#### **2019 SUMMARY OF LEGISLATION**



# BUSINESS AND CONSUMER PROTECTION



# BUSINESS AND CONSUMER PROTECTION MEASURES

| Construction Policy and Licensing              | Enacted     | SB 410, SB 935, HB 2415   |
|--|-------------|---|
|  | Not Enacted | SB 771, HB 3423   |
| Consumer Protection                            | Enacted     | SB 372, SB 484, SB 519, SB 586, SB 608, HB 2088,<br>HB 2913   |
|  | Not Enacted | SB 419, SB 487, SB 716, SB 820-A, SB 939,<br>HB 2885  |
| <b>Economic Development</b>                    | Enacted     | HB 2054, HB 2174  |
|  | Not Enacted | SB 34, SB 258-A, SB 418-A, HB 2132-A, HB 2641-A, HB 2733, HB 2890, HB 2990-A, HB 2934, HB 3251-A        |
| Finance, Insurance, and Real Estate Policy and | Enacted     | HB 2089, HB 2312, HB 2419, HB 2425, HB 2463, HB 3218  |
| Licensing                                      | Not Enacted | SB 487, SB 621, SB 939, HB 3029, HB 3131  |
| Gaming   | Enacted     | SB 76, SB 77  |
|  | Not Enacted | SB 78, SB 483-A, HB 3389-B  |
| General Business Policy and Licensing          | Enacted     | SB 71, SB 227, SB 298, SB 422, SB 688, SB 854,<br>SB 855, SB 935, HB 2749, HB 2998, HB 3030,<br>HB 3143 |
|  | Not Enacted | SB 716, HB 2454-A, HB 2517, HB 2804, HB 3001,<br>HB 3023-B, HB 3194, HB 3379-A,                         |
| Utilities                                      | Enacted     | SB 69, HB 2173, HB 3205   |
|  | Not Enacted | SB 300, SB 417, HB 2179-A, HB 2184, HB 2455   |
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Picture: Wallowa Lake, Wallowa County - Gary Halvorson, Oregon State Archives

#### TASK FORCES AND REPORTING REQUIREMENTS

The following bills created task forces and reporting requirements. Additional information is provided in the bill summaries.

| Bill Number | Description   | Deadline                   |
|-------------|---|----------------------------|
| SB 688      | Directs the professional licensing board to report on certain criteria relating to veterans and spouses or domestic partners of veterans.                                     | Annually by<br>December 31 |
| SB 855      | Directs certain state entities to report on immigrants and refugees becoming licensed and how to develop methods to reduce barriers to licensure for immigrants and refugees. | November 30,<br>2019       |

Senate Bill 34 Not Enacted

#### **Industrial Site Readiness**

At the request of: Governor Kate Brown for Oregon Business Development Department

**Committees:** Senate Business and General Government

**Background and Current Law:** Business Oregon administers the Oregon Industrial Site Readiness Program to offer income tax reimbursement for approved industrial site readiness activities. The program is designed to incentivize development of shovel-ready industrial building sites throughout the state. Current statute establishes minimum full-time employee and wage standards for eligible employers and does not explicitly allow private owners to participate in the program.

**Bill Summary:** Senate Bill 34 would have reduced wage requirements from 150 percent of the lesser of county or state average wage to 130 percent, changed the minimum full-time employee standard for eligible employers to a minimum full-time employee standard for the site, and explicitly allowed private owners to receive income tax reimbursements for eligible site preparation costs.

#### Senate Bill 69 Effective Date: January 1, 2020

#### **Broadband Assistance**

At the request of: Governor Kate Brown for Public Utility Commission

Committees: Senate Business and General Government, House Economic Development

**Background and Current Law:** The Public Utility Commission (PUC) administers the Oregon Telephone Assistance Program (OTAP), a joint state and federal program that provides reduced-cost phone and broadband Internet service for qualifying low-income households. Households can qualify for the subsidy by demonstrating their income or participation in government assistance programs like the Supplemental Nutrition Assistance Program. Current Oregon statute requires the PUC to provide low-income assistance only for phone service. Broadband subsidies in the OTAP are provided only through federal funds.

**Bill Summary:** Senate Bill 69 aligns the OTAP with federal regulations, allowing extension of subsidies to support broadband Internet access. This alignment will increase the monthly discount low-income households can receive on their broadband Internet service from \$9.25 to \$12.75 per month.

#### Senate Bill 71

**Effective Date: January 1, 2020** 

#### **Animal Euthanasia with Sedatives**

At the request of: Governor Kate Brown for Oregon State Veterinary Medical Examining Board

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** Current statute allows a humane society or animal control agency registered with the State Board of Pharmacy or an individual certified by the State Veterinary Medical Examining Board to euthanize animals using sodium pentobarbital. Current statute does not allow these entities to obtain and administer sedatives or analgesic medications, which are used to manage the pain and trauma associated with euthanasia.

**Bill Summary:** Senate Bill 71 allows a humane society or animal control agency to obtain and administer sedatives and analgesic medications when euthanizing animals.

Oregon Laws 2019: Chapter 126

#### **Senate Bill 76**

Effective Date: June 11, 2019

#### **Exchange Wagers**

At the request of: Governor Kate Brown for Oregon Racing Commission

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** "Pari-mutuel" wagers are bets made on the outcome of a race. The bets go into a pool managed by an operator who has no stake in the outcome. The operator deducts a set percentage from the pool and distributes the remainder to the winning patrons. The Oregon Racing Commission (ORC) regulates all aspects of the pari-mutuel industry in Oregon. Current statute does not allow for exchange wagering, a pari-mutuel wager in which two or more persons place identically opposing wagers in a given market.

**Bill Summary:** Senate Bill 76 allows parties licensed by the ORC to conduct exchange wagering. A person who holds an exchange wagering license from the ORC can receive wagers from account holders and post the wagers to a market to be matched with an identically opposing wager. Exchange wagers can be placed remotely, allowing adult participants to create accounts and place wagers from any state, district, or territory where exchange wagering is legal. Licensees receive revenues for hosting wagers as approved by the ORC and pay fees to the ORC based on their activity.

Senate Bill 77 Effective Date: June 11, 2019

#### Virtual Race Wagering

At the request of: Governor Kate Brown for Oregon Racing Commission

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** Current statute allows race meet operators to conduct pari-mutuel wagering on previously held races using virtual wagering, an electronic system that withholds all identifying information until after the wager has been placed. The Oregon Racing Commission (ORC) currently licenses ten Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hubs, which are businesses that allow subscribers to make pari-mutuel wagers on simulcast races. Current statute does not allow these businesses to conduct pari-mutuel wagering on previously held races. One quarter of funds the ORC receives from multi-jurisdictional hubs are dedicated to the State General Fund.

**Bill Summary:** Senate Bill 77 allows the ORC to adopt rules authorizing Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hubs to conduct pari-mutuel wagering on previously held races.

Oregon Laws 2019: Chapter 314

Senate Bill 78 Not Enacted

#### **Simulcast Wager License**

At the request of: Governor Kate Brown for Oregon Racing Commission

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** Current statute allows race meet license holders to host client wager accounts, conduct handicapping contests, conduct off-race course mutual wagering, and host instant racing machines and video lottery game terminals.

**Bill Summary:** Senate Bill 78 would have required the Oregon Racing Commission to adopt standards for a new license, the nonrace meet simulcast license. Nonrace meet simulcast licensees would have been authorized to conduct off-race course simulcast wagering as well as the permissions afforded to race meet licensees.

Senate Bill 227 Effective Date: June 4, 2019

#### **Interment of Dislodged Remains**

At the request of: Senate Interim Committee on Veterans and Emergency Preparedness

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** Natural disasters such as floods and landslides can expose and dislodge human remains. After recent landslides in or near cemeteries, it was determined that statutory clarity was needed to allow cemetery authorities to act without liability in an emergency.

**Bill Summary:** Senate Bill 227 allows a cemetery authority, after making a reasonable attempt to notify the appropriate parties, to temporarily store and inter human remains dislodged by a natural disaster. The measure also allows, in the event of a natural disaster or similar emergency, the person with the right to control the disposition of the human remains to personally undertake the temporary storage or interment.

