

SENATE COMMITTEE ON
BUSINESS AND CONSUMER AFFAIRS

Hearing Room
Tapes 92, 94 & 95

MEMBERS PRESENT:

Sen. Bill Kennemer, Chair
Sen. John Lim, Vice-Chair
Sen. Gene Derfler
Sen. Joan Dukes
Sen. William McCoy

MEMBER EXCUSED:

STAFF PRESENT:

Darrell W. Fuller, Committee Administrator
Carol A. Smith, Committee Assistant

MEASURES HEARD:

HB 2099-A Public Hearing and Work Session
HB 2217-A Public Hearing
SB 895 Work Session
HB 2093-A Public Hearing
HB 2647-A 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 92, A

002 CHAIR: Calls the meeting to order at 3:00 p.m. as a subcommittee. We will take the bills in the order listed on the agenda.

011 CHAIR: Opens PUBLIC HEARING on HB 2099-A.

DARRELL FULLER, Committee Administrator: Gives overview and House history.

017 WITNESSES: Jim Markee, Oregon Board of Barbers and Hairdressers
Jeff Svejcar, Oregon State Scholarship Commission

020 JEFF SVEJCAR, Oregon State Scholarship Commission: Submits written testimony in support of the bill. (EXHIBIT A). Refers to database, analysis of information and implementation of program in April 1994. Gives statistics from their study. Explains the process, including payments and license revocation.

051 CHAIR: Asks the size of the payments.

054 SVEJCAR: Gives statistics for different categories; do work with borrowers if they are having financial difficulties.

064 CHAIR: How much money are we talking about on average?

066 SVEJCAR: Responds, under \$5,000. Forty-five percent of the voluntary repayments is fourteen percent higher than borrowers in default who are not in this program.

077 (CHAIR: We are now in full committee.)

078 SVEJCAR: We are asking for a continuation of the sunset as opposed to discontinuing this.

Other reason to ask for sunset provision extension is because the license renewal is every two years and we feel we have not seen enough of the population to see whether to seek full continuation.

093 JIM MARKEE, Oregon Board of Barbers and Hairdressers: Worked with Rep. Oakley to institute the program. It was worked extremely, well; money has been recovered. When we published word of the coming program, the scholarship commission's phones rang off the hook from people who were in default of their loans. These are cases which are at least six months in arrears. The bill helps future students because if default rates are high for previous students of a school then the Federal government may deny future students at that school access to Federal funds.

116 SEN. DERFLER: Referring to fiscal impact, asks if this is the recovery of debts?

MARKEE: Yes, repayment on student loans.

126 SEN. DERFLER: Basically you are asking to lengthen the time of the sunset legislation?

129 MARKEE: Yes, this was adopted last session as a pilot program and ran for two years with a two-year sunset. Refers to House legislation.

135 CHAIR: Closes PUBLIC HEARING on HB 2099-A.
CHAIR: Opens WORK SESSION on HB 2099-A.

WITNESSES: Jim Markee, Oregon Board of Barbers and Hairdressers
Jeff Svejcar, Oregon State Scholarship Commission

141 Discussion regarding dispersal of the funds.

147 MARKEE: Money collected is a positive impact. Part of it stays with the scholarship commission and part of it goes to repay the loans. They are actually acting as an agent of the Federal government, who guarantees these loans. When in default the government pays off the lender then hires the commission to collect the money for them. There is a small impact on the Board of Barbers and Hairdressers. Refers to legislation passed yesterday in regard to this.

164 SEN. DERFLER: Who absorbs this? Federal takes a 27 percent loss on this?

183 SEN. LIM: Thinks many other agencies should use the same program.

184 SEN. DERFLER: I would agree but I think the cost ought to be added onto the person who owes the debt. The 27 percent should not be absorbed by the government. Most contracts give you a collection amount when you don't pay your debts. I don't think the federal government should take 27 percent less than they leant either.

MOTION: SEN. LIM moves HB 2099-A to the Floor with a DO PASS recommendation.

VOTE: MOTION PASSES.
AYES: DERFLER, DUKES, McCOY, LIM and KENNEMER
CARRIER: LIM

198 CHAIR: Closes WORK SESSION on HB 2099-A.
200 CHAIR: Opens PUBLIC HEARING on HB 2217.

WITNESSES: Sen. Bob Kintigh
Tom Wrosch, Corporation Division

201 SEN. BOB KINTIGH: Testimony in opposition to HB 2217. States wishes to address only one small part of the bill; changing the requirement for reregistering an assumed business name from two years to one year. Refers to agency wanting to make more uniform. Are we here to help policy to suit agencies or to help businesses and citizens of our state? We campaigned we wanted to help small businesses; reduce the paperwork and make less hassle.

