

HOUSE COMMITTEE ON COMMERCE

July 21,  
8:00 a.m. Tapes 86 - 87

1993 Hearing Room D & 357

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: SB 955 A - Work Session SB 82 A - Work  
Session HB 2045 A - Work Session HB 2552 - Work Session

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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 86, SIDE A

002 CHAIR JOHNSON calls the meeting to order at 8:08 a.m. and opens  
the work session on SB 955 A.

SB 955 A - WORK SESSION

022 SEN. CATHERINE WEBBER advises the committee that current law does  
not

require proof of insurance to be in the vehicle; it does require that a  
person indicate on their application for registration that the person  
has insurance and give the policy number. It is a Class B misdemeanor

to drive uninsured and a person can be fined up to \$250. There is no  
data base anywhere on whether a person has insurance and because people  
are not required to keep proof in the vehicle, there is no way for the

police to know if a person has insurance. The amendments (EXHIBIT A)  
address a list of problems identified by the work group consisting of  
Gary Weeks of DIF, the insurance lobby and DMV.

SEN. WEBBER submits a packet of materials relating to uninsured  
motorists and speaks to the \$1,000,000,000 Problem and "The 7 cent  
Solution" (EXHIBIT B) and to the amendments (EXHIBIT A). >information  
could only be used for purposes of the bill.

060 REP. VAN LEEUWEN questions if the information (page 1, (2) of the  
SB 955-A5 amendments) would be available to others.

060 REP. NAITO suggests that "insurers" be deleted instead.

068 SEN. WEBBER continues explaining the SB 955-A5 amendments.

120 GARY WEEKS, DIF, suggests rewording amendment to restrict who may

access the records. If it were provided to a competitor it would be for commercial purposes; someone may request the list and say it is not for a commercial purpose.

133 REP. NAITO suggest that a member of the public who had been involved in an accident have access to the information.

141 REP. VANLEEUEWEN suggests that the SB 955-A5 amendments be amended on page 1, line 24, to include individuals.

148 REP. TIERNAN: If the police calls in license plate number, they could also get information to see if it is insured. Not having insurance would be having probable cause to pull the car over. Why not require everyone to carry card in car just like registration and if they don't

have a card, they are issued a citation.

177 SEN. WEBBER: It is covered in Section 1. If we can get the electronic system set, it would be more efficient and effective.

184 MR. WEEKS: I can buy insurance and cancel it the next day, but I have a card. The card doesn't mean a lot. The on-line immediate data is intended to catch those who circumvent the system by buying insurance and cancelling it immediately.

200 REP. TIERNAN: If I cancel one insurance and the new company doesn't enter the info in the system, I would feel trapped in the state computer system. That happens too often in too many areas to give me a complete faith that the state master computer will have all the information in it.

205 MR. WEEKS: There is some lag time and you would be able to change insurance companies. There are, however, lags. This doesn't have the

sanctioning; it is possible to build in some opportunity for the driver or owner to provide subsequent proof they have insurance.

231 SEN. WEBBER: The system, as envisioned, would send a notice back to the insurance company to verify the transaction. Also the Division of Motor Vehicles has rule making authority and we contemplate that would be minimized. There is currently a system in workers comp and we feel this can be worked out in the three-year time period.

235 REP. TIERNAN: Who pays for an error if the person is insured?

253 TONY DELORENZO, Department of Motor Vehicles: We pay if we have made a mistake. 250 REP. BEYER: You are envisioning an automated system which some police departments can access from their cars. The amendments say the new insurer would update within 15 days. Some insurance companies may not

be that efficient.

278 SEN. WEBBER: You can go into the computer and put in fields that won't respond to information until the appropriate time period has lapsed. Also, people may want to keep their old insurance card. I don't feel it will be that inaccurate. We have another legislative session before this goes into effect to see what kinds of rules are developed.

