

HOUSE COMMITTEE ON  
COMMERCE

Hearing Room  
Tapes -12

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair  
Rep. Cynthia Wooten, Vice-Chair  
Rep. Chuck Carpenter  
Rep. Michael Fahey  
Rep. Tony Federici  
Rep. Lynn Lundquist  
Rep. Gail Shibley  
Rep. Lynn Snodgrass  
Rep. Larry Wells

STAFF PRESENT:

Daniel Jarman, Committee Administrator  
Jodie Hall, Committee Assistant

MEASURES HEARD:

HB 2217 - Work Session  
HB 2219 - Work Session  
HB 2651 - Work Session  
HB 2653 - Work Session  
SB 52-A - Work Session  
HB 2036 - Work Session  
HB 2654 - Work Session  
HB 2583 - Work Session

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

000 CHAIR JOHNSON OPENS MEETING AT 1:35 PM.  
001 OPENS WORK SESSION ON HB 2217.  
003 REP. SNODGRASS: Summarizes HB 2217. Sub-Committee moved -3 amendments.  
020 MOTION: REP. SNODGRASS moves HB 2217 AS AMENDED be sent to the Floor with a DO PASS recommendation.  
024 VOTE: In a roll call vote, all members present vote AYE.  
030 CHAIR JOHNSON: MOTION is ADOPTED.  
036 REP. SNODGRASS will lead discussion on the Floor.  
040 CLOSES WORK SESSION ON HB ON HB 2217.  
041 OPENS WORKS SESSION ON HB 2219.  
043 REP. FEDERICI: Summarizes HB 2219.

053 MOTION: REP. FEDERICI: Moves HB 2219 be sent to the Floor with a DO  
PASS recommendation.

055 VOTE: In a roll call vote, all members present vote AYE.

058 CHAIR JOHNSON: Motion is ADOPTED.

064 REP. FEDERICI will lead discussion on the Floor.

067 CLOSSES WORK SESSION ON HB 2219.

072 OPENS WORK SESSION ON HB 2651.

073 CHAIR LUNDQUIST: Summarizes HB 2651.

085 MOTION: REP. LUNDQUIST: Moves HB 2651 to the Floor with a DO PASS  
recommendation.

090 VOTE: In a roll call vote, all members present vote AYE.

093 CHAIR JOHNSON: MOTION is ADOPTED.

095 REP. LUNDQUIST will lead discussion on the Floor.

097 CLOSSES WORK SESSION ON HB 2653.

098 OPENS WORK SESSION ON HB 2653.

WITNESSES:

FRANK BRAUNER, Oregon Bankers Association

099 REP. WELLS: Summarized HB 2653 and -1 amendments adopted by the  
Sub-Committee on Business.

118 -In response to Rep. Shibley: Clarifies impact of changes on homebuyers  
in respect to the increase to 1/6th percent.

134 -In response to additional inquiries of Rep. Shibley: Further clarifies  
intent for increasing to 1/6th from 1/12th.

153 CHAIR JOHNSON: Further clarifies Rep. Shibley's questions.

158 REP. WELLS: Explains further reason for moving towards a floating rate.

160 REP. SNODGRASS: Explains that the 1/6th brings Oregon in line with  
Federal HUD requirements.

170 FRANK BRAUNER, Oregon Bankers Association: Responds to Rep. Shibley's  
concerns in Section 1 Sub-section B. Explains changes in Federal HUD rules

and regulations concerning the 1/6th. Includes anyone that makes an FHA  
loan. Oregon is trying to conform to these HUD regulations.

214 -In response to further questions of Rep. Shibley: Clarifies how  
discount rate is to be determined.

235 -In response to Rep. Wooten's inquiries: Approximates increase in costs  
due to the change to 1/6th.

265 MOTION: REP. SHIBLEY: Moves HB 2653 be sent to the Floor with a DO  
PASS recommendation.

271 VOTE: In a roll call vote, all members present vote AYE.

278 CHAIR JOHNSON: MOTION is ADOPTED.

280 REP. WELLS will lead discussion on the Floor.

281 CLOSSES WORK SESSION ON HB 2653.

283 OPENS WORK SESSION ON SB 52-A.

285 REP. FEDERICI: Summarizes SB 52-A.

315 CHAIR JOHNSON: Clarifies that Committee is looking at SB 52-A engrossed.

318 REP. FEDERICI: Explains amendment on the Senate side increased from 1000 to 10,000 the seating required of a stadium in order to operate under SB 52.

321 CHAIR JOHNSON: Requests staff to read INTO THE RECORD a letter from the Oregon Liquor Control Commission (OLCC) concerning SB 52. Refer to Exhibit A.

324 DAN JARMAN, Committee Administrator: Reads into the record the letter from OLCC:

- "Senate Bill 52 would allow alcoholic beverage manufacturers to purchase advertising from licensed retailers at large arenas. If this bill becomes law, the Oregon Liquor Control Commission (OLCC) intends to exercise its authority to initiate rulemaking to ensure that the purchase of advertising

is done in way that doesn't violate the spirit or intent of the financial assistance laws. We are notifying interested parties of this fact so there will be no surprises if SB 52 becomes law and OLCC initiates rule-making.

