

HOUSE COMMITTEE ON
COMMERCE SUB-COMMITTEE ON BUSINESS

Hearing Room
Tapes - ?

MEMBERS PRESENT:

REP. LYNN LUNDQUIST, Chair
REP. TONY FEDERICI, Vice-Chair
REP. LARRY WELLS
REP. LYNN SNODGRASS

MEMBER EXCUSED:

STAFF PRESENT:

DANIEL JARMAN, Committee Administrator
JODIE HALL, Committee Assistant

MEASURES HEARD:

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

003

005 OPENS WORK SESSION ON HB 3279.

007 DAN JARMAN, Committee Administrator: Summarizes HB 3279 and the -1 amendments adopted by the Committee.

032 MOTION:

045 OPENS PUBLIC HEARING ON HB 2238.

047 REP. DENNIS LUKE: Testifies in SUPPORT of HB 2238. Introduces the -1 Amendments, Exhibit A.

080 MORELLA LARSON, Real Estate Commissioner: Explains history of the drafting of HB 2238. The bill is intended to regulate what is currently under the Real Estate License laws to another area still under Real Estate Licensing, but less complicated than current regulation. Fiscally self-supporting. Fee of \$500.

166 CATHY DALY, : Briefly summarizes the bill section by section.
192 -In response to Chair Lundquist: Must give
201 -In response to Rep. Federici: Explains those who hold the licenses and
the registerees.

210 -Responds to Rep. Federici concerning

222 LARSON: Real Estate Agency would keep a register of the individuals.
Proposed rules require people to use their real names.

237 DALY: The organization is responsible in the end if something were to
go wrong. It comes back to them.

245 -Continues with section by section summary.

292 LARSON: Has discovered housekeeping changes that need to be added.
Need to include in Section 5 those that are currently exempt under current

law. Sec of Treasury can explain the bonds. Need to clarify language so
that people understand that people do not go to the Treasurer's Office, but

to the Real Estate Agency for transactions.

321 -Explains those involved in the drafting of HB 2238.

350 -In response to Rep. Federici: Explains that an on site examination is
required.

377 DALY: Refers Rep. Federici to Section 11.

380 STEVE HAWES, Real Estate Agency: Responds to Rep. Federici that anyone
who is telemarketing must be registered. Statutes recognize organizations
and those employed by the organization who are doing telemarketing.

416 DALY: Refers Rep. Federici to Section 4 explaining officers and the
safeguards for the consumers. License is issued to the organization with
people working under it.

454 HAWES: Responds to Rep. Federici's offer to amend 2677 into this bill.

TAPE 35, SIDE A

040 HAWES: Responds further to Rep. Federici. HB 2238 only addresses the
practice setting up an

061 LARSON: Explains HB 2238 further for Rep. Federici. Explains reason
for referral to Ways and Means, must get the limitation expanded in Ways
and Means.

076 DALY: Responds to Rep. Snodgrass concerning Section 6, subsection 6
concerning reporting names and how the information must be submitted to the

Real Estate Agency. Refers Rep. Snodgrass to Section 4 and 7. Explains
that there must be a formal hearing for proposed rules letting everyone
know the rules.

101 -In response to Rep. Snodgrass: Does not see having different rules for
out-of-state as in-state.

104 -In response to Chair Lundquist: Explains process of suspension of
licenses, will involve notice, hearing, action.

120 LARSON: Responds to Rep. Snodgrass concerning process in rulemaking.

127 -In response to Rep. Wells: Publish in "our ORJ" only final actions.
As a consumer protection agency must notify the public.

146 -In response to Rep. Wells: Explains that currently people are locked

out without setting up a complete brokerage firm.

171 DALY: Responds to Rep. Wells that in the past there were problems.

180 LARSON: Responds further to Rep. Wells, yes have had experience with problem cases in Oregon.

189 DALY: Responds to Chair Lundquist concering the definition of real estate activity....LISTEN

213 -In response to Rep. Federici: Clarifies the situation.