319 MR. WEEKS: Access to the duplicate copies of drivers licenses is restricted and the same language as in ORS 807.115 could be adapted. It could say, "The information provided to the division by insurers may not be made available to anyone other than law enforcement officials and employees of the division acting in an official capacity."

332 CHAIR JOHNSON: Would that leave the Insurance Division out?

333 MR. WEEKS: I would expect it would, but I am not sure to what extent we would want to access the information.

SEN. WEBBER: I think the sense of the Joint Data Processing Committee it was not a technology issue.

348 SEN. WEBBER reviews data provided in packet (EXHIBIT B), and submits and reviews "Insurance Information Data Flow" chart (EXHIBIT C).

421 REP. VAN LEEUWEN asks if everyone has met and whether they have agreed upon a solution.

438 MR. WEEKS: A group did meet. The results of the meeting could not be

characterized as an agreed-up solution. There are some smaller companies, including some Oregon domestic companies, that may have more problems in complying with this right away than the larger ones. That

is why Sen. Webber is proposing to amend the bill to include "\$20 million worth of premium." This electronic transfer applies in March 1996 for companies with \$20 million in premium or greater; that is six

companies that do business in Oregon and it represents about 65 to 70 percent of the business. There is another year for the smaller companies to accommodate the change. The other concerns are in the proposed amendments.

TAPE 87, SIDE A

037 REP. WOOTEN: The compromise goes a long way in dealing with the problems and would like to thank everyone who participated. It would be useful in our concern of putting an obstruction in the way of uninsured motorists.

046 REP. BEYER: Is this similar to other insurance systems in the state?

MR. WEEKS: Worker compensation companies are moving in that direction; we don't have a full electronic system, but the over 300 companies in the state report information about policy cancellations, etc. The only automated system is the one between the department and SAIF.

060 CHAIR JOHNSON announces that the committee will recess at 9:00 a.m. until 4:00 p.m. and at that time will look at a hand-engrossed bill. Staff can make the changes in the amendments that have been suggested.

The Preliminary Staff Measure Summary is hereby made a part of these minutes (EXHIBIT D).

086 CHAIR JOHNSON closes the work session on SB 955 A and opens the work session on SB 82 A.

(Tape 87, Side A) SB 82 A - WORK SESSION

The Preliminary Staff Measure Summary, SB 82-A2 amendments, SB 82-A3 amendments and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT E).

091 REP. WOOTEN explains that the bill would increase the authority for issuance of special public works bonds for infrastructure purposes from \$100 to \$200 million. Amendments have been proposed by the Treasurer's office and Port of Portland that would allow for interest rate swapping. It would be the very large organizations. It outlines the means by which it could occur and the risks that would be mitigated in these kinds of transaction.

149 BETTY CARNGRASS, Economic Development: The amendments do not effect the Special Public Works Fund and we have no comment on them.

154 MARILYN JOHNSTON, Administrator, explains the A-3 amendments have an addition of "school districts" to the definition of local governments;

that is the only change from the A-2 amendments.

166 REP. WOOTEN: I have looked very carefully at the A-3 amendments and feel they are tight enough to protect the public interest in addition to allowing us to extend ourselves to maximize resource opportunities.

190 MOTION: REP. BEYER moves that the SB 82-A3 amendments BE ADOPTED.

192 VOTE: In a roll call vote REPS. BEYER, NAITO, REPINE, RIJKEN, STARR, WOOTEN, VANLEEUEWEN and CHAIR JOHNSON vote AYE. REP. TIERNAN votes NO. REPS. PAYNE and WATT are EXCUSED.

198 MOTION: REP. BEYER moves that SB 82 A, as amended, be sent to the Floor with a DO PASS recommendation.

202 VOTE: In a roll call vote, REPS. BEYER, NAITO, REPINE, RIJKEN, STARR, WOOTEN, VANLEEUEWEN and CHAIR JOHNSON vote AYE. REP. TIERNAN votes NO. REPS. PAYNE and WATT are EXCUSED.