Oregon Laws 2019: Chapter 241

Senate Bill 258-A Not Enacted

#### **Rural Entrepreneur Support Network**

Chief Sponsors: Sens. Roblan, Linthicum, Hansell, Manning Jr

Committees: Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** The Oregon Regional Accelerator and Innovation Network (RAIN) is a coalition of government and entrepreneurial business leaders that promotes economic development through entrepreneurial ventures in rural Oregon.

**Bill Summary:** Senate Bill 258-A would have made legislative findings regarding entrepreneurship and appropriated \$2.2 million from the General Fund to the Oregon Business Development Department for distribution to Oregon RAIN and other specified entities to help build and develop entrepreneurial capacity and support in rural regions of the state.

#### Senate Bill 298 Effective Date: January 1, 2020

#### **Funeral Home Death Record Request**

Chief Sponsors: Sen. Hansell

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** An employee or agent of a funeral home or a person acting as a funeral practitioner can request a record of death or fetal death within the two-year period following the date of death if they are named in the record. Family members and other parties can request a death record at any point following the date of death. Funeral homes assist clients by requesting death records of the deceased but are unable to provide that service outside of the two-year statutory window.

**Bill Summary:** Senate Bill 298 removes the two-year limit, allowing the employee or agent of a funeral home or person acting as a funeral practitioner named in a record of death or fetal death to request certified copies of the record at any time following the date of death.

Oregon Laws 2019: Chapter 259

Senate Bill 300 Not Enacted

#### **Universal Service Fund Exemptions**

Chief Sponsors: Sen. Hansell

Committees: Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** The Public Utility Commission of Oregon (PUC) is responsible for implementing a balanced program of regulation and competition aimed at encouraging innovation in the telecommunications industry and making high quality telecommunications services available to Oregon residents. In 1999, the Legislative Assembly directed the PUC to create and implement the Oregon Universal Service Fund to ensure basic telephone and broadband services are available at a reasonable rate throughout the state. The fund is supported by an 8.5 percent surcharge on retail telecommunications services. Specified radio and cellular communications services are currently exempt from the surcharge.

**Bill Summary:** Senate Bill 300 would have removed the exemption for specified radio and cellular communication services, imposing the 8.5 percent surcharge on those retail telecommunications services.

#### **BUSINESS AND CONSUMER PROTECTION**

#### Senate Bill 372

Effective Date: July 15, 2019

#### **Towing Notice Requirement**

At the request of: Senate Interim Committee on Judiciary for Oregon Financial Services Association

Committees: Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** Current statute allows vehicles to be towed if they are left or parked without authorization on private property, parked illegally, or otherwise taken into custody. Towers are required to give notice to the owner and lienholder within 15 or 20 days of storing the vehicle, depending on the nature of the violation that triggered the tow. The tower may place a lien on a towed vehicle to recover just and reasonable charges associated with towing and storing the vehicle.

**Bill Summary:** Senate Bill 372 reduces the notice requirement from 15 or 20 days to within three calendar days and reduces the amount of the lien that a tower can claim when the tower fails to comply with the notice requirements.

Oregon Laws 2019: Chapter 547

#### **Senate Bill 410**

Effective Date: January 1, 2020

#### **Recreational Vehicle Construction Deregulation**

Chief Sponsors: Sen. Beyer

Committees: Senate Business and General Government, House Business and Labor

**Background and Current Law:** Current statute requires the Department of Consumer and Business Services (DCBS) to regulate the construction of manufactured structures, which are defined as recreational vehicles (RVs), manufactured dwellings, and recreational structures. Manufacturers obtain certification by registering with DCBS and providing an approved quality control manual. Certified manufacturers purchase insignias of compliance from DCBS which are affixed to RVs intended for rent, lease, or sale in this state. RVs registered and titled in another state are not subject to the requirement to bear an insignia of compliance. Oregon is one of three states that regulate the construction of RVs.

**Bill Summary:** Senate Bill 410 deregulates the construction of recreational vehicles and recreational structures. The measure creates a replacement definition of RV for the purposes of the Oregon Department of Transportation (ODOT), and keeps the current definition adopted by DCBS in effect until repealed or replaced by ODOT.

Senate Bill 417 Not Enacted

#### **Carrier of Last Resort**

Chief Sponsors: Sen. Beyer; Rep. DB Smith

At the request of: CenturyLink

Committees: Senate Business and General Government

**Background and Current Law:** The carrier of last resort obligation is the requirement for local exchange telecommunications service providers certified by the Public Utility Commission (PUC) to provide adequate and nondiscriminatory services to customers within allocated territories. Current statute allows the PUC to exempt a local telecommunications provider from the carrier of last resort obligation for a property with four or more single-family dwellings if the owner or developer meets specified conditions. The Oregon Universal Service Fund uses a surcharge on all retail telecommunication sales to help offset some of the costs local telecommunications providers incur under the carrier of last resort obligation.

**Bill Summary:** Senate Bill 417 would have created exemptions from the carrier of last resort obligation for local telecommunications providers in areas where the PUC finds that other providers that meet specified conditions are currently providing service, or for any wire center for which the telecommunications provider does not receive support from the Universal Service Fund.

Senate Bill 418-A Not Enacted

#### **Regional Entrepreneur Support**

Chief Sponsors: Sen. Beyer

Committees: Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** Business Oregon facilitates regional collaboration among the University of Oregon, Oregon State University, and the Oregon Solutions Network to support technology-based start-ups that could commercialize university-based or university-assisted research and create local business growth and retention. Oregon's local accelerator networks have assisted in the creation of 300 jobs and over \$15 million in revenue.

**Bill Summary:** Senate Bill 418-A would have appropriated \$1 million to Business Oregon for distribution to local accelerator networks. The networks would have been required to raise matching funds and report to the Legislative Assembly on businesses supported, funding raised, jobs created, and industry sectors represented by the start-up businesses assisted by the appropriation.

#### **BUSINESS AND CONSUMER PROTECTION**

#### Senate Bill 419

### **Effective Date: Not Enacted**

Retroactive Long-Term Care Protection

Chief Sponsors: Sen. Frederick; Rep. Helm

Committees: Senate Business and General Government, House Rules

Background and Current Law: All insurers licensed in the state to sell life, accident, and health insurance as well as individual annuities are required to support the Oregon Life and Health Insurance Guaranty Association (Guaranty Association), which provides protection to Oregon residents who are holders of policies or annuities when an insurer is found to be insolvent. In 2011, the Legislative Assembly increased the Guaranty Association's liability limits for long-term care (LTC) insurance from \$100,000 to \$300,000. Penn Treaty American Insurance Company was found insolvent by state regulators in 2009.

Bill Summary: Senate Bill 419 would have retroactively applied the \$300,000 LTC insurance protection to any member insurer first placed under an order of rehabilitation or liquidation on or after January 1, 2009. The measure would have allowed Oregon residents who purchased LTC insurance policies from Penn Treaty and who have not otherwise resolved those insolvent policies to receive \$300,000 in liability protection from the Guaranty Association.

Effective Date: September 29, 2019

#### Senate Bill 422

#### **Natural Hair Care Shampooing**

Chief Sponsors: Sen. Frederick; Rep. Bynum

Committees: Senate Business and General Government, House Business and Labor

Background and Current Law: Current statute defines "natural hair care" as braiding and other activities using hands or simple devices. Natural hair care practitioners must complete an education module and written exam to obtain certification from the Board of Cosmetology. Shampooing and conditioning are not explicitly included in the scope of work for a natural hair care practitioner. Shampooing and conditioning are explicitly included in the scope of work for a barber or hair designer, but certification for barbers and hair designers requires completion of an Oregon licensed career school program with over 1,000 hours of education and 250 hours of additional mandatory training.

Bill Summary: Senate Bill 422 expands the definition of "natural hair care" to include shampooing or conditioning the hair of an individual.

Senate Bill 483-A Not Enacted

#### **Unclaimed Winnings from Systemwide Lottery Event**

Chief Sponsors: Sen. Gelser

**Committees:** Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** A technical error on July 23, 2018, caused Oregon Lottery scanners to read 172 winning Keno tickets as losers. The Lottery confirmed the error after questions and a public records request from the media. The agency was able to identify the 99 sites where players received false negatives but could only identify and pay winnings to one player after that individual filed a complaint.

