

SENATE COMMITTEE ON BUSINESS, HOUSING, AND CONSUMER AFFAIRS

February 3, 1993 Hearing Room 343 3:00 p.m. Tapes 8 - 9

MEMBERS PRESENT: Sen. Peg Jolin, Chair Sen. Bill Kennemer, Vice-Chair
Sen. Brady Adams Sen. Ron Cease Sen. Bill Dwyer

MEMBER EXCUSED:

VISITING MEMBER:

STAFF PRESENT: Cherie Copeland, Committee Administrator Richard
Day-Reynolds, Committee Assistant

MEASURES Work Session: CONSIDERED: SB 145 -
Restructures advisory boards to assist with specialty building
codes. For the purpose of possible referral to
another committee.

SB 167 - Creates Department of Consumer and Business
Services. For the purpose of possible referral to
another committee.

Public Hearing and Possible Work Session:

SB 150 - Eliminates State Banking Board. SB 163 - Deletes regulation of
savings associations. SB 164 - Repeals Sale of Checks Act.

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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 8, SIDE A

016 CHAIR JOLIN: Calls the meeting to order at 3:04 p.m.

(Tape 8, Side A) SB 145 - RESTRUCTURES ADVISORY BOARDS TO ASSIST WITH
SPECIALTY BUILDING CODES - WORK SESSION SB 167 - CREATES DEPARTMENT OF
CONSUMER AND BUSINESS SERVICES - WORK SESSION Witness(es): Diana McCoy,
Staff, Oregon Senate President's Office

020 DIANA MCCOY, STAFF, OREGON SENATE PRESIDENT'S OFFICE: SB 145 and
SB 167 were sent to this committee by mistake. Request they be returned
to the President's office for referral to Labor Committee.

034 CHAIR JOLIN: The bills will get full hearings in Sen. Smith's committee.

040 SEN. KENNEMER: Will SB 167 retain the subsequent referral to Trade and Economic Development?

042 McCOY: Yes, it will.

044 CHAIR JOLIN: This will allow participation for all who wish to do so.

048 SEN. DWYER: [QUOTE] "I question this mistake." I'm comfortable with the bills going to Labor.

057 MOTION: Sen. Dwyer moves the bills be sent back to the President's desk for re-referral.

060 CHAIR JOLIN: Hearing no objections, SO ORDERED.

(Tape 8, Side A) SB 150 - ELIMINATES STATE BANKING BOARD - PUBLIC HEARING Witness(es): Cherie Copeland, Committee Administrator Cecil Monroe, Department of Insurance and Finance Geoff Guilfooy, Department of Insurance and Finance

071 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: The state has no real authority over banks, and consequently there is no need for statutes.

SB 150 would eliminate State Banking Board and eliminate references to it throughout statutes.

081 CHAIR JOLIN: This bill has subsequent referral to Trade and Economic Development.

087 GEOFF GUILFOY, DEPUTY DIRECTOR, DEPARTMENT OF INSURANCE AND FINANCE: Introduces CECIL MONROE, ADMINISTRATOR OF DIVISION OF FINANCE AND

CORPORATE SECURITIES, DEPARTMENT OF INSURANCE AND FINANCE. Continuing, Guilfooy states that SB 150, SB 163, and SB 164 have all been introduced by the Department of Insurance and Finance (DIF) in response to the

Governor's instructions to agencies to review allocation of resources.

SB 150 eliminates State Banking Board (SB B). We met with SB B and they voted to abolish themselves.

111 MONROE: Supports the measure. Reads from (EXHIBIT A).

(Tape 8, Side A) SB 150 - ELIMINATES STATE BANKING BOARD - WORK SESSION

142 MOTION: Sen. Dwyer moves to send SB 150 to Trade and Economic Development (Government Reorganization and Reinvention) with a do pass recommendation.

VOTE: The motion passes 5 - 0.

