

HOUSE COMMITTEE ON  
COMMERCE SUB-COMMITTEE ON BUSINESS

Hearing Room  
Tapes -69

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:

SB 411 - Public Hearing and Work Session  
SB 733 - Public Hearing and Work Session  
SJR3 - Public Hearing and Work Session  
SB 412 - Public Hearing and Work Session  
SB 479 - Public Hearing and Work Session  
SB 524 - Public Hearing and Work Session  
SB 326 - Public Hearing and Work Session  
SB 441 - Public Hearing and 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 OPENS MEETING AT 1:40 PM

(Approximately the first five minutes are not on the tape. Please refer to Exhibit A.)

001 OPENS PUBLIC HEARING ON SB 411.

WITNESSES: PAMELA PIFHER, Director of Legislative Affairs  
STEVEN RODEMAN, Oregon Credit Unions

005 PAMELA PIFHER, Director of Legislative Affairs: Testifies in SUPPORT of SB 411-A. Exhibit A.

020 -In response to Chair Lundquist: Summarizes the bill section by section.

035 STEVEN RODEMAN, Oregon Credit Unions: Responds to questions of Chair Lundquist.

043 PIFHER: Continues with summary.

061 -In response to Rep. Wells: Explains bonds a credit union must have.

065 RODEMAN: Responds further to Rep. Wells, explains that those with under \$2 million in assets must have 100% coverage, larger credit unions carry

lower percentages.

078 PIFHER: Clarifies the situation further. Explains that larger credit unions often carry bonds greater than \$2 million even though it is not required of them.

083 CHAIR LUNDQUIST: Comments further.

088 CLOSES PUBLIC HEARING ON SB 411.

090 OPENS WORK SESSION ON SB 411.

091 MOTION: REP. SNODGRASS: Moves to send SB 411 to the Full Committee with a DO PASS recommendation.

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

094 CHAIR LUNDQUIST: The MOTION CARRIES.

096 CHAIR LUNDQUIST will carry SB 411 to the Full Committee on Commerce.

098 CLOSES WORK SESSION ON SB 411.

102 CHAIR LUNDQUIST: Requests unanimous consent to suspend the rules to allow Rep. Federici to vote on SB 411.

103 CHAIR LUNDQUIST: Hearing no objections, asks Rep. Federici how he votes on SB 411. REP. FEDERICI votes AYE. (Please note line 093 above.)

106 OPENS PUBLIC HEARING ON SB 733.

WITNESSES: FRANK BRAUNER, Oregon Bankers Association  
GREGORY R. AUBE, President/CEO, First Consumers National Bank

107 FRANK BRAUNER, Oregon Bankers Association: Testifies in SUPPORT of SB 733. Exhibit B

180 GREGORY R. AUBE, President/CEO, First Consumers National Bank: Testifies in SUPPORT of SB 733. Exhibit C.

245 BRAUNER: Hands out the enclosures Mr. Aube referred to. Exhibit D.

265 AUBE: Responds to Chair Lundquist's inquiries concerning late fees.

281 BRAUNER: Further responds to Chair Lundquist concerning caps on late fees.

293 AUBE: Responds further to Chair Lundquist.

306 BRAUNER: Responds further to Chair Lundquist.

330 -Responds to Rep. Wells concerning grace periods on late payments.

350 AUBE: Further responds to Rep. Wells.

360 -Explains for Rep. Federici the difference between thirty day grace period, finance charges and a late fee.

388 BRAUNER: No opposition in the committee.

395 -In response to Rep. Federici, explains the increase in the late fee.

419 CLOSES PUBLIC HEARING ON SB 733.

420 OPENS WORK SESSION ON SB 733.

421 MOTION: REP. FEDERICI: Moves to send SB 733 to the Full Committee with a DO PASS recommendation.

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

424 CHAIR LUNDQUIST: The MOTION CARRIES.

426 REP. FEDERICI will carry SB 733 to the Full Committee on Commerce.

427 CLOSES WORK SESSION ON SB 733.

TAPE 68, SIDE A

021 OPENS PUBLIC HEARING ON SJR3.

WITNESSES: TOM COWAN, Administrator, Veterans Services Division, Loan  
Division, Department of Veteran's Affairs  
FRANK WALLACE, Deputy Director, Department of Veteran's Affairs

022 TOM COWAN, Administrator, Veterans Services Division, Loan Division,  
Department of Veteran's Affairs: Testifies in SUPPORT of SJR3. Exhibit E.  
030 -In response to Rep. Snodgrass: The only fiscal he is aware of is the  
cost of putting SJR3 on the ballot.  
040 -In response to Chair Lundquist: Would be on the November Ballot.

042 FRANK WALLACE, Deputy Director, Department of Veteran's Affairs: The  
cost is minimal, at most \$500. Addressed on the Senate side.