240 SEN. KINTIGH: I think it ironic that we scour the world to find businesses to come here. For example, we subsidized Sony to come to Springfield, spent at least \$10 million for them to come in there and build a plant and incidentally take up some of the best farm land in the whole Willamette Valley. So why do we make life more difficult for all small businesses that are already here? Refers to his own small business. The certificate shows they used to be issued for five year intervals and haven't found his business improved any by them going to two years and doubt will see improvement if it is changed to one year. There is a cost to both the state and the businesses mailing annually instead of biannually. Refers to:

--mailing cost specifics;
--clerical time;
--businesses expense;
--142,000 registered business names;
--postage alone \$45,000;
--office help;
--check charges (the cost of writing the checks);
--two mailings.

268 --Would urge you to strike that part from the bill; save both the state
and the businesses of Oregon a few bucks.

264 SEN. DERFLER: What is the benefit; why is Secretary of State asking for
this? What else does the bill do?

274 DARRELL FULLER, Committee Administrator: Makes substantial changes.

281 SEN. KINTIGH: Cites Page Six, Line 18; would like you to go back to the
original language; and possibly in another
area.

290 SEN. LIM: I would like to expand it to three years to make it easier.

300 TOM WROSCH, Office of Secretary of State, Corporation Division: Submits
written testimony in support of the
bill (EXHIBIT B). States the driving force behind the bill is to
facilitate a centralized data base. Refers to:
--Department of Revenue;
--contractors board;
--forming a common data base;
--lessened data entry;

351 --assumed business name two years to one;
--better information;
--updated information;

400 SEN. DERFLER: Question.

418 SEN. DUKES: Question regarding multiple assumed business names
together.

TAPE 94, SIDE A (TAPE 93 would not record)

012 WROSCH, continues, refers to:
--wholesale and retail lock boxes;
--automatic filings;
--no data entry;

034 --cutting filing fee;
--cleans up statutory items;
--streamlined;
--more work done with fewer staff.

059 SEN. DERFLER: We would feel more comfortable if you had some
commitments from the Building and
Contractor's Board that they would be willing to cooperate and change their
dates so that we could combine these. Has
anyone made an effort to ask them if they would be willing to do that?

CHAIR: And, is there anyone here from that board? Apparently not.

065 WROSCH: This is not something that one person dreamed up. Refers to HB
2431 and what it created.

078 SEN. MCCOY: With the reduction in fees, how much are you going to lose?

089 WROSCH: If we kept at \$5.00 we would gain money. We tried to find a
way to save money for the business, hence
reducing the county fees.

112 SEN. MCCOY: Reminds the witness that the general fund, if he didn't
know it, is short of dollars.

117 SEN. LIM: This seems state oriented. It is inconvenient for the people
you are trying to help.

134 WROSCH: When we were putting this together we were asked by small
business, can't remember the name of the
group, to cut fees. By filing annually we are helping them.

150 CHAIR: We need to expedite this. We will lay this and the next bill
over to next Thursday. Most of us are having a
problem with the yearly filing.

160 SEN. DERFLER: This reduction in income of one million dollars, is that
with the fee?

180 CHAIR: Encourages WROSCH to consider some of the ideas.

211 CHAIR: Closes PUBLIC HEARING on HB 2217.

215 CHAIR: Opens WORK SESSION on SB 895.

223 CHAIR: Suggests sending to Judiciary without recommendation since most of the issues revolved around liability.

227 DARRELL FULLER, Committee Administrator: Do we want to address the -1 amendments that we have before us? (EXHIBIT Q).

MOTION: SEN. MCCOY moves SB 895 to Judiciary without recommendation.

238 VOTE: Discussion takes place.

MOTION: SEN. MCCOY moves to amend his motion, and moves to report out SB 895 WITHOUT RECOMMENDATION AS TO PASSAGE and refer to Judiciary.

VOTE: MOTION PASSES.
AYES: DERFLER, DUKES, McCOY, LIM and KENNEMER

CHAIR: Closes WORK SESSION on SB 895.

253 CHAIR: Opens PUBLIC HEARING on HB 2093 A Engrossed and HB 2647.

CHAIR: Gives information regarding amendments to HB 2093 A Engrossed and detailed possible changes elsewhere. On HB 2647 refers to details regarding bond amount. (EXHIBITS R, S & T).

