SENATE COMMITTEE ON BUSINESS, HOUSING AND CONSUMER AFFAIRS

May 17, 1993 Hearing Room 343 3:00 p.m. Tapes 72 - 73 MEMBERS PRESENT: Sen. Bill Dwyer, Chair Sen. Bill Kennemer, Vice-Chair Sen. Brady Adams Sen. Ron Cease Sen. Karsten Rasmussen MEMBER EXCUSED: VISITING MEMBER: STAFF PRESENT: Cherie Copeland, Committee Administrator Richard Day-Reynolds, Committee Assistant MEASURES CONSIDERED: Work Session: SB 1117- Prohibits merchants and wholesalers from charging unconscionably excessive prices for consumer goods and services during times of emergency or periods of abnormal disruption of market. SB 1118- Requires registration of credit services organizations with Department of Insurance and Finance. SSB 993- Adds certain modular unit that is leased for less than one year to definition of special use trailer. Public Hearing and Possible Work Session: HB 2265- Reals requirement that State Board of Accountancy send register of licensees to all licensees. SB 367 - Awards attorney fees and costs to certain prevailing party in arbitration proceeding relating to personal inJury protection benefits.

. These minutes contain materials which paraphrase and/or summanze statements made during this session. Only text enclosed in guotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 72, SIDE A

014 CHAIR DWYER: Calls the meeting to order at 3:12 p.m. Senate Committeeon Business, Housing and Consumer Affairs May 17, 1993 - Page 2

(Tape 72, Side A) SB 1117 - PROHIBITS MERCHANTS AND WHOLESALERS FROM CHARGING UNCONSIONABLY EXCESSIVE PRICES FOR CONSUMER GOODS AND SERVICES DURING TIMES OF EMERGENCY OR PERIODS OF ABNORMAL DISRUPTION OF MARKET -WORK SESSION Witnesses: Timothy Wood, Oregon Department of Justice Eugene Ebersole, Oregon Department of Justice 017 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: Gives quick overview of the work done preparing amendments to address the discussion of the committee in the public TIMOTHY WOOD, ASSISTANT ATTORNEY GENERAL, OREGON hearing. 031 DEPARTMENT OF JUSTICE: Describes changes made in the original bill to address committee concerns in the public hearing. Refers to the -2 amendments. In Section 3: We've drawn some parameters, limiting it to only 90 days. Can be extended 90 more days. In Section 3: Eliminated "and other causes." We're only addressing essential goods and services that are good for the public health, safety and welfare. Applies to retailers and wholesalers, not municipalities. It also applies only when the price goes up 2096 due to the emergency. It palces the burden of proof on the wholesaler and/or retailer to prove the price increase is just)fied. Rolled back the penalty to \$10,000, and allows restitution. CHAIR DWYER: State that the amendments do a very good job of 087 addressing the committee concerns. 091 EUGENE EBERSOLE, ATTORNEY GENERAL'S OFFICE: This is not a one-time only extension for 90 days. The intent is a maximum of 90 days extension. You don't have to make it all at once. 108 SEN. KENNEMER: Asks for a clarification of "abnormal disruption of the market." 117 WOODS: Clarifies for SEN. KENNEME] 129 MOTION: SEN. KENNEMER moves the -2 amendments.

132 CHAIR DWYER: Hearing no objection, SO ORDERED.

133 MOTION: SEN. KENNEMER moves SB 1117 as amended to the floor with

a Do Pass recommendation. VOTE: 5 - 0, MOTION CARRIES. SEN. CEASE to carry. (NOTE: SEN. CEASE allowed to record his vote when Work Session reopened later in hearing.)

Cl ape 72, Side A) SB 1118 - REOUIRES REGISTRATION OF CREDIT SERVICES ORGANIZATIONS WITH DEPARTMENT OF INSURANCE AND FINANCE - WORK SESSION Witnesses: Eugene Ebersole, Oregon Department of Justice Keith Burns, Oregon Financial Services Association Senate Committee on Busine - , Howing and Consumer Afl ~irs May 17, 1993 - PaBe 3

146 CHERIE COPELAND, COMMITTEE ADMINISTRATOR: Regulates credit repair service ffrms. 2 amendments resulted from discussion in the public hearing. Attorney General's office will explain the amendments.