049 COWAN: Responds to Rep. Wells.

058 WALLACE: Responds to Rep. Wells concerning those eligible for these  
loans..

071 COWAN: Responds to Rep. Federici: Yes, must be a home in Oregon,  
Veteran must live in Oregon.

076 WALLACE: No opposition in the Senate.

085 -In response to Chair Lundquist: Explains that eligibility requirements  
in Oregon are in Federal Tax Law.

091 CLOSSES PUBLIC HEARING ON SJR3.

092 OPENS WORK SESSION ON SJR3.

091 MOTION: REP. FEDERICI: Moves to send SJR3 to the Full Committee with  
a DO PASS recommendation.

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

094 CHAIR LUNDQUIST: The MOTION CARRIES.

096 REP. WELLS will carry SJR3 to the Full Committee on Commerce.

099 CLOSSES WORK SESSION ON SJR3.

100 OPENS PUBLIC HEARING ON SB 412-B.

WITNESSES: RAY GRIBLING, Oregon Cemetery Association  
FRANK BRAWNER, Oregon Bankers Association

105 RAY GRIBLING, Oregon Automobile Dealers Association: Testifies in  
SUPPORT of SB 412-A engrossed. Exhibit F.

-Comments that Frank Brawner has amendments to propose. Exhibit G.  
145 -In response to Rep. Wells: Further explains the interest rates that  
can be offered on contracts for the customer.

170 -Further explains contract agreements for Rep. Wells.

194 -Agrees with comments of Chair Lundquist, consumer will not have to come

back and re-do paperwork.

198 FRANK BRAWNER, Oregon Bankers Association: Testifies in SUPPORT of SB  
412-B. Exhibit H

-Explains the -4 amendments for the Committee.

272 -In response to Rep. Federici: Explains the difference between motor  
homes and mobile homes. Some motor homes are recreational vehicles.  
Explains that manufactured homes can be licensed like a car, with an  
automobile title, taxed as personal property.

300 GRIBLING: Explains further the changes on line 8 of the B engrossed  
bill.

311 BRAWNER: Further clarifies for Rep. Federici. If you adopt the -4  
amendments, would be adopting what Mr. Gribling referred to.

318 CLOSSES PUBLIC HEARING ON SB 412.

319 OPENS WORK SESSION ON SB 412-B.

320 MOTION: REP. FEDERICI: Moves ADOPTION of the -4 Amendments to the bill.

321 CHAIR LUNDQUIST: Hearing no objections, the MOTION is ADOPTED.

091 MOTION: REP. FEDERICI: Moves to send SB 412, AS AMENDED, to the Full Committee with a DO PASS recommendation.

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

094 CHAIR LUNDQUIST: The MOTION CARRIES.

096 REP. SNODGRASS will carry SB 412 to the Full Committee on Commerce.

333 CLOSSES WORK SESSION ON SB 412.

334 OPENS PUBLIC HEARING ON SB 479.

WITNESSES: RAY GRIBLING, Oregon Cemetery Association  
LUCINDA POTTER, Mortuary and Cemetery Board

336 RAY GRIBLING, Oregon Cemetery Association: Testifies in SUPPORT of SB 479. Exhibit I.

390 LUCINDA POTTER, Mortuary and Cemetery Board: Testifies in SUPPORT of SB 479. Submits the -A3 amendments to the Committee. Exhibit J.  
-Briefly explains the -A3 amendments.

TAPE 67, SIDE B

031 POTTER: Responds to Rep. Federici: Explains that the section Rep. Federici refers to would allow the Board to refuse an initial application.

048 -Responds to Rep. Snodgrass: Briefly describes an endowment care cemetery.

051 GRIBLING: In response to Chair Lundquist: No, the amendment would not create any additional fiscal impacts.

068 POTTER: In response to Rep. Wells: Yes, a member once licensed under this bill would have the flexibility to change employers, while keeping the license.

080 -Responds further to Rep. Wells further explaining the changes, the new language would allow the Board to not renew the licenses.

091 GRIBLING: Explains that he was responsible for the possible problems in the last legislative session.

094 POTTER: In response to Rep. Federici: No, the fees are not being raised. Explains that the application fee and the registration fee are nonrefundable.

