

HOUSE COMMITTEE ON COMMERCE

July 9, 1993 Hearing Room E 8:30 a.m. Tapes 80-81

MEMBERS PRESENT: Rep. Eldon Johnson, Chair Rep. Liz VanLeeuwen,
Vice-Chair Rep. Lee Beyer Rep. Lisa Naito Rep. Michael Payne Rep. Bob
Repine Rep. Hedy Rijken Rep. Charles Starr Rep. Bob Tiernan Rep. John
Watt Rep. Cynthia Wooten

STAFF PRESENT: Marilyn Johnston, Committee Administrator Janet
McComb, Committee Administrator Annetta Mullins, Committee Coordinator

MEASURES CONSIDERED: HB 3407A - Work Session SB 998B - Public
Hearing SB 693A - Public Hearing

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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. [--- Unable To Translate
Graphic ---]

TAPE 80, SIDE A

003 CHAIR JOHNSON calls the meeting to order at 11:05 a.m. and opens
the work session on HB 3407A.

HB 3407-A - WORK SESSION

Witness: Rep. Tony Van Vliet

The Preliminary Staff Measure Summary, HB 3407-A5 amendments and
Legislative Fiscal and Revenue statements are hereby made a part of
these minutes (EXHIBIT A).

004 REP. VAN VLIET speaks in support of proposed amendments to HB 3407
A.

MOTION: REP. REPINE moves that the committee reconsider the vote by
which HB 3407-A was passed by the Committee.

VOTE: In a roll call vote, REPS. PAYNE, REPINE, RIJKEN, STARR, WATT,
WOOTEN and CHAIR JOHNSON vote AYE. REPS. BEYER, NAITO, TIERNAN and
VANLEEUVEN are EXCUSED.

MOTION: Rep. Rijken moves that the HB 3407-A5 amendments be adopted.

032 VOTE: By voice vote, the motion passes. REPS. BEYER, NAITO,
TIERNAN and VANLEEUVEN are EXCUSED.

032 MOTION: REP. RIJKEN moves that HB 3407 A-Eng., as amended,
be sent to the Floor with a DO PASS recommendation and that the
subsequent referral to Appropriations be rescinded.

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

REPS. BEYER, NAITO and TIERNAN are EXCUSED.

043 CHAIR JOHNSON declares the motion PASSED. REP. VAN VLIET will lead discussion on the Floor.

(Tape 80, Side A) SB 998B - PUBLIC HEARING

Witnesses: Sen. Bill Kennemer Arthur Knori, Gresham Police Chief Rob Wiltse, Wiltse's Towing Al Elkins, Oregon Tow Truck Association Captain James Stevenson, Oregon State Police

044 CHAIR JOHNSON opens the public hearing on SB 998 B-Eng.

The Preliminary Staff Measure Summary, ORS 806.010 and 819.180 and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT B).

052 SEN. BILL KENNEMER submits a prepared statement and information on operation of a similar program in Gresham. He reads his prepared statement in support of SB 998 B-Eng. (EXHIBIT C).

185 REP. RIJKEN: How will we know whether this is working and whether it accomplishes what is intended?

SEN. KENNEMER: Believes all police departments will be keeping records and reports will be available next session. Issues discussed: >Effect on rural areas. >Ability of law enforcement to determine if card showing coverage is valid. >Costs and recovery of towing costs of impounded vehicles.

327 ARTHUR KNORI, POLICE CHIEF, CITY OF GRESHAM: The average value of seized vehicles was between \$1,400 and \$1,800; others are more valuable.

370 ROB WILTSE, Wiltse's Towing, Salem: Recovery of costs has not been a burden on the towing companies.

TAPE 81, SIDE A

045 CHIEF KNORI summarizes the history and reasons for the Gresham ordinance on impoundment of uninsured vehicles. >Gresham has impounded over 1,000 vehicles; only two have been contested. >Impoundment instead of seizing vehicles is a more humane way of making people comply.

090 Issues discussed: >Fees for hearing process would be about \$125 >Utilization of private towing companies >Average of towing fees in Portland is \$57 >Unclaimed vehicles remaining in impoundment >Process of notifying the owner of the vehicle and mechanics lien process

155 AL ELKINS, Oregon Tow Truck Association, advises the committee that the maximum time a vehicle may be stored is dependent upon the procedure they go through for the lien process. The average is \$8 storage per day.

170 CAPTAIN JAMES STEVENSON, Oregon State Police, submits and summarizes a prepared statement in support of SB 998 (EXHIBIT D).