152 EUGENE EVERSOLE, ASSISTANT ATTORNEY GENERAL, OREGON DEPARTMENT OF JUSTICE: Replaced the list of exempt organizations with a definition: [QUOTE] "Any financial institution as defined by ORS 706.005, and any bank holding company as defined by ORS 715.010." Exempted the consumer finance loan companies. On page 3 [QUOTE] "All the parts previously referred to as surety bonds not includes surety bond or irrevokable letters of credit," and includes commercial bank or financial institution. Authorization for policing the statute. Mirrors ODIF statutes.

243 SEN. KENNEMER: Consumer Credit Counseling okay with this language?

246 EVERSOLE: This doesn't affect them. ODIF had the major changes in the wording.

267 KEITH BURNS, OREGON FINANCIAL SERVICES ASSOCIATION: Page 1, line 10: Licensee, not person. Each office is licensed. 284 MOTION: SEN. CEASE moves the -2 amends with the replacement of "person" with "licensee" on page 1, line 10 of the original bill. 290 VICE-CHAIR KENNEMER: Hearing no objection, SO ORDERED. 296 MOTION: SEN. CEASE moves SB 1118 as amended to the floor with a Do Pass recommendation. VOTE: Motion carries 5 - 0. SEN. CEASE to carry.

(Tape 72, Side A) SB 993 - ADDS CERTAIN MODULAR UNIT THAT IS LEASED FOR LESS THAN ONE YEAR TO DEFINITION OF SPECIAL USE TRAILER - WORK SESSION

312 CHAIR DWYER: We have not had a hearing on this bill, so I'm going to make copies of the amendments available. 323 CHERIE COPELAND, COMMITTEE ~ DMINISTRATOR: Motor Vehicles Division and the Building Codes Agency had concerns about the original bill, but both are comfortable with the amended version. 335 MIKE DEWEY, MODULAIR: Speaks to the amendments. First bill was seriously flawed. Not meant to include mobile homes. Concern is that the mobile modular unit more than 8 feet in width is personal property. Each time you move, you must get an oversized permit. This must be in the county you paid the taxes in. The county would give you a receipt for payment of taxes. Each time you move the unit you have to bring the unit back to Salem to get a permit signed. The second part of the bill allows a business to pay by check, not requiring payment by he second part of the bill allows a business to pay by check, not requiring payment by cash. This would enable you to use a receipt for a trip permit and not have to go back to the cash. This would enable you to use a receipt for a trip permit and not have to go back to the county the taxes are paid in each time it is moved. Senate Committee on Buslness, Housing and Consumer Afi airs May 17, 1993 - Page 4 TAPE 73, SIDE A 031 MOTION: SEN. ADAMS moves the -1

amendments to SB 993. 033 CHAIR DWYER: Hearing no objections, SO ORDERED. 034 MOTION: SEN. ADAMS moves SB 993 to the floor as amended. with a Do Pass recommendation. VOTE: The measure passes 4 - 0, Sen. Kennemer excused. SEN. ADAMS to carry. Cl ape 73, Side A) SB 1117 -PROHIBITS MERCHANTS AND WHOLESALERS FROM CHARGING UNCONSIONABLY EXCESSIVE PRICES FOR CONSUMER GOODS AND SERVICES DURING TIMES OF EMERGENCY OR PERIODS OF ABNORMAL DISRUPTION OF MARKET - WORK SESSION 047 CHAIR DWYER: Reopens the WORK SESSION on SB 1117 to allow SEN. CEASE to record his vote. SEN. CEASE votes AYE. (l ape 73, Side A) HB 2265 -REPEALS REQUIREMENT THAT STATE BOARD OF ACCOUNTANCY SEND REGISTER OF LICENSEES TO ALL LICENSEES - PUBLIC HEARING Witness: Kim Braasch, Board of Accountancy