107 CLOSSES PUBLIC HEARING ON SB 479.

110 OPENS WORK SESSION ON SB 479.

113 MOTION: REP. FEDERICI: Moves ADOPTION of the -3 Amendments to the bill.

117 CHAIR LUNDQUIST: Hearing no objections, the MOTION is ADOPTED.

118 MOTION: REP. FEDERICI: Moves to send SB 479, AS AMENDED, to the Full Committee with a DO PASS recommendation.

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

121 CHAIR LUNDQUIST: The MOTION CARRIES.

122 REP. FEDERICI will carry SB 479 to the Full Committee on Commerce.

123 CLOSSES WORK SESSION ON SB 479.

124 OPENS PUBLIC HEARING ON SB 524.

WITNESSES: JAMES N. GARDNER, Automobile Manufactures and Finance  
Subsidiaries

FRANK BRAUNER, Oregon Bankers Association  
JIM MOUNTAIN, Harrang Long Gary Rodnick, P.C.  
MARY ALICE BJORK, Administrator, Insurance Division

128 JAMES N. GARDNER, Automobile Manufactures and Finance Subsidiaries:  
Testifies in SUPPORT of SB 524. Exhibit K.

163 -In response to Rep. Wells: Explains who covers the GAP amount.

179 -Responds further to Rep. Wells: Explains that SB 524 changes the GAP  
amount from definitions as insurance into a contractual agreement. Does  
not change anything for the consumer.

194 -Clarifies testimony for Rep. Wells.

204 FRANK BRAUNER, Oregon Bankers Association: Testifies in SUPPORT of SB  
524 and the A3 amendments the Oregon Bankers Association is proposing,  
Exhibit L.

-Amendments relate to private mortgage insurance.

-Explains that the Insurance Division is in SUPPORT of the amendment, and  
are present to testify.

257 JIM MOUNTAIN, Harrang Long Gary Rodnick, P.C.: Testifies in SUPPORT of  
the -A3 amendments to the bill. Exhibit M.

333 -Defines mortgage insurance for Rep. Wells.

358 -Explains for Rep. Wells those who pay the cost of insurance.

377 BRAUNER: Responds further to Rep. Wells.

410 -Responds further to Rep. Wells: Explains that these amendments will  
give more flexibility for some people.

422 -Responds further to Chair Lundquist. Good for consumers.

432 GARDNER: Explains that the existing bill applies to retail installment  
contract, affecting purchasers. Written testimony accurately reflects the  
bill.

TAPE 68, SIDE B

027 MARY ALICE BJORK, Administrator, Insurance Division: Is in SUPPORT of  
the amendments.

031 CLOSSES PUBLIC HEARING ON SB 524.

032 OPENS WORK SESSION ON SB 524.

113 MOTION: REP. FEDERICI: Moves ADOPTION of the -3 Amendments to the  
bill.

117 CHAIR LUNDQUIST: Hearing no objections, the MOTION is ADOPTED.

118 MOTION: REP. FEDERICI: Moves to send SB 524, AS AMENDED, to the Full  
Committee with a DO PASS recommendation.

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

121 CHAIR LUNDQUIST: The MOTION CARRIES.

122 CHAIR LUNDQUIST will carry SB 524 to the Full Committee on Commerce.

048 OPENS PUBLIC HEARING ON SB 326.

WITNESSES: FRANK BRAUNER, Oregon Bankers Association  
PEGGY COLLINS, Building Codes Division  
JEANNETE BOUCHARD, on behalf of EUGENE ORGAN, Oregon Disabilities

Commission

JEANNETE BOUCHARD, on behalf of GEORGE MCCART, Commissions, Oregon  
Disabilities Commission

OLE OLSEN

050 FRANK BRAUNER, Oregon Bankers Association: Testifies in SUPPORT of SB  
326.

070 PEGGY COLLINS, Building Codes Division: Testifies in SUPPORT of SB 326.

Exhibit N.

098 -In response to Chair Lundquist: Explains that if in the case of Mr. Brawner, the individuals had applied for a exemption, they are possible.

110 -In response to Rep. Wells: Explains exact changes on page 1 of the bill with current statutes.

132 -In response to Rep. Wells: The Federal Disabilities Act is less restrictive than Oregon laws in reference to elevators.

140 -Further explains the changes the bill makes for Rep. Wells. Fixing changes made last session.

165 CHAIR LUNDQUIST: Further clarifies changes for Rep. Wells.

183 JEANNETE BOUCHARD, on behalf of EUGENE ORGAN, Oregon Disabilities Commission: Reads Mr. Organ's testimony in SUPPORT of SB 326 into the record. Exhibit O.

213 JEANNETE BOUCHARD, on behalf of GEORGE MCCART, Commissions, Oregon Disabilities Commission: Reads Mr. McCart's testimony into the record. Exhibit P.

230 OLE OLSEN: Shares his concerns with regulations within the elevator industry. Exhibit Q.

-Explains his concerns that Oregon regulations are overly stringent. Believes should go back to the regulations of the Federal Disabilities Act.

330 CHAIR LUNDQUIST: Comments that none of the members of the committee are experts in this field. Requests Mr. Olsen please keep his comments to the bill.