**Bill Summary:** Senate Bill 483-A would have required the Lottery to cease operation of faulty equipment or software when notified of a systemwide event that causes winnings to go unclaimed and make reasonable efforts to pay prizes to the affected players. The Lottery would have been required to make a biennial estimate of winnings that remain unclaimed due to systemwide events and appropriate funds equal to that amount to the Problem Gambling Treatment Fund.

#### Senate Bill 484 Effective Date: January 1, 2020

#### **Prohibiting Multiple Rental Application Fees**

Chief Sponsors: Sen. Gelser

Committees: Senate Housing, House Human Services and Housing

**Background and Current Law:** It is common practice for landlords to ask potential renters to pay the cost of processing and screening their applications. For those who complete multiple applications, these fees add up quickly.

**Bill Summary:** Senate Bill 484 requires one fee per applicant, when applications are made to rent one of multiple units owned or managed by the same landlord, within a 60-day period.

Senate Bill 487 Not Enacted

#### **Motor Vehicle Insurance Credit History**

Chief Sponsors: Sen. Gelser

**Committees:** Senate Business and General Government

**Background and Current Law:** Current statute requires every person who operates a motor vehicle to be insured under a motor vehicle insurance policy that meets specified requirements. Premium rates for those policies are determined by several factors, including the consumer's driving record and demographics. Insurers may use a consumer's credit history and insurance score to decline coverage under limited circumstances but are not allowed to cancel or not renew coverage that has been in effect for at least 60 days based on credit history or insurance score.

**Bill Summary:** Senate Bill 487 would have prohibited insurers from using a consumer's credit history or insurance score to decline coverage of, rerate, or otherwise determine eligibility for motor vehicle insurance.

#### Senate Bill 519

**Garnishment** 

Chief Sponsors: Senator Johnson

Committees: Senate Workforce, House Business and Labor

**Background and Current Law:** Garnishment requires a debtor's employer to withhold an employee's earnings to pay a creditor using a statutory formula. The formula guarantees a minimum amount per paycheck to the debtor employee, while the creditor is entitled to a percentage of the employee's earnings until the debt is paid. The maximum amount of wages subject to garnishment is generally 25 percent of the employee's post-tax earnings so long as the employee is left with a minimum amount of \$218 per week after the garnishment.

Effective Date: January 1, 2020

**Bill Summary:** Senate Bill 519 increases the minimum amount guaranteed to an employee whose earnings are garnished from \$218 per week to \$254 per week.

#### Senate Bill 586

# Effective Date: January 1, 2020

#### Omnibus Bill for Manufactured Housing Landlord/Tenant Coalition -**Incorporating Marinas**

Chief Sponsors: Sen. Prozanski

At the request of: John VanLandringham

Committees: Senate Housing, House Human Services and Housing, Joint Ways and Means

Background and Current Law: The Manufactured Housing Landlord/Tenant Coalition has existed since 1997. It meets almost monthly to discuss landlord/tenant concerns proactively, and it has produced negotiated legislation every long session since its inception, each addressing a variety of issues. Senate Bill 586 is the negotiated bill for 2019, and for the first time, incorporates floating home tenancies in marinas. Manufactured dwelling parks and marinas are defined and referred to as facilities.

Bill Summary: Senate Bill 586 regulates marinas like manufactured dwelling parks, establishes a mediation pilot program to assist low-income tenants in disputes with landlords, and establishes specific regulations for marinas.

#### Senate Bill 608

Effective Date: February 28, 2019

#### Rent Control and Prohibiting No-Cause Evictions after One Year of Occupancy

Chief Sponsors: Sens. Burdick, Monnes Anderson, Courtney, Fagan; Rep. Kotek

Committees: Senate Housing, House Human Services and Housing

**Background and Current Law:** Landlords may evict tenants for a variety of reasons, including for nonpayment of rent and other violations of rental agreements. Both landlords and tenants are generally allowed to terminate month-to-month tenancies without cause, with 30 days' notice (although some localities, like Portland, have different notice requirements). Fixed-term tenancies can also be terminated without cause by either landlords or tenants at any time during the tenancy with 30 days' notice prior to the end of the term, or with 60 days' notice after the end of the term. Rent increases are prohibited in the first year of a month-to-month tenancy and 90 days' notice of same is required. There are currently no other restrictions on the number or amount of rent increases that may be imposed on a month-to-month tenancy.

**Bill Summary:** Senate Bill 608 prohibits evictions without cause after the first year of occupancy and adds the following circumstances to the existing list of reasons that a landlord may evict a tenant for cause: when the premises are sold to a buyer as a primary residence; when the premises will be occupied by the landlord or an immediate family member; or when the premises are being renovated, or demolished, or removed from residential use. If a landlord uses one of the new reasons to evict, they must provide 90 days' notice and one month's rent to assist the tenant with relocation (except two-unit or less, owner-occupied properties, and landlords with four or fewer dwelling units). Senate Bill 608 also provides for fixed-term tenancies to convert to month-to-month unless the parties agree to a new term or a tenant has received at least three written, contemporaneous warnings about violations in the preceding 12 months. Finally, Senate Bill 608 limits rent increases to no more than seven percent plus the average change in the consumer price index, no more than once in any 12-month period, unless: the premises are considered new construction, or the landlord is resetting rent for a new tenant after a compliant tenant vacated voluntarily, or the rent is subsidized.

Senate Bill 621 Not Enacted

#### **Vacation Rental Regulation**

Chief Sponsors: Sen. Girod

Committees: Senate Business and General Government

**Background and Current Law:** Current statute defines "vacation occupancy" as occupancy of a dwelling unit for up to 45 days for vacation purposes only, not as a principal residence. The state has seen a rise in the number of privately owned properties offered for use as vacation occupancies. Local governments have sought to regulate vacation rentals in various ways, including registration, taxation, and a cap on the total number of short-term vacation rentals available in a jurisdiction.

**Bill Summary:** Senate Bill 621 would have prohibited local governments from enforcing any ordinance prohibiting the use of a residential dwelling as a vacation occupancy. The measure would have preserved the ability of local governments to require registration and collect transient lodging taxes.

#### **Senate Bill 688**

**Effective Date: January 1, 2020** 

#### Reporting on Military Spouses' Access to Employment

**Committees:** Senate Veterans and Emergency Preparedness, House Veterans and Emergency Preparedness, Conference Committee

**Background and Current Law:** In 2012, the legislature passed House Bill 4063, to require certain professional licensing entities to accept an applicant's substantially similar military training or experience in lieu of the education or experience required to be licensed. This measure was followed by House Bill 2037 in 2013, to similarly expedite the issuance of professional licensing or certification for service members' spouses and domestic partners. Then in 2014, House Bill 4057 was enacted to compel regulatory and licensing bodies, impacted by the previous two measures, to report information back to the legislature, one time only, by October 1, 2014.

During the current legislative session, House Bill 3030 was enacted, requiring licensing entities to issue credentials to spouses of military personnel stationed in Oregon, if they are currently licensed in good standing in another state and demonstrate competency. Such credentials expire after two years, or when the person's spouse is no longer stationed in Oregon, or when the person's out-of-state license expires, and may not be renewed. Senate Bill 688 is a companion to House Bill 3030, requiring licensing entities to report corresponding information to the legislature on an annual basis.

**Bill Summary:** Senate Bill 688 directs licensing boards to report to the legislature annually regarding the number of temporary credentials issued to spouses and domestic partners of active-duty personnel stationed in Oregon, as well as the number of denied applications, reasons for denial, and other related information. The measure also specifies that licensing boards must issue temporary credentials to spouses of active duty personnel.

Senate Bill 716 Not Enacted

#### **Retailers Must Accept Cash**

Chief Sponsors: Sen. Beyer

At the request of: Casey Houlihan

Committees: Senate Business and General Government

**Background and Current Law:** A 2017 survey by the Federal Deposit Insurance Corporation (FDIC) found 6.5 percent or 8.4 million U.S. households did not have an account at an FDIC-insured institution in 2017. These households may not have access to credit or debit cards, and most likely rely on cash to purchase goods and services. Oregon's marijuana industry is also currently dependent on cash, as regulated institutions are reticent to accept deposits from the industry due to federal marijuana regulations.