302 DARRELL FULLER, Committee Administrator: Gives House particulars on the bills and revenue and fiscal information and amendments available.

310 WITNESSES: Joe Rohleder, Outfitters Guide
Paul Donheffner, Marine Board
Ginny VanLoo
Patricia O'Sullivan, Department of Consumer and Business Service
Bruce Greene, Oregon Outdoors Association
Rick Wren
Bob Rafalovich, Rogue Wilderness
B. A. Hanten, Rogue River Raft Trips
Bill Inkrote, Inkrote Guide Service
Mary Lou Thomason, Galice Resort
Terry O'Connors, Rogue Excursions
Don Stevens, Orange Torpedo Trips
Chuck Messner, High Desert Outfitters
Mike McLucas, The Oasis Resort

316 JOE ROHLEDER, Outfitter's Guide: Testimony in support of the bill (EXHIBIT C). Supports bill as written.

331 SEN. DERFLER: Why do we need this bill?

337 ROHLEDER: Consumer protection and other reasons.

SEN. DERFLER: We keep adding more and more government to peoples lives and regulation. Have there been problems?

380 ROHLEDER: Responds, very little, not widespread. Explains that HB 2647-A is a response to last session's legislation.

409 PAUL DONHEFFNER, Marine Board: Written testimony in support of HB 2093 (EXHIBIT I).

TAPE 92, SIDE B.

DONHEFFNER, continues, refers to:
--adequacy of liability areas;
--reciprocity with Idaho on Snake River;
--professionalism in the state of Oregon;
020 --change in insurance requirement;
--split limit liability;
--single limit;
--non-registration;
--decal program for motorboats;
--1993 legislation;
--expansion to non-motorized boats, rafts, et cetera;
--utilizing Federal ID on the boats;
--commercial display, or Federal ID decal through rule making;
--reciprocity;
--Section 4;
--Marine Board;
--cancellation by court order; reprimand, suspend, revoke;
069 --due process;
--agencies intent;

-- revocation of license;
 --consensus of working and advisory group.

091 --written testimony in support of HB 2647 (EXHIBIT J). Refers to
 registrations; gives difference between the two
 bills.

117 CHAIR: This bill will not leave this desk without that in there in
 there. There was a misunderstanding. Addresses
 reconciliation between the two bills. We will make a clarification and
 refers to security other than a bond. My
 understanding is that when the reconciliation is done, that will be
 included in this. Our idea is not to put people out of
 business but provide security for them.

140 SEN. LIM: What is the rationale of 24 months? Seems to me you would
 put them out of business. Refers to Page
 Four, Subsection Five.

147 DONHEFFNER: That is discretionary. It is similar to the existing
 24-month ineligibility period in the existing law.

159 GINNY VANLOO: Supports written testimony in support of the bill
 (EXHIBIT D). Was on the advisory board.

199 SEN. LIM: How much will it cost for the combined liability insurance?

234 PATRICIA O'SULLIVAN, Department of Consumer and Business Services:
 Explains specifics of the bill. This is
 a lower bond for the smaller business. Supports the A Engrossed version.

249 BRUCE GREENE, Oregon Outdoors Association: Submits written testimony in
 support of HB 2093-A
 (EXHIBIT F). Supports with recommended amendments. Not our intent to
 water down the Marine Board
 recommendations. Refers to:
 --various groups;
 --decline of timber industry;
 --professionalism;
 --supporting marine boards intent;
 --rumors and misinformation.

292 RICK WREN: Submits written testimony in support of the bill (EXHIBIT
 G). Refers to:
 --competency testing for the outfitters guides;
 --teeth in statutes;
 --accountability;
 --expanding of authority of marine board;
 --suspension and revocation of licenses;
 --opinion of advisory committee.

350 ROGER TUERS, Oregon State Police: Submits written testimony in support
 of the bill. (EXHIBIT H).
 Enforcement encourages partnership with industry. Refers to water
 boundaries issues; reciprocity with Idaho on the
 Snake River; recognition of guides.

420 BOB RAFALOVICH, Rogue Wilderness: Testimony in opposition to the bill.
 In the outfitting industry since mid-
 1970's. States the bill is very controversial within the industry. The
 Executive Board supports, the membership at its
 annual meeting of guides and packers did not. Lists other groups who voted
 not to support it. Refers to broad,
 sweeping language of Section four.