Sincerely, Chris Lyons, Administrator, OLCC."

342 REP. JOHNSON: Clarifies intent of adding this letter to the record.

350 REP. FEDERICI: Agrees that this is good for the record.

357 -In response to Rep. Shibley: Explains 10,000 person stadium limit.

369 CHAIR LUNDQUIST: Explains further clarification on 10,000 person stadium.

380 REP. WOOTEN: Clarifies that many facilities exempt because they are less than 10,000.

397 MOTION: REP. FEDERICI moves to send SB 52-A to the Floor with a DO PASS recommendation.

403 VOTE: In a roll call vote, all members present vote AYE.

406 CHAIR JOHNSON: MOTION is ADOPTED.

407 REP. FEDERICI will lead discussion on the Floor.

411 CLOSES WORK SESSION ON SB 52-A.

412 OPENS WORK SESSION ON HB 2036.

414 REP. WELLS: Summarizes HB 2036 and -1 amendments adopted in the Sub-Committee on Business.

TAPE 12, SIDE A

035 REP. WELLS: Continues with summary of HB 2036 and -1 amendments.

056 MOTION: REP. WELLS: Moves HB 2036 AS AMENDED be sent to the Floor with a DO PASS recommendation.

059 VOTE: In a roll call vote, all members present vote AYE.

063 CHAIR JOHNSON: MOTION is ADOPTED.

065 REP. WELLS will lead discussion on the Floor.

067 CLOSES WORK SESSION ON HB 2036.

068 OPENS WORK SESSION ON HB 2654.

WITNESSES:

FRANK BRAWNER, Oregon Bankers Association

069 CHAIR LUNDQUIST: Summarizes HB 2654 and the -2 amendments.

109 -States importance of many parties coming together for the amendments.

121 REP. FAHEY: Inquires as to whether medical records are included in these records.

122 FRANK BRAWNER, Oregon Bankers Association: Explains HB 2654 with regards to medical records, optical imaging is currently being used and would include any record unless the law says you must keep the original. Does not change any part of the public records laws.

148 REP. LUNDQUIST: Does not see anything in the bill referring to confidentiality.

150 REP. WELLS: Clarifies that we have a -2 amendment we must look at.

155 BRAWNER: Further clarifies -2 amendments in reference to this change.

163 -In response to Rep. Shibley: Explained why July 1, 1995 was amended into the bill.

180 MOTION: REP. LUNDQUIST: Moves HB 2654 AS AMENDED be sent to the Floor with a DO PASS recommendation.

186 VOTE: In a roll call vote, all members present vote AYE.

189 CHAIR JOHNSON: MOTION is ADOPTED.

190 REP. LUNDQUIST will lead discussion on the Floor.

192 CLOSES WORK SESSION ON HB 2654.

193 OPENS WORK SESSION ON HB 2583.

WITNESSES:

WILLIAM C. MARCOUZ, Partner Law Firm, LeBoeuf, Lamb, Greens, MacRae

195 CHAIR JOHNSON: Explains that members of the Lloyds of London are here to answer concerns of Rep. Wooten.

201 REP. SNODGRASS: Summarizes HB 2583.

233 WILLIAM C. MARCOUZ, Partner Law Firm, LeBoeuf, Lamb, Greens, MacRae: Responds to concerns of Rep. Wooten. Reads questions then responds.

245 -1. Does allowing corporate investment by Oregon entities than the acceptable standard to extraordinary losses such as was the recent case with Berings?

-Explains situation with Berings Bank in England. No scope for mischief in Lloyds organizations. Moneys held in high paid securities. Current balance

of Lloyds American Trust fund is about \$9 billion.

314 -2. What safe guards does Lloyds employ to prevent huge losses and what

policies or checks and balances occur with your traders?

-Explains checks and balances with underwriters as well as the dynamics of the market in protecting against insolvency.

367 -3. Does Lloyds need the infusion of cash from corporate investors to stabilize solvency or secure volatile portfolio holdings?

-Explains holding of assets and the need for more capital, therefore individuals do not back Lloyds policies as often as in the past. Lloyds needs to keep up with other insurance agencies.  
438 -Responds to inquiries of Rep. Federici. Your personal domicile is at risk for individual members of Lloyds of London.

TAPE 11, SIDE B

040 MARCOUX: Continues with response to Rep. Federici's inquiries.

048 -In response to Rep. Snodgrass: Explains working names at Lloyds of London. If an individual has underwriting ability, cannot exceed their premiums.

099 CHAIR JOHNSON: Clarifies further underwriting ability.

105 MOTION: REP. SNODGRASS: Moves HB 2583 be sent to the Floor with a DO PASS recommendation.

107 VOTE: In a roll call vote, all members present vote AYE.

109 CHAIR JOHNSON: MOTION is ADOPTED.

110 REP. SNODGRASS will lead discussion on the Floor.

112 CHAIR JOHNSON ADJOURNS THE MEETING AT 2:40 PM.

Submitted by, Reviewed by,

Jodie Hall Daniel Jarman  
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Testimony on SB 52 A-engrossed from the Oregon Liquor Control Commission- Representative Johnson - 1 page