**Bill Summary:** Senate Bill 716 would have required specified retailers to accept cash as payment for goods or services essential to a consumer's life, health, or welfare, including food, water, sanitation, shelter, and medical goods and services.

Senate Bill 771 Not Enacted

#### **Fire Sprinkler Work Endorsement**

At the request of: Senate Business and General Government

**Committees:** Senate Business and General Government

**Background and Current Law:** Current statewide building codes require the installation of an automatic fire sprinkler system in specified structures, including most commercial structures, multi-family residential structures, and one- or two-family dwellings containing a sleeping loft. Fire sprinkler systems must meet standards established by the National Fire Protection Association (NFPA). The NFPA, the National Institute for Certification in Engineering Technologies, and other organizations offer certifications for the design, inspection, testing, and maintenance of water-based fire protection systems.

**Bill Summary:** Senate Bill 771 would have required the Construction Contractors Board (CCB) to establish an endorsement program for contractors and employees engaging in work on water-based fire suppression systems. The endorsements would have been tailored to the type of structure, and the contractor or at least one full-time employee of the contractor would have had to hold the appropriate endorsement before engaging in work on a water-based fire suppression system. The measure would have allowed existing contractors who demonstrate competency to CCB to continue work for three years under a temporary endorsement.

Senate Bill 820-A Not Enacted

#### **Funding Foreclosure Counseling for At-Risk Homeowners**

**Chief Sponsors:** Senate Housing Committee

Committees: Senate Housing, Joint Ways and Means

Background and Current Law: The Oregon Foreclosure Avoidance Program was originally created by Senate Bill 628 in 2009 and has been modified over time. The program entitles most homeowners/borrowers, at risk of foreclosure, to meet and negotiate directly with their lender to attempt to reach an agreement that would avoid foreclosure. The program has been funded through fees paid by both lenders and homeowners. The counseling portion of the program has been funded through General Fund appropriations and administered by Oregon Housing and Community Services (OHCS) through its network of counselors. Over 70 percent of homeowners who access counseling in advance of mediation, succeed in negotiating an agreement with their lender to stay in their home.

Bill Summary: Senate Bill 820 A would have appropriated \$1,240,000 General Fund dollars to OHCS to maintain administration of the Foreclosure Avoidance Program during the 2019-21 biennium.

#### **Senate Bill 854**

Effective Date: September 29, 2019

#### **Federal Identification for Occupational Licensure**

Chief Sponsors: Sen. Dembrow; Rep. Hernandez

Committees: Senate Business and General Government, Senate Rules, House Rules

Background and Current Law: Current regulations require construction contractors, landscape contractors, athletic trainers, cosmetologists, nurse assistants, and many others to obtain an occupational license to engage in those professions. Social Security numbers are used to report a person's wages to the government and determine eligibility for Social Security benefits. Many organizations also use the Social Security number as a unique identifier for unrelated purposes. Social Security numbers are assigned at birth for citizens; noncitizens who provide specified documentation are also able to obtain a Social Security number. A noncitizen who is unable to obtain a Social Security number can obtain a federally issued identification number, including an individual taxpayer identification number.

**Bill Summary:** Senate Bill 854 requires a licensing board or agency, where allowed by federal and state law, to accept a federally issued identification number in lieu of the applicant's Social Security number.

#### Senate Bill 855

Effective Date: June 20, 2019

#### Occupational Licensing for Immigrants and Refugees

Chief Sponsors: Sen. Dembrow

Committees: Senate Business and General Government, Senate Rules, House Rules

**Background and Current Law:** Current regulations require construction contractors, landscape contractors, athletic trainers, cosmetologists, nurse assistants, and many others to obtain an occupational license to engage in those professions. According to the Migration Policy Institute, Oregon was home to 55,000 immigrants with at least a bachelor's degree from 2009 to 2013. Roughly a quarter of those individuals were unemployed or working in a low-skilled job, resulting in \$272.5 million in lost annual earnings and \$27.7 million in forgone annual state and local tax payments.

Bill Summary: Senate Bill 855 requires state entities that administer and enforce occupational licensing requirements to study how immigrants and refugees become licensed, develop and implement methods to reduce barriers to licensure for immigrants or refugees, and report to the Legislative Assembly on their progress by November 30, 2019.

Oregon Laws 2019: Chapter 469

#### Senate Bill 935

Effective Date: September 29, 2019

#### **Modified Landscape Construction Professional License**

Chief Sponsors: Sen. Heard; Rep. Hernandez

Committees: Senate Business and General Government, House Business and Labor, House Rules

Background and Current Law: The Landscape Contractors Board of Oregon (LCB) administers and enforces licensing standards for landscape contracting businesses and landscape construction professionals. Applicants for a landscape professional license must demonstrate specified experience and pass an examination to determine the fitness of the applicant.

Bill Summary: Senate Bill 935 prohibits LCB from issuing specified limited or specialty licenses to a person who holds endorsement as a residential or commercial general contractor.

Senate Bill 939 Not Enacted

#### **Establishing Seller Disclosures for Manufactured Homes on Rented Spaces**

Chief Sponsors: Sen. Heard; Reps. Doherty, Leif

**Committees:** Senate Housing

**Background and Current Law:** Sellers of residential real property are generally required to disclose certain information about the condition of the property to potential buyers upon receipt of a written offer.

**Bill Summary:** Senate Bill 939 would have established the form and content of similar disclosures that sellers of manufactured dwellings on rented land would have been required to provide to potential buyers, with some exceptions.

#### House Bill 2054

#### **Oregon Innovation Council**

At the request of: Governor Kate Brown for Oregon Business Development Department

Committees: House Economic Development, Senate Business and General Government

**Background and Current Law:** The Oregon Innovation Council, housed within Business Oregon, is a public-private partnership established in 2005 to help create new jobs and new companies, diversify Oregon's economy, and bring federal research dollars back to the state.

Effective Date: May 22, 2019

**Bill Summary:** House Bill 2054 authorizes the Oregon Innovation Council to make equity investments from the Oregon Innovation Fund and to contract with one or more management companies to manage those equity investments. The measure also eliminates a duplicative fund, advisory council, and grant and loan program, and makes other program changes.

#### **House Bill 2088**

#### **Endowment Care Cemeteries**

At the request of: Governor Kate Brown for Department of Consumer and Business Services

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** Owners of a cemetery may establish an irrevocable trust fund to care for, maintain, and enhance the cemetery. Such a cemetery is defined as an endowment care cemetery. A specified percentage of gross sales of products and services must be deposited by the endowment care cemetery with the trustee or custodian of its fund. There are currently 75 endowment care cemeteries in Oregon, with a combined total of approximately \$35 million held in trust. To protect consumers, each endowment care cemetery must file an annual report with the Department of Consumer Business and Services (DCBS).

Effective Date: March 27, 2019

Effective Date: September 29, 2019

**Bill Summary:** House Bill 2088 enhances the remedies available to DCBS to address endowment care cemeteries that violate statutory requirements.

Oregon Laws 2019: Chapter 8

#### **House Bill 2089**

#### Payday and Title Loan Lending

At the request of: Governor Kate Brown for Department of Consumer and Business Services

Committees: House Business and Labor, Senate Judiciary

**Background and Current Law:** Entities who provide payday loans or title loans are licensed by the Department of Consumer and Business Services (DCBS). Currently, a payday loan must be for a period of at least 31 days but no more 60 days. A one-time origination fee of 10 percent, or up to \$30 total, may be assessed for new loans. Interest rates are limited to 36 percent annually. Payday lenders and title loan lenders are required to give consumers a written loan agreement with clear explanations of the fees, percentage rates, payment due dates, and consequences for late payments or default. Loans can be renewed two times and new loans cannot be made until seven days after a current loan expires.

**Bill Summary:** House Bill 2089 prohibits a payday lender or title loan lender from making a new loan to a consumer within seven days of a prior loan being paid in full, rather than seven days after a loan expires.

House Bill 2132-A

**Not Enacted** 

(see House Bill 2164)

#### **Cultural Trust Tax Credit Extension**

At the request of: House Interim Committee on Revenue

Committees: House Economic Development, House Revenue, Joint Tax Expenditures

**Background and Current Law:** The Oregon Cultural Trust credit provides a credit against personal and corporate income taxes for amounts contributed during the tax year to the Trust for Cultural Development Account established under ORS 359.405. The credit is only allowed to the extent that the taxpayer has contributed an equal amount to an Oregon cultural organization during the tax year. The amount of the credit is equal to the amount of the donation to the Trust for Cultural Development but may not exceed the lesser of the tax liability of the taxpayer or \$500 for personal income taxpayers or \$2,500 for corporate income taxpayers.