173 CHAIR JOHNSON closes public hearing on SB 998 and opens the public hearing on SB 693.

(Tape 81, Side A) SB 693-A - PUBLIC HEARING

Witnesses: Sen. Mae Yih Eileen Rasmussen, Family Home Child Care providers Sue Kramer, family child care provider Barbara Pettit, President, Child Care Connections Kaye Carpenter, small family day care providers Rebecca Burdett, Owner\Director, Carousel Childcare & Preschool Kim Parker, Commission for Child Care Tom Erwin, Oregon Insurance Consumer Advocate Larry Culbertson, Department of Insurance & Finance

The Preliminary Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT E).

193 SEN. YIH submits a prepared statement and copy of a letter from the Senate Human Resources Committee to the Child Care Commission. She reads her statement in support of SB 693 (EXHIBIT F).

265 EILEEN RASMUSSEN, representing Family Home Child Care providers, submits and reads portions of a prepared statement in support of SB 693 (EXHIBIT G).

362 REP. WATT advises the witnesses that he has received many phone calls from his district and supports the bill.

345 REP. TIERNAN: Insurance companies could choose not to cancel a policy, but increase the premium.

363 SEN. YIH: That is why the Senate Human Resources Committee wanted this to be monitored and if affordability becomes a problem, it would be reported to the Insurance Division. The CCC has asked to have a work group; the group would include the Insurance Division, CSD and the day care providers to work together in case there are situations such as rate increases.

Summary of discussions: >providers are not opposed to insurance companies writing liability exclusions in homeowner policies.

TAPE 80, SIDE B

005 SUE KRAMER, family child care provider, Salem, comments she would be willing, should SB 693 pass, to meet with providers and insurance companies to make sure that both are protected.

012 REP. TIERNAN advises the witnesses that he does not read the bill to say that insurance companies could write exclusions for a child care business in a homeowner policy.

SEN. YIH responds that insurance companies are now writing exclusions.

034 BARBARA PETTIT, President, Child Care Connections, submits a prepared statement, a policy cancellation notice and letters and reads her prepared statement in support of SB 693 (EXHIBIT H).

068 KAYE CARPENTER, representing small family day care providers, submits and reads a prepared statement in support of SB 693 (EXHIBIT I).

093 REBECCA BURDETT, Owner\Director, Carousel Childcare & Preschool, Medford, submits a prepared statement and supporting letters (EXHIBIT J) and speaks in support of SB 693.

180 KIM PARKER, Commission for Child Care, submits a prepared statement and speaks in support of SB 693 (EXHIBIT K).

187 TOM ERWIN, Oregon Insurance Consumer Advocate, speaks in support of SB 693 and advises their office will work with everyone to make sure they know what insurance is available.

201 REP. VANLEEUEWEN inquires about what has lead to this situation of insurance companies refusing to issue or cancel policies.

LARRY CULBERTSON, Department of Insurance and Finance, responds that to his knowledge there is no record; it would only be speculation. Insurance companies look at day care as a business exposure. Some insurance companies offer a day care endorsement; each company has its own standards.

287 SEN YIH requests that Mr. Culbertson respond to Rep. Tiernan' question whether there is statutory language prohibiting insurance companies cancelling homeowner insurance.

298 MR. CULBERTSON: For homeowner policies, there is a requirement that an insurance company give 30 notice of cancellation or intent to not renew. There are no prohibitions against cancelling a homeowner policy other than some discriminatory reasons found in administrative rules. Personal and commercial auto insurance and commercial liability insurance all have cancellation prohibitions statutorily after a policy has been in force two months; it is three months in auto and commercial liability insurance. They cannot cancel, but they can refuse to renew the policy at the end of the policy term.

318 SEN. YIH, in summary, advises the committee it is important to have a work group to monitor to make sure policies are available at an affordable price and to make recommendations to the next legislative session.

343 CHAIR JOHNSON closes the public hearing on SB 693 and declares the meeting adjourned at 12:28 p.m.

Respectfully submitted, Reviewed by,

Reviewed by,

Annetta Mullins
McComb

Marilyn Johnston Jan

EXHIBIT SUMMARY

A - HB 3407, Preliminary Staff Measure Summary, -A5 amendments and Legislative Fiscal and Revenue statements, staff B - SB 998, Preliminary Staff Measure Summary, ORS 806.010 and 819.180 and Legislative Fiscal and Revenue statements, staff C - SB 998, prepared statement and program information from Gresham, Sen. Kennemer D - SB 998, prepared statement, Captain James Stevenson E - SB 693, Preliminary Staff Measure Summary and Legislative Fiscal and Revenue statements, staff F - SB 693, prepared statement, Sen. Mae Yih G - SB 693, prepared statement, Eileen Rasmussen H - SB 693, prepared statement, cancellation notice and letters, Barbara Pettit I - SB 693, prepared statement, Kaye Carpenter J - SB 693, prepared statement and supporting letters, Rebecca Burdett K - SB 693, prepared statement, Kim Parker