(Tape 8, Side A) SB 163 - DELETES REGULATION OF SAVINGS ASSOCIATIONS -

PUBLIC HEARING Witness(es): Cherie Copeland, Committee Administrator
Cecil Monroe, Department of Insurance and Finance Dave Barrows, Oregon
League of Financial Institutions

168 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: SB 163 eliminates
the regulation of savings associations. There is only one
state-chartered

savings and loan in Oregon and it will convert to federal regulation in
March.

175 SEN. ADAMS: Declares a potential conflict of interest as a
president of a savings and loan.

178 CHAIR JOLIN: So noted.

179 CECIL MONROE, DEPARTMENT OF INSURANCE AND FINANCE: Down to one
state -chartered savings and loan, and that savings and loan is in the
process of converting to a federal charter. It's questionable that
another

state-chartered savings and loan will be started. The federal
government has preempted virtually all state authority. There is .43
FTE associated with the program. If the law stays on the books, there
needs to be someone to answer questions from out of state.

213 SEN. CEASE: The .43 FTE is to be a low paying position?

219 MONROE: Part of the position will be diverted to other duties.

225 DAVE BARROWS, OREGON LEAGUE OF FINANCIAL INSTITUTIONS:
Against the measure. We've always had a dual branch chartering system
in Oregon.

In today's environment, there is little likelihood of much interest in a
state-chartered savings and loan. There has been an ebb and flow over
the years. Leaving the law on the books would cause no damage.

273 CHAIR JOLIN: You have said you oppose the measure. What
would you suggest we do with the bill?

281 BARROWS: Wants to see the decision made in this committee
where the expertise on this issue is.

301 CHAIR JOLIN: My concern is one of perception. People seem
to be content to let the federal government deal with this.

317 SEN. CEASE: Not comfortable making a decision on the bill right
away.

335 SEN. ADAMS: Even if the environment changes, I have a hard time
seeing why any rational group of people would want to start a savings
and loan. I find myself in support of the bill. Even if it is only
symbolic, it

does show a commitment to efficiency. We have to start somewhere.

362 SEN. KENNEMER: Mr. Monroe, what harm would there be in leaving the law on the books?

376 MONROE: We do get calls and inquiries from attorneys from out of state asking very specific, technical questions about state chartering of

savings and loans.

447 SEN. KENNEMER: Do we have safety mechanisms built into our state charter procedure should someone decide to use it?

457 MONROE: So many of the regulations have been preempted by the federal government, I can't imagine anyone wanting to use it.

TAPE 9 SIDE A

SB 164 - REPEALS SALE OF CHECKS ACT - PUBLIC HEARING Witness(es):
Cherie Copeland, Committee Administrator Cecil Monroe, Department of Insurance and Finance

059 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: SB 164 would repeal the Sale of Checks Act which licenses sellers of money orders.

057 CECIL MONROE, DIVISION OF FINANCE AND CORPORATE SECURITIES,
DEPARTMENT OF INSURANCE AND FINANCE: Submits testimony (EXHIBIT D).
There are 20

licensees. There has not been a claim in 30 years of the law. Not all states regulate this activity. Supports the passage of SB 164.

080 SEN. DWYER: There are businesses that sell money orders not on this list.

084 MONROE: Many of them operate through financial institutions, which are exempt.

090 SEN. KENNEMER: How many states don't have this requirement?

096 MONROE: I don't have that information with me, but I believe it's close to a dozen.

101 CHAIR JOLIN: I would like to have that information before I proceed on this bill.

107 - Adjourns meeting at 3:49 p.m.

Submitted by:

Reviewed by:

Richard Day-Reynolds

Cherie Copeland Assistant

Administrator

EXHIBIT LOG:

A - Testimony on SB 150 - Cecil Monroe - 4 pages B - Testimony on SB
150 - William Humphreys - 1 page C - Testimony on SB 163 - Cecil Monroe
- 1 page D - Testimony on SB 164 - Cecil Monroe - 2 pages E - Witness
logs - Staff - 3 pages