**Bill Summary:** House Bill 2132-A would have extended the Oregon Cultural Trust tax credit to January 1, 2026 and clarified that the personal income tax credit limit is the lesser of the tax liability of the taxpayer, or \$1,000 for a taxpayer filing a joint return or \$500 for a taxpayer filing any other type of return. House Bill 2132-A was instead incorporated into House Bill 2164, which is the omnibus tax expenditure bill.

#### House Bill 2173

**Effective Date: August 9, 2019** 

#### **Oregon Broadband Office & Advisory Council**

At the request of: House Interim Committee on Economic Development and Trade

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** The Legislative Assembly created the Oregon Broadband Advisory Council with the passage of House Bill 3158 (2009) to help ensure the implementation of statewide broadband strategies and to serve as a statewide forum for the discussion and exploration of broadband issues. The Council's sunset was extended to January 2, 2020 in 2015. In December 2018, Governor Kate Brown issued Executive Order 18-31, establishing the Oregon Broadband Office within the Oregon Business Development Department to develop broadband investment and deployment strategies for underserved areas, promote public-private partnerships, support local broadband planning, advocate for policies that remove barriers to broadband deployment, and help communities access federal and state funds.

**Bill Summary:** House Bill 2173 creates the Oregon Broadband Office within the Oregon Business Development Department, defines Office responsibilities, repeals the sunset on the Oregon Broadband Advisory Council, adds members to the Council, and expands the Council's duties.

#### **House Bill 2174**

Effective Date: September 29, 2019

#### **Urban Renewal Plans and Public Building Projects**

At the request of: House Interim Committee on Economic Development and Trade

Committees: House Economic Development, House Revenue, Senate Finance and Revenue

**Background and Current Law:** Oregon law gives each city and county the ability to activate an urban renewal agency with the power to propose and act on plans and projects to remove "blight." Following public notice and hearing, and after considering public testimony and planning commission recommendations, the city or county may approve the urban renewal plan by ordinance. Most urban renewal plans are funded through a tax increment financing mechanism where the assessed value of property within its boundaries is frozen at the amount calculated prior to the plan's approval. The agency then raises revenue in subsequent years from any value growth above the frozen amount.

**Bill Summary:** House Bill 2174 changes the requirements for notification, review, and input by each taxing district affected by an urban renewal plan prior to approval; requires concurrence for public building projects by three of the four taxing districts estimated to forgo the most property tax revenue when a plan, amendment, or certain scopes of work occur after the measure effective date; and makes other modifications to the urban renewal statutes.

Oregon Laws 2019: Chapter 580

#### House Bill 2179-A

**Not Enacted** 

#### **Blockchain Task Force**

At the request of: House Interim Committee on Economic Development and Trade

Committees: House Economic Development, Joint Ways and Means

**Background and Current Law:** Blockchain is a distributed ledger database that records and shares every transaction that occurs in the network of users. Applications of blockchain include online voting, medical records, insurance policies, property and real estate records, copyrights and licenses, and supply chain tracking. Several states have begun drafting or adopting legislation to study, allow certain uses of, or promote the adoption of blockchain for economic development purposes.

**Bill Summary:** House Bill 2179-A would have created the Task Force on Blockchain Applications and Legislation to study and evaluate blockchain technology, investigate economic development and business uses, and make recommendations for legislation to promote the technology.

House Bill 2184-C Not Enacted

#### Oregon Broadband Fund and Universal Service Fund

At the request of: House Interim Committee on Economic Development and Trade

Committees: House Economic Development, House Revenue, Joint Ways and Means

**Background and Current Law:** In 1999, the Legislative Assembly directed the Oregon Public Utility Commission to create and implement the Oregon Universal Service (OUS) Fund to support basic telephone service in high-cost rural areas and to pay for it with an 8.5 percent surcharge on wireline telephone customers. The Oregon Business Development Department (OBDD) houses the Broadband Advisory Council, and the Oregon Broadband Office.

**Bill Summary:** House Bill 2184-C would have broadened the telecommunications services subject to the universal service surcharge, defined how intrastate revenues subject to the surcharge are identified, and reduced the surcharge maximum to six percent. The measure would have established a Broadband Fund, set a cap of \$28 million per year to support basic telephone services from the Oregon Universal Service Fund, and transferred up to \$5 million per year to the Broadband Fund. The OBDD would have developed broadband program rules and established procedures for distributing grants or loans funds from the fund.

#### **House Bill 2312**

Effective Date: January 1, 2020

#### Flood Insurance

Chief Sponsors: Rep. Reardon

Committees: House Business and Labor, Senate Business and General Government, Conference Committee

**Background and Current Law:** Oregon law requires a property seller to provide to each buyer who makes a written offer to purchase the property a property disclosure statement. The content of the disclosure statement is prescribed in statute and requires the seller to respond to statements on the status of the property including title, water source, insulation, systems, and structure. The seller must respond to each item on the disclosure. If the seller fails to provide the form, the buyer has the right to revoke their offer at any time prior to closing. When the disclosure form is provided, the buyer has five days to revoke their offer. The current form requires disclosure if the property is in a designated floodplain. Since 1973, federal law has required property owners to purchase flood insurance if the property is located within a Special Flood Hazard Area. Oregon's disclosure requirement does not explicitly inform the buyer whether flood insurance is required.

**Bill Summary:** House Bill 2312 requires seller's property disclosure form to include a note that indicates flood insurance may be required for homes in a floodplain.

#### **House Bill 2333**

#### **Recreational Vehicles**

Chief Sponsors: Rep. Stark

Committees: House Business and Labor, Ways and Means

**Background and Current Law:** Small homes, tiny homes, and park model recreational vehicles (RVs) are some of the terms applied to structures that are permanently attached to a wheeled chassis. Until recently, park model RVs were treated by the Department of Consumer and Business Services (DCBS) as recreational vehicles. Certification from DCBS served as an ownership document and that allowed the Oregon Department of Transportation (ODOT) to issue registration (plates and tags) documents. DCBS recently adopted a rule that changed the definition of "recreational vehicle" to exclude RVs with wood siding, pitched roofs, or bay windows which are common features of a park model RV or tiny home. Manufacturers and owners of these vehicle are no longer able to receive certification from DCBS. After a brief lapse, ODOT has resumed issuing title and registration documents to those units that are no wider than 8.5 feet.

**Bill Summary:** House Bill 2333 removes RV construction from regulation by DCBS. The measure defines "park model RV" and allows a park model RV owner to obtain a title but not registration from ODOT. The measure specifies that a park model RV that has been converted to a structure will be subject to the state building code and requires the seller of a new RV to provide a buyer with warranty information.

Oregon Laws 2019: Chapter 585

#### **House Bill 2415**

Effective Date: January 1, 2020

Effective Date: January 1, 2020

#### **Retainage in Interest-Bearing Escrow Accounts**

At the request of: House Interim Committee on Business and Labor for Associated Wall and Ceiling Contractors

Committees: House Business and Labor, Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** Retainage is a portion of a contract deliberately withheld until work is substantially complete to ensure the contractor will satisfy its obligations. Current statute requires the contracting agency for a public improvement contract to make monthly progress payments and allows the contracting agency to withhold up to five percent of the progress payment as retainage. Any retainage held by the contracting agency must be paid to the contractor as part of the final payment with interest of one and a half percent per month. For private contracts, an owner, contractor, or subcontractor may withhold up to five percent of the contract price as retainage and paid to the contractor with the final payment with interest of one percent per month.

**Bill Summary:** House Bill 2415 requires retainage for contracts exceeding \$500,000 to be held in an interest-bearing escrow account.

#### **House Bill 2419**

Effective Date: September 29, 2019

#### **Financial Services Licensing System**

At the request of: House Interim Committee on Business and Labor

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** The Nationwide Multistate Licensing System (NMLS) is the system of record for nondepository financial services licensing and registration used by participating states. The system allows for improved coordination and information sharing among regulators, increased efficiency for the industry, and enhanced consumer protection. The Department of Consumer and Business Services (DCBS) currently has explicit statutory authority to use the NMLS when issuing and renewing licenses for debt management service providers and money transmitters.