207 CHAIR JOHNSON declares the motion PASSED. REP. WOOTEN will lead discussion on the Floor.

(Tape 87, Side A) HB 2045 A - WORK SESSION.

The Preliminary Staff Measure Summary is hereby made a part of these minutes (EXHIBIT F).

211 CHAIR JOHNSON opens the work session on HB 2045 A and explains members had concerns about the penalties proposed in the A-engrossed bill. In

line 27, page 1, the penalty was raised from \$1,000 to \$2,500 and on page 2, line 2, the penalty was raised from \$25 per day to \$250 per day.

The Chair proposed that the original penalties be reinstated in the bill and leave the language on page 3 in place; the division says they can live with that.

253 MOTION: REP. REPINE moves that the Committee Rules be suspended to allow the committee to reconsider HB 2045 A-Engrossed.

251 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. WATT and PAYNE are EXCUSED.

253 MOTION: REP. REPINE moves that the Committee reconsider the vote by which HB 2045 was passed.

261 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. WATT and PAYNE are EXCUSED.

262 MOTION: REP. REPINE moves that the vote by which HB 2045 A-Engrossed was passed be reconsidered.

262 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. WATT and PAYNE are EXCUSED.

266 MOTION: REP. REPINE moves that the Committee Rules be suspended to allow the Committee to adopt amendments to HB 2045 A-Engrossed.

267 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED.

268 MOTION: REP. REPINE moves that HB 2045 A-Engrossed be amended:

On page 1, line 27, delete "\$2,500" and restore "\$1,000" and on page 2, line 2, delete "\$250" and restore "\$25".

278 REP. REPINE explains that the new language in bold on page 3 of the A-Engrossed bill would remain.

282 CHAIR JOHNSON advises the members there are over 1,000 non-complying employers which cost the other employers in the state about \$7 million

last year by their not paying premiums, and that the agency says this will help them deal with non-complying employers. They would like to have the bill move with the language on page 3.

309 REP. TIERNAN comments until the law is cleared up about who is covered in the construction industry, he would not want employers, whether they are general contractors or small independents, being socked for \$250 a

day because they have a legitimate beef about whether they are covered or not.

320 REP. VANLEEUEWEN comments that she feels the language on page 3 will get compliance faster, rather than having the big stick.

333 VOTE: In a roll call vote, all members present vote AYE. REPS. WATT and PAYNE are EXCUSED.

340 MOTION: REP. REPINE moves that HB 2045 A-Eng., as amended, be sent to the Floor with a DO PASS recommendation.

344 VOTE: In a roll call vote, all members present vote AYE. REPS. WATT and PAYNE are EXCUSED.

350 CHAIR JOHNSON declares the motion PASSED. Chair Johnson will lead discussion on the Floor.

353 CHAIR JOHNSON declares the meeting in recess at 9:01 a.m. until 4:00 p.m.

TAPE 86, SIDE B

003 CHAIR JOHNSON reconvenes the meeting at 4:10 in Hearing Room 357 and announces the committee will only consider SB 955 A and HB 2552.

HB 2552 - WORK SESSION

The Preliminary Staff Measure Summary, HB 2552-3 amendments proposed by Sen. Dwyer, and the Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT G).

012 JAN MCCOMB, Administrator, explains the history of committee activities and that Sen. Dwyer has proposed amendments (EXHIBIT G) which say the manufacturer is responsible for putting a sticker on the product stating that technical support or service is provided through an information delivery system, a 1-900 number; the costs would be visible to the consumer.

025 REP. NAITO: My feeling was the retailer is not in a position to know how the service is provided. The best way would be to have the manufacturer put it on the product. The manufacturers could be notified of their responsibilities by the Attorney General's office.

045 Issues discussed: >fiscal impact of consumer legislation on Attorney General's office >enforcement by AGs office is discretionary

061 MOTION: CHAIR JOHNSON moves that the Committee Rules be suspended to allow the committee to adopt amendments.

062 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. BEYER, RIJKEN and TIERNAN are EXCUSED.

