

HOUSE COMMITTEE ON
COMMERCE SUB-COMMITTEE ON BUSINESS

Hearing Room
Tapes - 81

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 788 - Work Session
HB 3048 - Work Session
HB 3278 - Work Session
SB 22 - Public Hearing
SB 354 - Public Hearing
SB 455 - Public Hearing

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 LUNDQUIST OPENS THE MEETING AT

003 OPENS WORK SESSION ON SB 788.

WITNESS: DICK ANGSTROM, Oregon Concrete and Aggregate Producers Association

005 DAN JARMAN, Committee Administrator: Summarizes SB 788.

017 DICK ANGSTROM, Oregon Concrete and Aggregate Producers Association:
Testifies in SUPPORT of SB 788.

-Refers the Committee to the hand engrossed version of SB 788 (Exhibit A).

The amendments address concerns of the City of Portland. OCAPA and the
City of Portland have come to further agreements to add back the word
"negligence" into the bill instead of the word "work."

054 CHAIR LUNDQUIST: Refers Mr. Angstrom to the -2 amendments. Exhibit B.

059 ANGSTROM: Yes, the hand engrossed version includes this amendment.
-In response to Chair Lundquist: In agreement with the amendment, but
would like the word "negligence" to be inserted in place of the word
"work".

080 -Explains for the committee the difference between "negligence" and
"work".

094 CHAIR LUNDQUIST: His intention to move the bill with these amendments.

110 -Clarifies for Rep. Federici that he is comfortable with adding
"negligence or willful act" into the -2 amendment.

128 MOTION: REP. FEDERICI: Moves the ADOPTION of the -2 Amendments to SB
788.

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

134 MOTION: REP. FEDERICI: Moves the ADOPTION of the conceptual amendments
replacing the word "work" in both lines 19 and 20 with the words "negligent
or willful act".

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

139 MOTION: REP. FEDERICI: Moves to send SB 788, AS AMENDED, to the Full
Committee on Commerce with a DO PASS recommendation.

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

148 CHAIR LUNDQUIST: The MOTION CARRIES.

150 REP. LUNDQUIST will carry SB 788 to the Full Committee on Commerce.

159 OPENS WORK SESSION ON HB 3048.

WITNESSES: REP. JANE LOKAN, District 25
CAMERON BIRNEY, Department of Administrative Services

160 REP. JANE LOKAN, District 25: Testifies in SUPPORT of HB 3048. Exhibit
C.
-Explains the -5 amendments for the Committee. Exhibit D.
-SB 395 is a similar bill that has passed the Senate, sponsored by Senator
Yih.

210 -Responds to Chair Lundquist: Explains cost this would apply to. Rep.
Lokan explains what she would feel comfortable with.

230 -In response to Chair Lundquist: Yes, this was modeled after
Massachusetts. Met with great success in Massachusetts.

243 -In response to Chair Lundquist: Explains services that are currently
or could be privatized.

278 -In response to Rep. Federici: Requests clarification on changes in the
amendment from Section 1, Subsection 5, "at lowest cost", in the original
bill to the amendment which does not include this. This is an oversight,
should be in the bill.

303 -Responds to Rep. Federici: Suggests something along the lines of 'most
fair and reasonable in cost looking at quality'.

321 REP. SNODGRASS: Does not see that this requires an action.

330 REP. LOKAN: Attempts to respond to Rep. Snodgrass concerns.

357 -In response to Rep. Snodgrass: Further clarifies the definition of
fire fighting functions.

388 -In response to Rep. Federici: Does not have a fiscal statement at this
time, has requested one.

395 CHAIR LUNDQUIST: FOR THE RECORD: Counties are still opposed to the
bill.

410 CAMERON BIRNEY, Department of Administrative Services: Shares his
concerns of HB 3048 with the committee. Exhibit E.

TAPE 79, SIDE A

030 BIRNEY: Summarizes his concerns of the bill section by section.

078 REP. SNODGRASS: Believes it is important to look at the total cost.

091 BIRNEY: Responds to Rep. Snodgrass.

104 CHAIR LUNDQUIST: Suggests action for the Committee to adopt the -5
amendment and take further action on the bill later.