**Bill Summary:** House Bill 2419 allows DCBS to use the NMLS for four additional licensing programs: collection agencies, consumer finance lenders, title loan lenders, and payday loan lenders. The measure also provides DCBS with the statutory authority needed to require fingerprints of license applicants for collection agencies, debt management service providers, and money transmitters.

Oregon Laws 2019: Chapter 106

#### House Bill 2425

Effective Date: January 1, 2020

#### **Electronic Real Property Documents**

At the request of: House Interim Committee on Business and Labor for NW Credit Union Association

Committees: House Business and Labor, Senate Judiciary

**Background and Current Law:** Current Oregon law requires that instruments conveying an interest in real property contain the original signature of the persons executing the instrument and the officer before whom the acknowledgment of the instrument was made. County clerks may record a certified copy of the instrument if recording is authorized by law and the instrument contains the original certification of the certifying officer. County clerks can also record electronic images, but the statute is not clear on the use of electronic signatures.

**Bill Summary:** House Bill 2425 allows county clerks to accept electronic signatures or records bearing electronic signatures for recording. The measure also allows county clerks to collect a fee for providing electronic delivery of images of records requested by a private party.

House Bill 2454-A Not Enacted

#### **Provisional Occupational Licenses for Eastern Oregon Border Region**

Chief Sponsors: Rep. Findley

Committees: House Economic Development

**Background and Current Law:** House Bill 2012 (2017) established the seven-member Eastern Oregon Border Economic Development Board, appointed by the Governor, to formulate and implement plans and practices for strategic investment in workforce and economic development in the Eastern Oregon Border Economic Development Region. This is one of seven measures (Senate Bill 875 and House Bills 2453, 2454, 2455, 2456, 2457, and 2933) introduced this session to address priorities of the Board.

**Bill Summary:** House Bill 2454 would have allowed professional licensing boards to issue a provisional license or other provisional authorization to an out-of-state applicant if the applicant was licensed or authorized in another state for the same occupation or profession, intended to engage in the occupation or profession in the Eastern Oregon Border Economic Development Region, and certified they would be seeking full licensure or other authorization within two years to engage in the occupation or profession.

House Bill 2455 Not Enacted

Broadband as Economic Development for Eastern Oregon Border Region

Chief Sponsors: Rep. Findley

**Committees:** House Economic Development

**Background and Current Law:** House Bill 2012 (2017) established the seven-member Eastern Oregon Border Economic Development Board, appointed by the Governor, to formulate and implement plans and practices for strategic investment in workforce and economic development in the Eastern Oregon Border Economic Development Region. This is one of seven measures (Senate Bill 875 and House Bills 2453, 2454, 2455, 2456, 2457, and 2933) introduced this session to address priorities of the Board.

**Bill Summary:** House Bill 2455 would have defined the development or expansion of broadband Internet access service as an economic development purpose of the Eastern Oregon Border Economic Development Board and would have allowed the Board to award grants and loans for broadband Internet access service.

#### **BUSINESS AND CONSUMER PROTECTION**

#### **House Bill 2463**

**Effective Date: September 29, 2019** 

#### **Pawnbrokers Off Premise Storage**

At the request of: House Interim Committee on Judiciary

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** Pawnbrokers lend money backed by personal property as collateral. According to the Oregon Pawnbrokers Association, the average pledge loan in Oregon is \$125, with a redemption rate of 85 percent; in 2016 more than \$57 million was loaned by pawnbrokers. Pawnbrokers must be licensed by the Department of Consumer and Business Services (DCBS) to lawfully transact business. Pawnbrokers are liable for any loss of the pledged item or injury to the item that results from a failure to exercise reasonable care. Current law allows pawnbrokers to hold pledged boats, snowmobiles, all-terrain vehicles, and specified smaller trailers in a gated, secured facility.

**Bill Summary:** House Bill 2463 explicitly authorizes pawnbrokers to store large items at one off-premises location if the pledgor agrees in writing. The off-premises location must meet security, bonding, and insurance standards adopted by DCBS.

Oregon Laws 2019: Chapter 10

House Bill 2517 Not Enacted

#### Student Loan Debt

Chief Sponsors: Rep. Doherty

**Committees:** House Business and Labor

**Background and Current Law:** Statutes governing licensing by state agencies, boards, and commissions generally describe the reasons for which a license may be suspended or revoked. Some license applicants may be required to undergo a background check that could include a credit report.

**Bill Summary:** House Bill 2517 would have prohibited state agencies from suspending or revoking business, trade, occupation, or professional licenses because a licensee is delinquent in paying their student loan debt.

House Bill 2641 Not Enacted

(see Senate Bill 418)

#### **Entrepreneurial Ecosystem Support**

**Chief Sponsors:** Rep. Nathanson; Sen. Beyer **Committees:** House Economic Development

**Background and Current Law:** The Regional Accelerator & Innovation Network (RAIN) is an Oregon consortium of government, higher education, and the business community created to advance the formation and growth of tech-based startups in the South Willamette Valley through two accelerators. RAIN Eugene connects the local innovation ecosystem around the University of Oregon, cities of Eugene and Springfield, and entrepreneurial community to create high impact, innovative, traded-sector companies that can grow and thrive. The Oregon State University Advantage Accelerator (OSU Advantage) helps take companies through all phases of the start-up process and assists faculty, staff, students, and the community to commercialize research and concepts.

**Bill Summary:** House Bill 2641 would have appropriated \$1,000,000 to OSU Advantage and RAIN Eugene and would have assisted start-up businesses that commercialize university or university-assisted research.

House Bill 2733 Not Enacted

#### **Tourism Districts**

Chief Sponsors: Rep. Evans

**Committees:** House Economic Development

**Background and Current Law:** The Oregon Tourism Commission, doing business as Travel Oregon, is a semi-independent agency created in 2003 to enhance Oregonians' quality of life by strengthening economic impacts of the state's \$11.8 billion tourism industry. Travel Oregon develops and implements a biennial strategic plan, including through cooperation with local communities, industry associations, government agencies, and private businesses.

**Bill Summary:** House Bill 2733 would have directed the Oregon Tourism Commission to identify, designate, and monitor tourism districts under certain criteria. The measure would have allowed tourism districts to request Commission assistance in: (1) obtaining grants from the Oregon Business Development Department and Department of Transportation; (2) applying for and obtaining temporary waivers for certain land use and building code requirements to allow property use for priority tourism and recreation opportunities; and (3) identifying and designating live performances as a priority tourism and recreation activity not subject to the crime of unlawful recording of a live performance.

#### **House Bill 2749**

Effective Date: January 1, 2020

#### **Cosmetic Practitioners**

Chief Sponsors: Rep. Marsh

**Background and Current Law:** The Oregon Health Licensing Office issues certificates to qualifying applicants who wish to provide cosmetology services to the public. These services include hair design, barbering, esthetics, nail technology, and natural hair care. Current regulations require the certificate to be posted in public view, and the certificate to include the practitioner's personal address. As a matter of safety and privacy, some practitioners are not comfortable having customers and the public know their personal address.

**Bill Summary:** House Bill 2749 eliminates the requirement that a certificate to practice cosmetology include the practitioner's address.

Oregon Laws 2019: Chapter 11

House Bill 2804 Not Enacted

#### Retail Pet Stores

Chief Sponsors: Reps. Gomberg, DB Smith, Sollman

**Committees:** House Business and Labor

**Background and Current Law:** Under current law, the only regulation specific to retail pet stores is the requirement that they provide an intended purchaser of a dog with specified information about the dog, including where the dog was born, breed, age, sex, known congenital disorder or hereditary diseases, size of breeding facility, and, if relevant, pedigree information.

**Bill Summary:** House Bill 2804 would have prohibited retail pet stores from selling dogs, cats, or rabbits unless they are acquired from an animal shelter or rescue organization and made prohibited sales a Class C violation subject to a \$500 fine.