053 KIM BRAASCH, BOARD OF ACCOUNTANCY: Speaks in support of the bill from written testimony (EXHIBIT F). 073 CHAIR DWYER: There will be public access to a list? 075 BRAASCH: Yes. Tape 73, Side A) HB 2265 -REPEALS REQUIREMENT THAT STATE BOARD OF ACCOUNTANCY SEND REGISTER OF LICENSEES TO ALL LICENSEES - WORK SESSION 085 MOTION: SEN. CEASE moves HB 2265 to the floor with a Do Pass recommendation.

VOTE: 4 - 0, the MOTION CARRIES, SEN. KENNEMER excused. SEN. RASMUSSEN to carry. (Tape 73, Side A) SB 367 - AWARDS ATTORNEY FEES AND COSTS TO CERTAIN PREVAILING PARTY IN ARBITRATION PROCEEDING RELATING TO PERSONAL INJURY PROTECTION BENEFITS - PUBLIC HEARING Witnesses: Ken Giles, Eastmoreland Hospital Jeff Heatherington, OPSU Peggy Anet, League of Oregon Cities

- Senate Committee on Busiae - , Housing and Consumer Afl ~irs May 17,1993 - Page S

106 KEN GILES, EASIMORLAND HOSPITAL: Reads from prepared testimony in support of the replacement amendments (EXHIBIT I). 160 JEFF HEATHERINGTON, OSTEOPATHIC ASSOCIATION: Speaks in support of the replacement amendments. 199 PEGGY ANET, LEAGUE OF OREGON CITIES: Speaks in opposition to the replacement amendments. Submits (EXHIBITS J, K). CHAIR DWYER: Is this a turf battle? 254 ANET: Expresses concerns 251 about being able to negotiate cost effectively. 270 SEN. KENNEMER: What are we going to do for rural Oregon? Supporting the big providers and squeezing out the little ones is not good social policy. 277 ANET: Mandating reimbursement is not appropriate. 284 SEN. KENNEMER: Expresses concern for small rural providers. 288 ANEI: Other bills look at this. The issue is to set up an insurance mechanism. This is not the way to acheive this. 304 SEN. KENNEMER: Is Eastmoreland competent and are they competitive? 311 ANET: Offers to get information back to Sen. Kennemer. 326 SEN. ADAMS: Much of my district is hard up for doctors. Who will train the doctors? 344 ANET: Suggests the committee consult with the Office of Rural Health Care.

359 CHAIR DVVYER: Adjourns the meeting at 4:04 p.m.

Submitted by:

Reviewed by: Willie Tiffany Richard Day-Reynolds Assistant Administrator Ihcec minutcc contain m~tcriala which paraphrase and/or summarize etetcrnedr made during this scsaon. Only text enclosed in quotation rnarks report · speaker's exact words. For complete contents of the proceedin8., plc se refer to the tapes. Senate Committoe on Bwiners, Howing and Consumer Affain May 17,1993 - Page 6 A - Hand engrossed SB 1117-2 - Staff - 4 pages B - -2 amendments to SB 1117 - Staff- 1 page C - -2 amendments to SB 1118 - Staff - 2 pages D - Hand engrossed SB 1118-2 - Staff - 9 pages E - -1 Amendments to SB 993 - Staff- 4 pages F - Testimony on HB 2265 - Kim Braasch - 1 page G - -1 Amendments to SB 367 - Staff - 3 pages H - Hand engrossed SB 367-1 - Staff- 4 pages I -Testimony on SB 367 - Ken Giles - 4 pages J - Testimony on SB 367 -Peggy Anet - 2 pages K - Testimony on SB 367 - Peggy Anet - 9 pages

These minutell contain serials which paraphreac and/or rummar ze state\_ents made during this aesaion. Only text enclolled in quotation report a speaker's exact words. For complete contents of the

proceedings, please refer to the tapes.