109 REP. LOKAN: Comments that she is fine with this.

122 MOTION: REP. SNODGRASS: Moves the ADOPTION of the -5 Amendments to the
HB 3048.

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

124 CLOSES WORK SESSION ON HB 3048.

126 OPENS WORK SESSION ON HB 3278.

WITNESSES: JULIE BRANDIS, Associated Oregon Industries

BILL BROOKS, Insurance Division, Department of Consumer and Business Services

PETE SHEPHERD, Attorney in Charge of Financial Fraud, Attorney General's Office, Department of Justice

141 DAN JARMAN, Committee Administrator: Explains HB 3278 and its proposed amendments.

149 CHAIR LUNDQUIST: Discusses adopting the dash 5 amendments. Exhibit F.

MOTION: REP. FEDERICI: Moves the ADOPTION of the HB 3278-5 amendments.

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

171 JULIE BRANDIS, Associated Oregon Industries: Testifies in support of HB 3278 and the proposed amendments.

184 BILL BROOKS, Insurance Division, Department of Consumer and Business Services: Testifies in support of HB 3278 and the -5 amendments. Exhibit G.

244 -In response to Rep. Snodgrass: Clarifies how they came up with the definition of collision insurance. Referring to Section 3, line 15.

275 PETER SHEPHERD, Attorney in Charge of Financial Fraud, Attorney General's Office, Department of Justice: Submits testimony on HB 3278. Exhibit H.

-Responds to Rep. Snodgrass: Further clarifies the definition of service contract.

295 -In response to Chair Lundquist: Comments on his definition of contract.

316 BROOKS: Responds to Chair Lundquist: Comments that, as written, the definition of service contract, could be so broad as to include vandalism.

337 BRANDIS: Comments on the broadness of the definition of service contract.

357 SHEPHERD: In response to Chair Lundquist: Yes, it is important to determine what the law will permit when creating a contract.

361 BROOKS: Comments that he does not feel that financial security is the correct term, believes net worth should be more closely looked at instead.

TAPE 78, SIDE B

013 SHEPHERD: Responds Mr. Brook's comments. Explains problems with the draft bill.

037 BRANDIS: Explains that clean language has not been drafted, explains why.

042 BROOKS: Supports the third amendment. Comments on the proposed regulatory scheme. No regulation of third party contracts.

062 SHEPHERD: The Department of Justice supports the amendments that DCBS proposes.

071 BRANDIS: In response to Chair Lundquist: Explains further compromises that must still be worked out.

080 CHAIR LUNDQUIST: Comments that he believes it is best to wait for a fiscal and further agreements between the above parties.

090 BRANDIS: Comments that Mr. Brooks and Mr. Shepherd will not be working on Monday, Tuesday, and Wednesday.

100 CHAIR LUNDQUIST: Explains further action to be taken on the bill.

109 CLOSES WORK SESSION ON HB 3278.

113 OPENS PUBLIC HEARING ON SB 22.

WITNESSES: PAUL ROMAIN, Oregon Beer and Wine Distributors
GARY CONKLIN, Blitz Weinhard Brewing Company

120 PAUL ROMAIN, Oregon Beer and Wine Distributors: Testifies in SUPPORT of SB 22.

-Comments on amendments in the Senate within the definition of brand.
-Explains brand and brand extension using examples in reference to

different brands manufactured by the Anheiser Busch Company; Budweiser, Busch and Michelob.

-Comments on the bottle bill.

244 -In response to Chair Lundquist: No, the soft drink industry is not the same, explains why.

-Continues with explanation by use of a diagram. Explains exclusive and non-exclusive territories for distributors.

-Explains Portland's use of a container co-op that separates the cans.

372 -In response to Chair Lundquist: Yes, would like the bottle back. NO, there is no way to insure a distributor is given back everything he gives a wholesaler.

416 REP. WOOTEN: Requests response to last sessions veto.

-How has Oregon promoted increasing competition?