064 MOTION: REP. NAITO moves that the HB 2552-3 amendments BE ADOPTED.

074 Issues discussed: >whether attorney general should notify manufacturers of obligations >rights and remedies for consumers under Unfair Trade Practices Act. >fiscal impact on attorney general's office.

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

124 CHAIR JOHNSON declares the motion PASSED.

126 MOTION: REP. NAITO moves that HB 2552, as amended, be sent to the Floor with a DO PASS recommendation.

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

139 CHAIR JOHNSON declares the motion PASSED. REP. NAITO will lead discussion on the Floor.

(Tape 86, Side B) SB 955 A - WORK SESSION

145 CHAIR JOHNSON reopens the work session on SB 955 A and announces that he has received a request for the committee to send the bill to Appropriations B.

151 JAN MCCOMB explains the hand-engrossed bill containing the SB 955-A5 amendments as would be amended pursuant to the discussion in work session earlier (EXHIBIT H), and advises the committee that Sen. Webber has received a request for an additional amendment (EXHIBIT I). 180

MOTION: REP. VAN LEEUWEN moves that on page 2 of the hand-engrossed bill (EXHIBIT H) delete the first 14G through 14I

lines.

182 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. BEYER, RIJKEN and TIERNAN are EXCUSED.

194 MOTION: REP VAN LEEUWEN moves that the hand-engrossed bill be

amended: that the second 14G through 14I and the addition to line 14I as proposed by Sen. Webber (EXHIBIT I) BE ADOPTED.

196 VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. BEYER, RIJKEN and TIERNAN are EXCUSED.

202 Issues discussed: >target date for startup is March 1996; they can start talking about protocols, software and other requirements now. >gap in information because smaller companies would not be on-line

254 MOTION: REP. WOOTEN moves that the SB 955-A5 amendments, as amended in the hand-engrossed bill BE ADOPTED.

VOTE: CHAIR JOHNSON, hearing no objection to the motion, declares the motion PASSED. REPS. BEYER, RIJKEN and TIERNAN are EXCUSED.

260 MOTION: REP. WATT moves that SB 955 A-Eng, as amended, be sent to Appropriations B with a DO PASS recommendation.

287 VOTE: In a roll call vote, REPS. NAITO, PAYNE, STARR, WATT, WOOTEN, VANLEEUEWEN and CHAIR JOHNSON vote AYE. REP. REPINE votes NO. REPS. BEYER, RIJKEN and TIERNAN are EXCUSED.

292 CHAIR JOHNSON declares the motion PASSED.

296 REP. REPINE, Chair of the Business Subcommittee presents to Rep. VanLeeuwen her committee services awards because she was not present at

the previous presentation session.

336 CHAIR JOHNSON declares the meeting adjourned at 4:34 p.m.

Respectfully submitted,  
by,

Reviewed by, Reviewed

Annetta Mullins  
McComb Coordinator

Marilyn Johnston Jan  
Administrator Administrator

#### EXHIBIT SUMMARY

A - SB 955, SB 955-A5 amendments, Sen. Webber, 2 pp B - SB 955, uninsured motorists information, Sen. Webber, 7 pp C - SB 955, flow chart, Sen. Webber, 1 p D - SB 955, Preliminary Staff Measure Summary, staff, 1 p E - SB 82, Preliminary Staff Measure Summary, SB 82-A2 amendments, SB 82-A3 amendments, Legislative Fiscal and Revenue Impact statements, 18 pp F - HB 2045, Preliminary Staff Measure Summary, 1 p G - HB 2552, Preliminary Staff Measure Summary, HB 2552-3 amendments, Legislative Fiscal and Revenue Statements, 4 pp H - SB 955, hand-engrossed bill, staff, 2 pp I - SB 955, proposed amendments to hand-engrossed SB 955 A, Sen. Webber, 1 p