220 DON CHARLTON, Cash Management Coordinator, Oregon State Treasury: Testifies on HB 2238. (Exhibit B) Offers amendments to HB 2238 (Exhibit C)

269 -In response to Rep. Wells: No, the Treasury is not being taken out of the process, only clarifying that organization go to the Real Estate Agency for their transaction.

283 REP. LUKE: Explains that people did not have to be registered as real estate licensees. In 1993 due to problems This bill returns licensing to prior practices.

310 HOWARD M. FEUERSTEIN, Attorney with Stoel Rives Boley Jones and Grey, Representing Eagle Crest Partners, Ltd.: Testifies in SUPPORT of HB 2238.

(Exhibit D)

389 -Proposes amendments, refer to page 2 of Exhibit D.

1. Emergency clause.
2. Ok with bond, may be excessive.
3. Owner referral programs
4. Other changes in ExHB it D have been addressed by Rep. Luke.)

458 -In response to Rep. Wells: Explains regulation for marketing real estate through the mail.

TAPE 34, SIDE B

042 FEUERSTEIN: Responds to Rep. Wells concerning individuals who do not want to receive calls namely black listing in the phone books.

053 -In response to Chair Lundquist: Clarifies that his recommendations for amendments were addressed late in the process of the work group, maybe after the work group had drafted HB 2238.

066 GENOA INGRAM, Oregon Association of Real Estate Agents: Explains that she has questions and concenns that have as of yet not been answered.

1. Explains concerns with defintion of Real Estate on page 1 line 12. Receptionist is not currently licensed, under this law seems as if should be.
2. Want to make sure not a loop hole to keep from getting a Real Estate License.
3.

104 CHAIR LUNDQUIST:

114 INGRAM: Responds to Rep. Wells concering activities of an assistant who performs secretarial activies versus real estate activities.

132 -Responds further to Rep. Wells that "this individual" would have to be licensed as a real estate agent. That is her concern: would all have to be licensed.

144 HAWES: Responds to concerns of Ms. Ingram. The bill is designed not to include the receptionist. It is designed to include those soliciting, not cofirming appointments. For the personal assistanst who are making cold calls, must be licensed or be registered as telemarketers.

171 -Responds to Rep. Wells that this bill could apply to any Real Estate Brokerage in the state not just time shares.

181 INGRAM: Suggests the possibility of an amendment taking out the words "confiming appointments."

190 REP. FEDERICI: Comments that could create a "....."

196 CHAIR LUNDQUIST: Comments on the discussion to clarify what is going on.

200 DALY: Explains how this wording was put into the bill.

218 -Comments on Ms. Ingrams concerns that she does not see it as a problem.

229 CHAIR LUNDQUIST: Explains that if Ms. Ingram wants to draft amendments with the assistance of the Real Estate Agency, the Committee will consider them.

246 CHAIR LUNDQUIST: FOR THE RECORD: Enters into the record Exhibit E

260 :

266 CLOSES PUBLIC HEARING ON HB 2238.

275 OPENS PUBLIC HEARING ON HB 317.

280 JOHN DILORENZO, JR., Hagen Dye Hirschy and Dilorenzo: Testifies in SUPPORT of SB 317. (Exhibit F)

336 -Explains history of SB 317. (Refer to Exhibit F).

414 -Refers the Committee to the Settlement Agreement and the support of the Oregon Poison Prevention Task Force, Tabs 5 and 6 of Exhibit F.

TAPE 35, SIDE B

040 DILORENZO: Concludes testimony on SB 317.

-Refers committee to Tab 4 of Exhibit F. Oregon would be a national leader

in this field.

074 -Comments on minority report submitted on the Senate Floor, CSMA is opposed to these amendments.

105 -Responds to Rep. Federici explaining the basis for the non-compliance agreement.

116 -In response to Rep. Federici: Explains that we are unsure of the long term impacts of DNB.