-Clarifies that the DEQ stipulates that the distributor holds onto over \$4 million in moneys that are not returned for deposit (includes soft drinks).

TAPE 79, SIDE B

040 REP. WOOTEN: Continues explanation of her concerns.

048 ROMAIN: In response to Rep. Wooten: Clarifies that distributors are not in favor of the bottle bill. Explains why.

-Explains the Governor's veto.

111 REP. WOOTEN: Comments that she feels it is inappropriate for the State of Oregon to intervene within this area.

134 GARY CONKLIN, Blitz Weinhard Brewing Company: Testifies in OPPOSITION to SB 22. Exhibit I.

-Anheiser Busch has more than 30% of the Oregon market with distributors.

-Blitz Weinhard does not have exclusivity with its distributors.

295 -In response to Chair Lundquist: Explains the problems with the bottle bill.

329 CHAIR LUNDQUIST: Explains that he will hold a hearing on this bill next week.

339 CLOSES PUBLIC HEARING ON SB 22.

343 REP. SNODGRASS: Explains for the audience what the committee is doing.

361 OPENS PUBLIC HEARING ON SB 354.

WITNESSES: LARRY HARVEY, Travel Industry Council of Oregon
JOE D'ALESSANDRO, Manager, Tourism Division, Oregon Economic Development
Department
DELL ISHAM, Oregon Association of Convention and Visitor's Bureaus

TAPE 80, SIDE A

015 LARRY HARVEY, Travel Industry Council of Oregon: Exhibit J and K.

023 JOE D'ALESSANDRO, Manager, Tourism Division, Oregon Economic Development

Department: Testifies in SUPPORT of SB 354. Explains the testimony he has

distributed to the Committee members. Exhibits L and M.

-Responds to Rep. Federici: Describes the different divisions within the Oregon Economic Development Department.

-Further responds to Rep. Federici: Describes effects of SB 354 on these divisions.

062 -Responds to Chair Lundquist: Describes Oregon Tourism Commission, is a rulemaking commission. Currently have the Oregon Tourism Council.

090 HARVEY: Responds further to Chair Lundquist: Refers him to Exhibit K and the -A3 amendments (Exhibit N) which further describes and clarifies the Oregon Tourism Commission.

123 -Responds to Chair Lundquist: Yes, it would be similar to the DEQ organizational structure, as he understands the DEQ organizational structure.

-Further explains the -A3 amendments. Exhibit N.

-In response to Chair Lundquist: Yes, these amendments were discussed in the Senate. Explains Senate discussions on the amendments.

134 -In response to Chair Lundquist: Explains current and future funding sources of the commission.

154 REP. FEDERICI: Explains that he sees this bill as semi-privatization, with much private/public cooperation. Comments on the Florida tourism industry in relation to this bill.

163 D' ALESSANDRO: Yes, the Director of EDD does support the -A3 amendments.

168 DAN JARMAN, Committee Administrator: Explains that the -4 amendments address conflicts with HB 2139. Exhibit O.
-Briefly explains HB 2139 for the members.

179 DELL ISHAM, Oregon Association of Convention and Visitor's Bureaus: In response to Rep. Federici: Yes, the Tourism Council works closely with local businesses and state agencies promoting tourism in Oregon, i.e. Visitor's Information Centers, etc.

203 CLOSES WORK SESSION ON SB 354.

204 OPENS WORK SESSION ON SB 354.

238 MOTION: REP. FEDERICI: Moves ADOPTION of the -3 amendments to SB 354.

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

242 MOTION: REP. FEDERICI: Moves ADOPTION of the -4 amendments to SB 354.

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

246 MOTION: REP. FEDERICI: Moves to send SB 354, AS AMENDED, to the Full Committee on Commerce with a DO PASS recommendation.

