even if that costs money.
280	Chair Bryant	Asks about the interests of a child in court placement.
281	Sen. Brown	Comments on their placement.
283	Nancy Miller	Director, Citizen's Review Board, and Legislative Liaison on juvenile issues for the State Court Administrators office. Supports SB 643.
307	Dianne Lancaster	Assistant Administrator, Services to Children and Families. Presents (EXHIBIT G) in opposition to SB 643. States a broader standard of a child's rights written into the law may allow courts to intervene to stop harmful placements. Comments on federal funding.
358	Lancaster	Comments on the wording of "specific type of residential placement."
375	Sen. Brown	Asks where this phrase is found.
380	Lancaster	States it is in the current law. Comments on the impact on workload which would occur.
435	Sen. Brown	Asks about courts making direct placements.
446	Lancaster	Expresses concern about broadening the standard.
450	Sen. Brown	Asks if SB 643 gives the court direct authority to make the placement.
452		Discussion of current law versus the changes which would occur in SB 643.
469	Sen. Brown	Asks for a breakdown of how Lancaster came up with her data.
480	Lancaster	Explains the figures she is using.
TAPE 154, B		
041	Linda Gust	Assistant Attorney General, Department of Justice. Explains language in SB 643.
054	Sen. Brown	Asks if she is aware of any overturned court cases due to certain statutes.
057		Discussion of courts' actions concerning SB 643.
070	Gust	States more cases may be brought before the court with this different standard.

077	Chair Bryant	Asks how much money has been lost from federal funding under the fiscal law.
081	Lancaster	States she does not know but can find the answer for the committee.
090	Nancy Miller	Comments on checks and balances in the system and federal funding and refers to lines 11-12 of SB 643. Discusses the 5% figure and discusses the specific placement of the child.
137	Timothy M. Travis	Attorney, Juvenile Rights Project, Inc., Portland, Oregon. Presents (EXHIBIT H) in support of SB 643. Comments on flaws in the opposing testimony.
181	Travis	Continues his testimony. Discusses accountability of the agencies and states SB 643 would create a balance.
215	Chair Bryant	Closes public hearing on SB 643 and opens work session on SB 643.
<u>SB 643</u> <u>WORK</u> <u>SESSION</u>		
222	Sen. Brown	MOTION: Moves SB 643 to the floor with a DO PASS recommendation.
	Chair Bryant	Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.
227	Chair Bryant	Closes work session on SB 643 and re-opens public hearing on SB 345.
<u>SB 345</u> <u>PUBLIC</u> <u>HEARING</u>		
223	Bob Joondeph	Executive Director, Oregon Advocacy Center. Presents (EXHIBIT I) in support of SB 345. Explains the intent of SB 345. Explains changes such as warranties on assistive devices and replacements.
300	Joondeph	Explains assistive devices are used for basic functions and therefore these items should have the basic protections of Oregon's warranties.
339	Chair Bryant	Comments on defining the intent of the devices.
344		Discussion of language as compared to what other states have adopted.
375	Chair Bryant	Asks about assisted device systems.
379	Joondeph	Explains the device systems.
381	Sen. Brown	Asks about value being put into the purchasing price.
386	Joondeph	Discusses the knowledge manufacturers should have concerning the use of the items they make.
413	Sen. Leonard	Asks about arbitration.
428	Joondeph	Refers to the automobile lemon law in a loose comparison.
452	Sen. Leonard	Comments on coming to a resolution between parties.

469	Chair Bryant	Comments on arbitration and mediators.
TAPE 155, B		
057	Joondeph	Comments on using open terminology and refers to subsection 2.
063	Sen. Leonard	Discusses determining the arbitrator.
072	Joondeph	States he wants to move toward an open dispute resolution mechanism.
080	Ruth McEwen	Rehabilitation Counselor, Salem, Oregon. Presents (EXHIBIT J) in support of SB 345. Explains she has seen many of her clients not have a recourse when they have faulty equipment. Explains that she also presents her testimony on the behalf of the Oregon Association of agencies on aging.
106	Beverly Bettis	Member, Government Relations Committee, Oregon Chapter, National Multiple Sclerosis Society. Presents (EXHIBIT K) in support of SB 345. Describes her terrible experiences, injuries, and stress caused by faulty equipment and difficulties trying to get it fixed.
138	Joondeph	Explains the consumer's power and refers to section 7, subsections 2 and 4 and section 9.
173	Sen. Leonard	Expresses concern for the consumers.
200	Byron McNaught	Executive Director, Technology Access for Life Needs. Presents (EXHIBIT L) in support of SB 345. States SB 345 would increase the independence of people with disabilities by giving them proper equipment and tools.
218	Tim Kral	Director, Oregon Rehabilitation Association. Presents (EXHIBIT M) in support of SB 345. States SB 345 would be very helpful in increasing the access for people with disabilities.
243	Patrick Rogers	Paralyzed Veterans of America. Presents (EXHIBIT N) in support of SB 345. Comments that there are many veterans who do not get Veteran's assistance so these devices are especially important.
243	John Glascock	American Association of Retired Persons. Presents and reads (EXHIBIT O) in support of SB 345. Explains the benefits and protection of SB 345.
306	Phil Leveque	Supports SB 345. Explains his medical condition. Explains he was surprised to find that Oregon needs a law in order to get protection for the disabled and states SB 345 is only fair to them.
374	John Gervais	Oregon Hearing Society. Presents (EXHIBIT P) . States the current hearing aid system works sufficiently well and does not need changes.
397	Chair Bryant	Asks if this policy is in statute.
398	Gervais	States it is in statute and rule.
400	John McCully	Speech pathologist, Oregon Speech, Language, Hearing Association. Neutral to SB 345. Comments on possible concerns with restrictions.
435		Staff presents public written testimony submitted prior to the meeting (EXHIBIT Q) .
440	Chair Bryant	Closes public hearing on SB 345 and opens work session on SB 125.