335 OLSEN: Continues with concerns about how elevators are constructed and where.

340 CHAIR LUNDQUIST: Requests Mr. Olsen to work on proposed amendments.

365 OLSEN: Continues with testimony stating his concerns that the definition of "affected" is too narrow. Comments that the sizes of the elevators do not need to be so large.

405 CHAIR LUNDQUIST: Explains the process to propose amendments.

415 OLSEN: Expresses his concerns about not being able to suggest amendments.

430 CHAIR LUNDQUIST: Suggests for Mr. Olsen that he present legislation in the next biennium.

TAPE 69, SIDE A

001 OLSEN: Expresses his discontent with the process.

003 CHAIR LUNDQUIST: Will encourage Ms. Collins to work with Mr. Olsen with possible amendments.

006 REP. SNODGRASS: Offers to assist Mr. Olsen.

010 CHAIR LUNDQUIST: "I want the record to show that you have been at least 10 minutes, which is more than anyone else has had."

016 CLOSES PUBLIC HEARING ON SB 326.

024 OPENS WORK SESSION ON SB 326.

035 CHAIR LUNDQUIST: Explains for Rep. Wells the amendments adopted by the Senate.

052 DAN JARMAN, Committee Administrator: Will look into the discrepancies between the A-Engrossed fiscal statement and the staff measure summary in reference to square footage.

053 MOTION: REP. WELLS: Moves to send SB 326 to the Full Committee with a  
DO PASS recommendation.

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

057 CHAIR LUNDQUIST: The MOTION CARRIES.

059 REP. FEDERICI will carry SB 326 to the Full Committee on Commerce.

060 CLOSES WORK SESSION ON SB 326.

061 OPENS PUBLIC HEARING ON SB 441.

WITNESSES: KEITH BURNS, Oregon Financial Services Association  
FRANK BRAUNER, Oregon Bankers Association

064 KEITH BURNS, Oregon Financial Services Association: Testifies in  
SUPPORT of SB 441. Exhibit R.

101 FRANK BRAUNER, Oregon Bankers Association: In SUPPORT of SB 441,  
co-sponsors.  
-Responds to Rep. Wells.

116 BURNS: In response to Rep. Wells: Explains who covers credit  
involuntary insurance. Cannot be required.

130 CLOSES PUBLIC HEARING ON SB 441.

131 OPENS WORK SESSION ON SB 441.

132 MOTION: REP. FEDERICI: Moves to send SB 441 to the Full Committee with  
a DO PASS recommendation.

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

136 CHAIR LUNDQUIST: The MOTION CARRIES.

138 REP. WELLS will carry SB 441 to the Full Committee on Commerce.

139 CLOSES WORK SESSION ON SB 441.

141 ADJOURNS THE MEETING.

Submitted by, Reviewed by,

JODIE HALL DANIEL JARMAN  
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Testimony in SUPPORT of SB 411 - Pamela Pifher, Director of Legislative  
Affairs - 3 pages  
B - Testimony in SUPPORT of SB 733 - Frank Brauner, Oregon Bankers  
Association - 5 pages  
C - Testimony in SUPPORT of SB 733 - Gregory R. Aube, President/CEP, First  
Consumers National Bank - 4 pages  
D - Enclosures Mr. Aube referred to - Brauner - 2 pages  
E - Tom Cowan, Administrator, Veterans Services Division, Loan Division,  
Department of Veteran's Affairs - 1 page  
F - Testimony in SUPPORT of SB 412 - Ray Gribling, Oregon Automobile  
Dealers Association - 2 pages  
G - SB 412 -B4 amendments proposed by Frank Brauner - Gribling - 1 page  
H - Testimony in SUPPORT of SB 412 -B4 amendments - Brauner - 2 pages

I - Testimony in SUPPORT of SB 479 - Gribbling, Oregon Cemetery Association  
- 2 pages  
J - SB 479 -A3 amendments - Lucinda Potter, Mortuary and Cemetery Board - 5

pages

K - Testimony in SUPPORT of SB 524 - James N. Gardner, Automobile  
Manufactures and Finance Subsidiaries - 1 page  
L - SB 524 -A3 amendments - Brawner - 3 pages  
M - Testimony in SUPPORT of the SB 524 -A3 amendment - Jim Mountain,  
Harrang Long Gary Rodnick, P.C. - 3 pages  
N - Testimony in SUPPORT of SB 326 - Peggy Collins, Building Codes Division

- 1 page

O - Testimony from Eugene Organ, Oregon Disabilities Commission - Jeannette

Bouchard - 1 page

P - Testimony from George McCart, Oregon Disabilities Commission -  
Jeannette Bouchard - 1 page

Q - Testimony on SB 326 - Ole Olsen - 2 pages

R - Testimony in SUPPORT of SB 441 - Keith Burns, Oregon Financial Services

Association - 2 pages