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

251 CHAIR LUNDQUIST: The MOTION CARRIES.

253 REP. FEDERICI will carry SB 354 to the Full Committee on Commerce.

254 CLOSES WORK SESSION ON SB 455.

225 OPENS PUBLIC HEARING ON SB 455.

234 SEN. BILL DWYER, District 21: Testifies in SUPPORT of SB 455, is the sponsor of the measure.

238 SEN. BOB KINTIGH, District 22: Testifies in SUPPORT of SB 455. Submits
-6 amendment.

275 SEN. DWYER: Comments on the proposed amendments. If there are no changes, then why require a copy?

289 REP. LIZ VANLEEUWEN, District 37: Testifies further on SB 455. Has concerns about line 15. Would like to strike out "attempting to". Would like the surveyor to first contact the landowner before entering.
-Comments on the -6 amendments. Agrees with the -6 amendments.

325 CHAIR LUNDQUIST: Comments that there is a question of the legality of this bill from legislative counsel.

345 REP. VANLEEUWEN: Does not want the surveyor to be able to legally trespass.

355 REP. FEDERICI: Comments on possible conceptual amendments for the bill.

401 SEN. DWYER: Agrees with Rep. Federici concerning other conceptual amendments.

TAPE 81, SIDE A

014 SUE HANNAH, Legislative Counsel: Comments on the concerns of the committee concerning constitutionality. Explains private property rights of the owner.

040 -Responds to Rep. Federici: Explains that until the court is more clear in its decisions, will not be able to determine constitutionality.

057 STEPHEN KAFOURY, Professional Land Surveyors of Oregon: Explains for the committee when a survey can be done. Explains that if the bill is not passed, surveying will continue to be done on an illegal, trespassing

basis. Explains that currently there are no protections for surveyors.
-Oregonian for Action have no problems with the bill. Need to make sure
that any additional amendments need to make sure they do not return to
current situation.

120 SEN. KINTIGH: Responds in SUPPORT of Mr. Kafoury's testimony.

141 KAFOURY: Responds to Rep. Snodgrass: This bill expands last session
from county surveyors to private surveyors.

151 CHAIR LUNDQUIST: Explains that he sees this as giving an individual
the right to go on private property.

170 KAFOURY: Responds to Chair Lundquist.

176 CHAIR LUNDQUIST: Comments further clarifying the difference between
private and public surveyors.

190 KAFOURY: Explains that if this bill does not pass, will not stop
surveyors from going onto peoples land.

205 CLOSSES PUBLIC HEARING ON SB 455.

206 MEETING ADJOURNED.

Submitted by, Reviewed by,

JODIE HALL DANIEL JARMAN
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - - Hand engrossed copy of SB 788 - Dick Angstrom, Oregon Concrete and
Aggregate Producer's Association - 1 page
B - HB 788 -A2 Amendments - Chair Lundquist - 1 page
C - Testimony in SUPPORT of the HB 3048 -5 Amendments - Rep. Jane Lokan,
District 25 - 1 page
D - HB 3048 -5 Amendments - Rep. Lokan - 2 pages
E - Testimony on HB 3048 -5 - Cameron Birney, Department of Administrative
Services - 1 page
F - HB 3278 -5 Amendments - Chair Lundquist - 10 pages
G - Testimony on the HB 3278 -4 Amendments - Bill Brooks, Insurance
Division, Department of Consumer and Business Services - 1 page
H - Testimony on HB 3278 - Peter Shepherd, Attorney in Charge of Financial
Fraud, Attorney General's Office, Department of Justice - 4 pages
I - Testimony in OPPOSITION of SB 22 - Gary Conklin, Blitz-Weinhard Brewing
Company - 6 pages
J - Testimony in SUPPORT of SB 354 - Larry Harvey, Travel Industry Council
of Oregon - 5 pages
K - Legislative Proposal for Oregon Tourism's Industry - Harvey - 2 pages
L - Oregon Visitor's Industry - Joe D'Alessandro, Manager, TOURISM
Division, Oregon Economic Development Department - 1 page
M - TouriSMIn Oregon - D'Alessandro - 10 pages
N - HB 354 -A3 amendments - Harvey - 1 page
O - HB 354 -A4 amendments - Dan Jarman, Committee Administrator - 1 page
P - Testimony in SUPPORT of SB 354 - Dell Isham, Association of Convention
and Visitor's Bureaus - 2 pages