House Bill 2885 Not Enacted

#### Remedies under "Lemon" Law

Chief Sponsors: Rep. McLain

At the request of: Danielle Beauvais

Committees: House Business and Labor

**Background and Current Law:** Oregon's "lemon law" requires manufacturers and their authorized dealers to replace or refund a new motor vehicle if they are unable to conform the vehicle to the manufacturer's express warranty by repairing or correcting a defect or condition that substantially impairs the use, market value, or safety of the vehicle to the consumer after a reasonable number of attempts. Motor vehicles are covered for the two-year period following original delivery to the consumer or during the first 24,000 miles, whichever period ends first. The consumer must notify the manufacturer in writing and give the manufacturer an opportunity to correct the defect.

**Bill Summary:** House Bill 2885 would have required manufacturers to replace, refund, or return installed aftermarket items; revised the formula for determining refunds; and allowed, rather than compelled, consumers to participate in informal dispute resolution with the manufacturer.

House Bill 2890 Not Enacted

Patentability of Inventions by Public High School Faculty, Staff, or Students

Chief Sponsors: Rep. Evans

**Committees:** House Economic Development

**Background and Current Law:** The Oregon Business Development Department, more commonly known as Business Oregon, is the state's economic development agency. Business Oregon supports the retention and expansion of existing Oregon businesses within traded sectors, carries out strategies to create a dynamic startup and entrepreneurial environment, and recruits companies from outside the state to fill supply chain gaps and grow existing industry clusters. Federal statutes (Title 35 U.S.C. sect. 101) codify the patentability of inventions. "Reduce to practice" is the process of demonstrating that an invention works correctly for its desired purpose and occurs when an inventor constructs the product or process within the scope of the patent claim and demonstrates its ability to achieve the intended purpose.

**Bill Summary:** House Bill 2890 would have allowed the Oregon Business Development Department to hire an attorney with extensive experience in intellectual property law to write and file a patent application for any invention that faculty, staff, or students reduced to practice while employed by or enrolled in a public high school in Oregon. The bill would have permitted the Department to assume, assign, partake in, or disclaim ownership of any patent that results from an invention under the terms of a contract or other agreement it enters into with faculty, staff, student, or legal guardian of a student, and in accordance with Department rules and applicable law.

House Mill 2900-A

(see House Bill 2164)

#### **Food Processing Equipment Property Tax Exemption**

Chief Sponsors: Rep. G Smith

Committees: House Economic Development, House Revenue

**Background and Current Law:** Current Oregon law provides an exemption from property tax for newly acquired machinery or equipment used by a food processing business. The tax exemption is for food processors engaged in the business of processing, repacking, freezing, canning, dehydrating, concentrating, or preserving raw or fresh fruit, vegetables, nuts, legumes, or seafood for human consumption before the point of the first sale by the processor. Qualified machinery and equipment are certified by the Oregon Department of Agriculture and are exempt for five years following certification. This exemption was first enacted by the Legislative Assembly in 2005 and was extended in 2011 and 2013.

**Not Enacted** 

Effective Date: May 2, 2019

**Bill Summary:** House Bill 2900-A would have extended the sunset for the property tax exemption on qualified real property machinery and equipment that is used in food processing to July 1, 2025 and allowed county governing bodies to decide whether to disallow or re-allow the exemption for the county and all other taxing districts within the county for periods of at least three consecutive property tax years. This property tax exemption and the ability for local government to either opt out or change the exemption percentage or number of property tax years was instead included in House Bill 2164, which is the omnibus tax expenditure bill.

#### **House Bill 2913**

## Possessory Liens on Motor Vehicles

Chief Sponsors: Rep. Evans

Committees: House Business and Labor, Senate Judiciary

**Background and Current Law:** In 2018, the Legislative Assembly enacted House Bill 4087, which required vehicle repair shops to carry a bond of at least \$20,000 to assert valid liens on customer vehicles for nonpayment of work performed and other associated costs. This requirement does not apply to dealerships, towers, or abandoned vehicles. The bond is to cover any damages or costs incurred by a vehicle owner who sues the repair shop. The legislation took effect on January 1, 2019.

**Bill Summary:** House Bill 2913 suspends the surety bond requirement for repair businesses to impose vehicle liens until July 1, 2020.

House Bill 2934 Not Enacted

#### **Innovation Quadrant Grants**

Chief Sponsors: Reps. Williamson, Nosse, Nathanson, Helt; Sen. Beyer

**Committees:** House Economic Development

**Background and Current Law:** Brookings defines an innovation district as a geographic area where leadingedge anchor institutions -- research universities and research-oriented medical hospitals -- and companies cluster and connect with start-ups, business incubators, and accelerators. Innovation districts combine economic, physical, and networking assets to create an innovation ecosystem, or a "synergistic relationship between people, firms and place." [Bruce Katz and Julie Wagner, Brookings, The Rise of Innovation Districts: A New Geography of Innovation in America (2014)].

**Bill Summary:** House Bill 2934 would have appropriated \$2,000,000 of General Fund moneys to the Oregon Business Development Department to make grants to nonprofit corporations for supporting innovation districts. Eligible districts must be located within five miles of and partnered with Oregon State University, the University of Oregon, or the Oregon Health and Science University; established by September 1, 2019; and have an opportunity zone within its boundaries.

#### **House Bill 2998**

Effective Date: September 29, 2019

#### Language of Documents Submitted to Secretary of State for Filing

Chief Sponsors: Rep. Alonso Leon

**Committees:** House Business and Labor, Joint Ways and Means

**Background and Current Law:** Businesses file documents with the Secretary of State when starting a business and annually thereafter. They must also file to report certain changes, such as changes in location, registered agent, or ownership. Current law allows foreign business filings to be in a language other than English if the filing is accompanied by a reasonably associated English translation. Business filings are public records.

**Bill Summary:** House Bill 2998 requires the Secretary of State to make business filing forms available in Spanish, Chinese, Vietnamese, Russian, and Korean. The measure removes the statutory requirement that business filings be in the English language.

House Bill 3001 Not Enacted

#### **Peer-to-Peer Car Rentals**

Chief Sponsors: Rep. Marsh

Committees: House Business and Labor

**Background and Current Law:** Peer-to-peer car rental programs are like the Airbnb model that exists for short-term rental of private residences. Unlike a car rental company that owns a fleet of vehicles for rent to the public, a peer-to-peer car rental program connects an individual who needs the short-term use of a vehicle with a person willing to rent out their personal vehicle.

**Bill Summary:** House Bill 3001 would have subjected peer-to-peer car rental programs to the same airport fees and state and local laws that apply to car rental companies.

House Bill 3023-B Not Enacted

Chief Sponsors: Reps. McLain, Clem, Bynum

**Transportation Network Companies** 

Committees: House Business and Labor, House Revenue, Joint Ways and Means,

**Background and Current Law:** Oregon's cities and counties have authority to regulate taxicabs, limousines, and other vehicles for hire including licensure, rates, and safety and insurance requirements. In response to the rise in transportation network companies (TNCs) such as Uber and Lyft, Oregon's larger cities have adopted licensing programs tailored to meet local needs.

**Bill Summary:** House Bill 3023-B would have established a statewide TNC licensing program administered by the Oregon Department of Transportation; local government would have been pre-empted from regulating the service. The measure would have adopted minimum license and operating standards for TNCs.

House Bill 3029 Not Enacted

#### **Public Banks**

Chief Sponsors: Rep. Keny-Guyer; Sens. Dembrow, Golden

**Committees:** House Business and Labor

**Background and Current Law:** Founded in 1919, the Bank of North Dakota (BND) is a state-owned bank with the mission of promoting agriculture, commerce, and industry in North Dakota. BND's profits are appropriated to the North Dakota's legislature General Fund, mission-driven loan programs administered by BND's financial institution partners, and BND's capital. BND follows a conservative investment strategy, meaning BND's capital faces minimal risk. Unlike its partners, BND is not insured by the Federal Deposit Insurance Corporation (FDIC).

**Bill Summary:** House Bill 3029 would have allowed for the formation of municipal banks which are not FDIC-insured and may act as depository or custodian of public funds.