450 CHAIR: States that section clearly needs some revision.

TAPE 94, SIDE B

012 RAFALOVICH: Voices concern regarding the advertising section.

020 SEN. DUKES: Is this becoming a buyer beware situation?

030 RAFALOVICH: No. We have really not had much of a problem in this
 industry. Someone is trying to fix something
 that isn't broken. We got caught up in the bonding issue; that was not
 intended for us, it was realized after the legislation
 was passed. We do operate trips; that made us tour operators; that's kind
 of where this whole thing got started. Those of
 us who have Federal permits; if you have a small infraction they revoke or
 suspend your license; the agencies will
 reciprocate and remove your operating permit. I have 30 people who depend
 on me.

045 RAFALOVICH: Our concern is that the language is so broad and we don't
 know what is going to come out of the
 administrative process in terms of how they are going to give the Marine
 Board a blank check.

060 SEN. DUKES: We do that in most industries.

074 SEN. DERFLER: I would be interested in some suggestions you might have.

061 CHAIR: Would like a week to work on language that would treat people fairly on this bill.

090 B. A. HANTEN, Rogue River Raft Trips: Testimony in opposition to HB 2093
(EXHIBIT K). Has been in the industry for 30 years; can only remember three instances of not delivering on trips.
Refers to:
--how the Marine Board will administer;
--guilty until we prove ourselves innocent.
--other industries; rights and processes;
089 --business holding by a \$50 thread cut by an administrator without the legal system this country was founded on. The rest of country is moving to less legislation; this bill is out of step.
--suggests changes to the bill.

104 SEN. MCCOY: Name five regulations you are overcome with.

111 HANTEN: We have all of the same game and fish regulations that everyone else does. We also have all the regulations on the rivers that these people are trying to impose on us right now by the Federal government. We follow them all.

118 SEN. MCCOY: Everyone is talking about all the regulation imposed on them as if they don't want any regulation at all.

130 HANTEN: We certainly don't need any of these.

146 SEN. DERFLER: Do you have a problem with certificates of recognition?

151 HANTEN: There is ID on everybody's boat right now, including BLM and Forest Service. Now they want them on all of our boats. What are we going to put on these decals?

198 SEN. DERFLER: Do you have a problem with the insurance going to \$300,000 total?

199 HANTEN: I already have a million dollars insurance anyway.

200 SEN. DERFLER: What about reciprocity?

201 HANTEN: Reciprocity would probably be good for about two percent of the people and the rest of us would be punished because of it. I don't think it is a reason for this bill.

204 SEN. LIM: I believe this gentleman is trying to say is that he is not against regulation, but over-regulation; being overly regulated out.

220 BILL INKROTE, Inkrote Guide Service: I think we keep adding stuff. I have my Marine Board decal on my boat; I have my Forest Service and BLM numbers on my boat. Who is going to enforce this? States they have lost thirty sheriffs, including the Marine Board officer on the river and only have one enforcement officer down there. Where is the money going to come from to enforce all this?

225 SEN. DUKES: Refers to testimony during last session from people saying there were boats that were carrying ten when they were only legal to carry eight passengers. It gave the consumer the ability to look and make sure they were carrying.....

240 INKROTE: My boat is legal to carry three and the Marine Board sticker says I can carry six.

242 SEN. DUKES: It is not just for enforcement.

244 INKROTE: In our county we have thirty deputies being laid off as of May 1, and one of them is our Marine officer. Who is going to take care of this?

260 HANTEN: Refers to difference between inflatable versus other types of water craft. He manufactured and sold inflatable boats for well over 20 years. The number of people a boat might hold differs. Refers to high water, low water, large or small load. I would say the Marine Board would not be qualified to put the information on these stickers for inflatable boats.

270 SEN. DUKES: I assume, however, there is a maximum number you wouldn't

put in a boat under any circumstances?

272 HANTEN: That is very true, and it would probably be about half of what a lot of other people would put on that would be just as legal as I was. That is an opinion, not a fact.

280 CHAIR: If anyone wants to yield their time, that would be fine.

MARY LOU THOMASON, yields her time.

281 MIKE MCLUCAS: Testimony in opposition to the bill. Gives qualifications; forty years experience. The reciprocity is important to Columbia and Snake rivers, fair, equitable, necessary.

Refers to:

--stickers; guides themselves went to Feds to help distinguish from non-permitted, illegal industry;
--insurance outfitters;
300 --super agency; ethics dictated by Marine Board; committing or omitting;
--administrative mix;
--folderol and Marine Board;
360 --For lesser violations I think it is totally inappropriate for the state to step in and talk about ethics and professionalism and throw it into an administrative mix where any agency can find whatever reason they want to question the validity of a permit on the Deschutes or whatever, and then all other agencies follow suit.