SB 125 WORK SESSION		
450	Chair Bryant	Explains this measure has been closely looked at and it has no fiscal impact.
477	Cecil Monroe	Administrator, Division of Finance and Corporate Securities, Department of Business and Consumer Services.
TAPE 156, A		
040	Monroe	Supports SB 125.
047	Kenneth Sherman Jr.	Division of Finance and Corporate Securities, Department of Consumer and Business Services. Presents proposed amendments (EXHIBIT R) in support of SB 125. Explains the changes of the amendments.
090	Sherman	Continues to explain the exhibit, detailing wording changes.
150	Sherman	Continues to explain the exhibit.
176	Sen. Leonard	Asks for assurance that the changes are consistent with the intent of SB 125.
209	Ted Rutlinger	Legislative Counsel. Explains that the deletions in SB 125 correct wording and keep consistent references within the measure. Explains the changes were from a technical perspective.
237	Sherman	Comments that in many cases sections were combined, since pieces fit together well.
250	Chair Bryant	MOTION: Moves to ADOPT amendments offered by the Department of Consumer and Business Services, as explained by Kenneth Sherman Jr. in (EXHIBIT R) to SB 125.
	Chair Bryant	Hearing no objection, declares the motion CARRIED.
255	Chair Bryant	MOTION: Moves SB 125 to the floor with a DO PASS AS AMENDED recommendation.
	Chair Bryant	Hearing no objection, declares the motion CARRIED. SEN. BRYANT will lead discussion on the floor.
268	Chair Bryant	Closes work session on SB 125.
270	Chair Bryant	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 526 and moves to RECONSIDER the vote by which SB 526 was moved to the floor.
	Chair Bryant	Hearing no objection, declares the motion CARRIED.
282	Chair Bryant	Opens work session on SB 526.
SB 526 WORK SESSION		

289		Staff presents public testimony submitted prior to the meeting (EXHIBIT S).
290	Sen. Miller	MOTION: Moves SB 526 to the floor with a DO PASS recommendation.
	Sen. Miller	VOTE: 4-2 AYE: 4 - Derfler, Miller, Nelson, Bryant NAY: 2 - Brown, Leonard
	Chair Bryant	The motion CARRIES. SEN. MILLER will lead discussion on the floor.
295	Sen. Brown and Sen. Leonard	Serves notice of filing a possible minority report.
300	Chair Bryant	Closes work session on SB 526 and opens work session on SB 143.
<u>SB 143</u> <u>WORK</u> <u>SESSION</u>		
306		Staff presents proposed-3 amendments with further corrections (EXHIBIT T).
307	Chair Bryant	Explains the purpose of the -3 amendments.
312	Chair Bryant	MOTION: Moves to ADOPT SB 143 amendments dated 4/9/97 with further hand-engrossed amendments as submitted in (EXHIBIT T).
		VOTE: 5-1 AYE: 5 - Brown, Derfler, Miller, Nelson, Bryant NAY: 1 - Leonard
	Chair Bryant	The motion CARRIES.
337	Chair Bryant	MOTION: Moves SB 143 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-2 AYE: 4 - Derfler, Miller, Nelson, Bryant NAY: 2 - Brown, Leonard
	Chair Bryant	The motion CARRIES.

		SEN. DERFLER will lead discussion on the floor.
329	Sen. Leonard and Sen. Brown	Serves notice of filing a possible minority report.
333	Chair Bryant	Closes work session on SB 143 and adjourns meeting at 3:30 p.m.

Submitted By, Reviewed By,

Vicki Champ, Brian Krieg,

Administrative Support Administrator

Transcribed By, Reviewed By,

Jennifer Peck, Dave Amesbury,

Administrative Support Administrator

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EXHIBIT SUMMARY

A - SB 92, proposed-1 amendments, staff, 37 pp

B - SB 92, written testimony, Kerry Barnett, 3 pp

C - SB 92, written testimony, John W. Mangan, 3 pp

D - SB 92, written testimony, James T. Dorigan, Jr., 3 pp

E - SB 92, written testimony, Michael E. Keyes, 2 pp

F - SB 92, written testimony, statutes and news article, David H. Bolton, 4 pp

G - SB 643, written testimony and letter, Dianne Lancaster, 5 pp

H - SB 643, written testimony, Timothy M. Travis, 3 pp

I - SB 345, written testimony and chart, Bob Joondeph, 3 pp

J - SB 345, written testimony, chart and letter, Ruth McEwen, 6 pp

K - SB 345, written testimony, Beverly Bettis, 2 pp

L - SB 345, written testimony, Byron McNaught, 4 pp

M - SB 345, written testimony, Tim Kral, 1 p

N - SB 345, written testimony, Patrick E. Rogers, 1 p

O - SB 345, written testimony, John Glascock, 2 pp

P - SB 345, fact sheet, John Gervais, 1 p

Q - SB 345, public testimony submitted prior to the meeting, staff, 4 pp

R - SB 125, proposed amendments, Ken Sherman, Jr., 10 pp

S - SB 526, public testimony submitted prior to the meeting, staff, 3 pp

T - SB 143, proposed-3 amendments with corrections, staff, 4 pp