Effective Date: September 29, 2019

#### **House Bill 3030**

#### **Professional Authorizations**

Chief Sponsors: Reps. McLane, Reschke, Clem, Bynum; Sens. Linthicum, Olsen

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** The National Conference of State Legislatures reports that 66 percent of military spouses are in the workforce, and that 25 percent of military spouses have a bachelor's degree and 10 percent hold an advanced degree. Despite their level of education, nearly one-third of military spouses are underemployed. According to a 2015 report on occupational licensing issued by the White House, more than 25 percent of workers are doing work that requires a license, with most of those licenses being issued by a state agency.

**Bill Summary:** House Bill 3030 allows state licensing agencies to issue a temporary authorization to individuals who are married to member of the U.S. Armed Forces serving in Oregon if the individual holds a license from another state, is in good standing with that out-of-state licensing board, and demonstrates competency. Senate Bill 688 mandates such action by licensing agencies.

House Bill 3131 Not Enacted

#### **Vehicle Insurance Policy Coverage Exclusions**

Chief Sponsors: Rep. Noble

At the request of: American Property and Casualty Insurance Association

**Committees:** House Business and Labor

**Background and Current Law:** Current law allows a motor vehicle liability insurance policy to exclude by name any person other than the named insured based on the person's driving record or for any reason established by rule by the Department of Consumer and Business Services.

**Bill Summary:** House Bill 3131 would have allowed unnamed persons to be excluded from the policy for the following reasons: status as unlicensed driver, status as family member residing in the home or resident of the household but not disclosed to the insurer as a possible driver, or for any reason established by agency rule.

Effective Date: January 1, 2020

#### **House Bill 3143**

#### **Practice of Engineering and Land Surveying**

At the request of: Department of Justice

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** In 2015, the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) determined that Mats Jarlstrom of Beaverton violated state law by claiming to be an engineer without holding the appropriate license from OSBEELS and assessed a civil penalty. In Jarlstrom's subsequent suit against OSBEELS, the U.S. District Court for the State of Oregon in 2018 ruled that the prohibition on using the title "engineer" was substantially overbroad and a violation of the First Amendment of the U.S. Constitution.

**Bill Summary:** House Bill 3143 clarifies that the practice of engineering means providing specified services for others and that someone is practicing engineering or land surveying when they bid to perform or perform commercial or professional services or work, or when they claim in advertising, signs, letterhead, or such, that they are a professional or registered practitioner.

House Bill 3194 Not Enacted

#### **Self-Dispensing of Gasoline**

Chief Sponsors: Reps. Fahey, Bonham; Sen. Heard

At the request of: Jim Laden

**Committees:** Joint Transportation

**Background and Current Law:** Oregon law limits and prohibits self-service dispensing of gasoline to reduce fire hazards and injury risks associated with dispensing fuel and support the needs of senior citizens and persons with disabilities who may have more difficulty with self-service dispensing of fuels. Oregon and New Jersey are the only two states that restrict self-service gasoline dispensing. House Bill 3011(2015) permitted self-service gasoline dispensing in rural counties between 6:00 PM and 6:00 AM. House Bill 2482 (2017) authorized self-dispensing 24 hours per day in counties with fewer than 40,000 residents located in eastern Oregon, though an attendant is required to assist customers at dispensaries with a retail section.

**Bill Summary:** House Bill 3194 would have allowed fueling stations statewide to allow self-dispensing of gasoline at up to 25 percent of its fuel dispensing devices.

#### **House Bill 3205**

Effective Date: January 1, 2020

#### **Telecommunication Devices Access Program**

Chief Sponsors: Rep. Williamson; Sen. Thomsen

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** In recognition of the large number of people in the state who are not able to utilize telecommunication equipment due to the inability to hear or speak well enough or due to other disabilities, the Legislative Assembly established the Telecommunication Devices Access Program (TDAP) in 1987. The program, administered by the Public Utility Commission (PUC) with consultation of an advisory committee, purchases and distributes assistive communication equipment to persons who are deaf, deaf-blind, hard of hearing, or speech impaired, to be used in conjunction with the program's telecommunications relay service.

**Bill Summary:** House Bill 3205 requires the PUC to expand the TDAP to include providing communication facilitator services to persons who are deaf-blind.

#### **BUSINESS AND CONSUMER PROTECTION**

#### **House Bill 3218**

Effective Date: January 1, 2020

#### **Real Estate Appraisals**

Chief Sponsors: Rep. Holvey

At the request of: Greater Oregon Chapter of the Real Estate Appraisal Institute

Committees: House Business and Labor, Senate Business and General Government

Background and Current Law: Legislation was introduced in 2017 (House Bill 2189) that established a statute of repose for actions arising out of real estate appraisal activity to match the five-year federal recordkeeping rule under the Uniform Standards of Professional Appraisal Practice. The measure was amended before being enacted to match the six-year liability limit placed on real estate agents. An agreement was made between the realtors and appraisers to revisit the issue in a subsequent session to limit the liability for both groups to five years.

Bill Summary: House Bill 3218 lowers the statute of repose to five years for actions arising out of a real estate appraisal activity or appraisal review. The measure also clarifies that disciplinary actions by the Board cannot be commenced after the later of five years after the activity was completed or the expiration of the period for record retention.

Oregon Laws 2019: Chapter 114

#### **Not Enacted House Bill 3251-A**

#### **Outdoor Recreation Industry Grants**

Chief Sponsors: Reps. Helm, Bonham, Gomberg, Helt, Smith DB, Witt; Sens. Knopp, Dembrow, Thomsen

**Committees:** House Economic Development, Joint Ways and Means

Background and Current Law: The Oregon Business Development Department's mission is to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy. Its current target industries include advanced materials, apparel and outdoor gear, business services, food and beverage, forestry and wood products, and high technology. According to the Outdoor Industry Association, the outdoor recreation economy generates 172,000 direct jobs, \$5.1 billion in wages and salaries, \$16.4 billion in consumer spending, and \$749 million in state and local tax revenue in Oregon.

Bill Summary: House Bill 3251-A would have authorized the Oregon Business Development Department to provide matching grants to business accelerators and nonprofit organizations of outdoor gear and apparel businesses to support capacity building and technical assistance to businesses that manufacture gear and apparel for use in outdoor recreation.

House Bill 3379-A Not Enacted

#### **Requirements for Operating Vehicles for Hire**

Chief Sponsors: Rep. Holvey; Sen. Prozanski

Committees: House Business and Labor, House Revenue

**Background and Current Law:** Oregon's cities and counties have authority to regulate taxicabs, limousines, and other vehicles for hire including licensure, rates, and safety and insurance requirements. In response to the rise in transportation network companies (TNCs) such as Uber and Lyft, Oregon's larger cities have adopted licensing programs tailored to meet local needs.

**Bill Summary:** House Bill 3379-A would have allowed local governments or the Oregon Department of Transportation to license vehicle-for-hire services. The measure would have adopted minimum license and operating standards for TNCs.

#### House Bill 3389-B

**Not Enacted** 

#### **Oregon State Lottery**

Chief Sponsors: Rep. Barker

Committees: House Business and Labor, Senate Business and General Government

**Background and Current Law:** Current rule allows the Oregon State Lottery Commission (Lottery) to use the name, address, and likeness of a winner in any lottery promotional campaign, advertisement, or press release. In April of 2019, the Lottery approved a contract to offer services supporting sports betting in Oregon through the Internet and certain land-based retail sales channels.

**Bill Summary:** House Bill 3389-B would have prohibited the Lottery from publicly disclosing a winner's name and address without the winner's permission for specified multistate games. The measure would also have prohibited the Lottery operating a lottery game for which shares are purchased via the Internet or a personal electronic device.

House Bill 3432 Not Enacted

#### **Special Exterior Construction Inspections**

Chief Sponsors: Reps. Meek, Power, Helt, Smith DB; Sens. Manning Jr, Heard

Committees: House Rules

**Background and Current Law:** Current statute requires the Department of Consumer and Business Services to adopt and administer a statewide building code to govern the construction, reconstruction, and alteration of buildings and other structures. Installations must be verified by a certified building inspector to ensure compliance with the state building code. Current statute prohibits an owner of residential property from commencing action against a contractor or supplier for a construction defect unless the owner has given notice of the defect to the contractor or supplier.

**Bill Summary:** House Bill 3432 would have required special inspections of exterior waterproofing systems in specified structures of homeowners' associations, planned communities, and condominiums. The measure would have amended requirements for construction defect claims for those installations.