--24 months;
--conviction of criminal defense;
--illegal outfitters; always have been, always will be;
--help for the courts; Page Six;
--sharing trip cost and expenses used as a legal loophole to get thrown

out;

--Section Four;
415 fraudulent advertising.

SEN. DERFLER: On question on advertising, how would you put it?

420 MCLUCAS: The same as you would word it for any other business or profession. There are acceptable standards of what is fraudulent or misleading in the law now. Just hold industry to the standard that is in the law now. If they are convicted in civil court, that is reasonable. But make it a conviction, not an administrative process where someone can question it, and their ticket is held back pending a resolution of that issue. If you are convicted, the courts have had their day and you have had yours.

TAPE 95, SIDE A

004 MCLUCAS: Let the courts do their job and let the agencies deal with the results of the courts, if you will.

004 GERALD PRINGLE: A guide for 25 years. Most of his concerns addressed already by RAFALOVICH AND HANTEN. Addresses stickers on boats; Tillamook Guides and Packers.

020 TERRY O'CONNORS: Testimony in opposition to the bill. Gives qualifications; guide for 20 plus years. Refers to illegal guides, licensing, bonding and Marine Board power.

036 DON STEVENS, Orange Torpedo Trips: Submits written testimony in opposition to the bill (EXHIBIT L). Also addresses HB 2647 regarding bond; jurisdiction of Marine Board and exclusions.

056 CHAIR: We will have a 20-minute hearing a week from Thursday.

CHAIR: Disagrees regarding comments on bonds; asks PAT O'SULLIVAN, Department of Consumer and Business Services to address the bond provisions.

PAT O'SULLIVAN, Department of Consumer and Business Services: Explains the bond provisions.

084 STEVENS, Testimony on HB 2093: The list given to you was accumulated in the last seven days. The vote was not presented to the general membership. Refers to: putting all faith in Administrative rules process; legislative intent and where the law will lead to ten years from now. Refers to having 300 boats and how utilized; decals; and Federal ID regulations.

118 CHUCK MESSNER: In support of the bill. Refers to:
--input from advisory;
--Marine Board mailing to every registered guide;
--enforcement issue;
--public help with the enforcement issue;
--game violations; marine board.

137 CHAIR: I cannot completely set a firm date for you for next meeting. You have the right to send letters, phone, etc. I will be working on what I can do to have amendments. Hopefully we will be prepared to vote both up or down.

CHAIR: Closes PUBLIC HEARING on HB 2093 A and HB 2647 A.

CHAIR: Adjourns at 5:05 p.m.

Submitted by, Reviewed by,

Carol A. Smith Darrell W. Fuller
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Testimony on HB 2099 A, Jeff Svejcar - 2 pages
B - Testimony on HB 2217, Tom Wrosch, Corporation Division, Secretary of State - 2 pages
C - Testimony on HB 2093 A, Joe Rohleder - 1 page
D - Testimony on HB 2093 A, Ginny VanLoo - 1 page
E - Testimony on HB 2093-A, submitted, on behalf of James Mutney, Jr. - 1 page
F - Testimony on HB 2093 A, Bruce Greene - 1 page
G - Testimony HB 2093 A, Rick Wren - 2 pages
H - Testimony on HB 2093 A, Lieutenant Roger Tuers - 3 pages
I - Testimony on HB 2093 A, Paul Donheffner, State Marine Board - 4 pages
J - Testimony on HB 2647, Paul Donheffner, State Marine Board - 1 page
K - Testimony on HB 2093 A, B. A. Hanten, Rogue River Raft Trips, Inc. - 1 page
L - Testimony on HB 2093 A, Don Stevens, Orange Torpedo Trips, Inc. - 5 pages
M - Testimony on HB 2093 A, Irvine L. Urie, River Trips Unlimited - 3 pages
N - Testimony on HB 2093 A, Bob Zagorin, Oregon Outdoors Association - 1 page, and assorted commercial material.
O - Testimony on HB 2093 A, Michelle M. Hanten, Rogue River Lodge - 1 page
P - Testimony on HB 2093 A, Mel Norick, River Adventure Float Trips - 2 pages
Q - Proposed amendments to SB 895, Bill Cross - 3 pages
R - Proposed amendments to HB 2093-A, Sen. Bill Kennemer -1 page
S - Proposed amendments to HB 2647-A, Sen. Bill Kennemer - 1 page
T - Proposed amendments to HB 2647-A, Sen. Bill Kennemer - 1 page