129 Rep. Federici: -In response to Rep. Federici: Does not

135 BOB VETERE, First Brands, CSMA: Explains "" markets DNB.

143 DILORENZO: Explains that within Section 2, subsection 2 have allowed for ... of willfull misconduct.

156 GEOFFERY M. HUNTINGTON, Assistant Attorney General, Commercial and Environmental Litiagation Unit: Submits testimony of Dr. Brent Burton, Exhibit G.

197 TERRY WITT, Oregonians for Food and Shelter: Testifies in SUPPORT of SB
317. (Exhibit H).

224 CLOSSES PUBLIC HEARING ON SB 317.

230 OPENS WORK SESSION ON SB 317.

242 CLOSSES WORK SESSION ON SB 317.

247 OPENS PUBLIC HEARING ON HB 2367.

249 FRED VANNATTA, Affordable Housing Advocate, Oregon State Home Builders
Association: Testifies in SUPPORT of HB 2367. (ExHB it I).

-Not an unfunded mandate on Local Government, local government do not have
to adopt rules or ordinances that increase housing costs.

394 -Want governmental jurisdictions to consider impact on costs of housing

for what they do.

424 -Refers the Committee to the articles contained in Exhibit I.

TAPE 36, SIDE A

040 VANNATTA: Refers the Committee to Exhibit I.

050 -Refers the Committee to data entitled "New and Used Housing Costs are
Related". Explains the impact on used homes when new homes are built
nearby.

087 -In response to Rep. Snodgrass referring to line 6 on page 1. Explains
that his intention that agency imposing the rule would prepare the housing
cost impact statement on the rule or ordinance.

110 -In response to Rep. Wells: Explains "\$2,000 impact fee increases"
referred to on page 3 of Exhibit I.

141 -Explains further incremental increases on the cost of housing.

156 -In response to Rep. Federici: Explains Rep. Federici's vote last
session.

168 -In response to Rep. Federici: Explains that many studies are done on
property.

181 -In response to Rep. Federici: Explains that a study must be done to do
a systems

194 REP. SNODGRASS: Explains her reason for clarifying that the agency must
prepare the housing impact statement.

207 VANNATTA: Comments on Rep. Snodgrass's concerns.

220 LYNN SCHOESSLER, Housing and Community Services: Explains Housing
Council members. Testifies in SUPPORT of HB 2367.
(LISTEN!!!!!!!!!!!!!!!!!!!!!!!)

250 -In response to Rep. Wells: Explains rules process in filing fiscal
impacts.

280 PEGGY COLLINS, Building Codes Division: Submits testimony on HB 2367,
Exhibit J. Have concerns about the current language of the bill. Bill is
very broad. Certain rules do not impact the cost of housing. Current
staff has neither the time or expertise to perform these functions.

380 -Would be happy to draft amendments with Mr. VanNatta.

387 -In response to Chair Lundquist: Yes,

406 -In response to Rep. Snodgrass: Is not the same testimony as last

session. Same concerns.

420 ARTHUR SCHLACK, Association of Oregon Counties, Land Use Specialist:
Has concerns about the fiscal impacts of HB 2367 on counties. Referring
to Section LISTEN

TAPE 37, SIDE A

040 League of Oregon Cities: Testifying in OPPOSITION to HB 2367. Sees
this as an unfunded mandate. Has concerns about several bills that will
impair cities and counties. Comments on the requirement to hold a public
hearing. Do not think HB 2367 will help foster discussion on the substance
of proposed rules. Refers the committee to ORS 196.197.

115 -Rep. Federici comments that market responds to regulations.

125 : Responds to Rep. Snodgrass concerning the intent of this legislation.

Explains what he might do in the scenario that rising costs of impact are
being affected by regulation.

-Does not see a gain from this bill, sees only an expense.

153 REP. SNODGRASS: Comments that she is looking for a way to solve this
problem which Mr. has not been able to offer.

162 : Difficult answer. Difficult to separate rules that are in statute or

173 CLOSES PUBLIC HEARING ON HB 2367.