

---

## 2017 SUMMARY OF LEGISLATION

---



# BUSINESS AND CONSUMER PROTECTION

---



# BUSINESS AND CONSUMER PROTECTION MEASURES

## Construction

Enacted: SB 336, SB 983

Not Enacted: HB 2164, HB 2168, HB 2544,  
HB 2907

---

## Consumer Protection

Enacted: SB 134, SB 974, HB 2090,  
HB 2356, HB 3447

Not Enacted: HB 2581, HB 2975-A

---

## Economic Development

Enacted: SB 936, HB 2152

Not Enacted: HB 2041, HB 3150

---

## Finance, Insurance, and Real Estate

Enacted: SB 96, SB 97, SB 98, SB 330, SB 331,  
SB 332, SB 381, SB 985, SB 986,  
HB 2189, HB 2244, HB 2622,  
HB 2638, HB 2833, HB 2855

Not Enacted: HB 2155-A, HB 2243, HB 2501,  
HB 2752-A, HB 2950, HB 3087-A

---

## Gaming and Alcohol

Enacted: SB 1044, HB 2089, HB 2150,  
HB 2159, HB 2160

Not Enacted: SB 316-A, HB 2190, HB 2761,  
HB 2971

---

## General Business Policy

Enacted: SB 838, SB 980, HB 2191,  
HB 2610, HB 3101, HB 3279,  
HB 3283

Not Enacted: SB 664-A, SB 885, SB 982,  
HB 2153-A, HB 2348, HB 3322

---

## Utilities

Enacted: SB 84, HB 2091

Not Enacted:

Picture: Wallowa Lake, Wallowa County - [Gary Halvorson, Oregon State Archives](#)

---

# BUSINESS AND CONSUMER PROTECTION TASK FORCES AND REPORTING REQUIREMENTS

---

There were no task forces or reporting requirements involving business and consumer protection enacted through legislation during the 2017 session.

[Senate Bill 84](#)

Effective Date: January 1, 2018

**Surcharge for Telephone Assistance Program**

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

**Committees:** Senate Business and Transportation, Joint Ways and Means

**Background and Current Law:** The Oregon Public Utility Commission (PUC) regulates investor-owned utilities, including telephone utilities. Its Residential Service Protection Fund (RSPF) Section oversees three programs that assist customers with telecommunications services: the Oregon Telephone Assistance Program reduces monthly telecommunications bills for qualifying Oregonians; the Telecommunication Devices Access Program provides adaptive equipment to Oregonians with hearing, vision, speech, mobility, or cognitive impairments; and the Oregon Telecommunications Relay Service (OTRS) allows people with hearing and speech disabilities to place and receive telephone calls. Subscribers who receive telecommunications service that includes access to OTRS are assessed a surcharge of up to 35 cents per month for each land line circuit and, in the case of cellular service, for each device. No amounts are currently assessed for customers who receive voice over internet protocol (VoIP) service that includes OTRS.

**Bill Summary:** Senate Bill 84 clarifies existing statute to allow the PUC to apply the RSPF surcharge to customers receiving VoIP service that includes OTRS.

**Oregon Laws 2017:** Chapter 237

[Senate Bill 96](#)

Effective Date: January 1, 2018

**Insurance Requirements for Broker-Dealer and Investment Advisor**

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

**Committees:** Senate Business and Transportation, Senate Judiciary, House Business and Labor

**Background and Current Law:** The Department of Consumer and Business Services (DCBS) regulates finance and insurance businesses and professionals. Securities professionals must be licensed by DCBS as investment advisors. Broker-dealers and investment advisors are required by rule to carry a \$10,000 surety bond to protect clients against loss as a result of regulatory violations. DCBS is authorized to raise the amount of bond as high as \$100,000, but has determined that sureties are unlikely to offer bonds in that amount. “Errors and omissions” insurance provides coverage for negligent acts by the insured. Currently, no state requires investment advisors or broker dealers to carry errors and omissions insurance.

**Bill Summary:** Senate Bill 96 requires applicants for licensure or renewal of licensure as broker-dealers or state investment advisors to be covered by an errors and omissions policy of at least \$1 million, excluding licensed broker-dealers already registered with the U.S. Securities and Exchange Commission and licensed state investment advisors whose principal place of business is outside Oregon.

**Oregon Laws 2017:** Chapter 313

[Senate Bill 97](#)

Effective Date: June 27, 2017

**Modernizing Insurance Corporate Governance**

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

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** The Division of Financial Regulation of the Department of Consumer and Business Services (DCBS) regulates companies and professionals in finance and insurance industries. DCBS is accredited through the National Association of Insurance Commissioners, which evaluates Oregon’s programs to monitor the solvency of insurers. DCBS has conducted a review of how insurers govern themselves, which identified several issues.

**Bill Summary:** Senate Bill 97 authorizes DCBS to act as the group-wide supervisor for internationally active insurance groups, or to acknowledge another entity as the group-wide supervisor, under certain circumstances. Insurers and insurance groups are required to submit annual corporate governance disclosures to DCBS or to another regulatory entity in the lead state according to timelines established by rule. Confidentiality requirements are outlined and authority is granted to share specified information received or disclosed by DCBS. Once an insurer is placed under supervision, liquidation, or rehabilitation, DCBS has authority over its operations.

**Oregon Laws 2017:** Chapter 479

[Senate Bill 98](#)

Effective Date: August 2, 2017

**Licensure of Mortgage Loan Servicers**

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

**Committees:** Senate Business and Transportation, Joint Ways and Means

**Background and Current Law:** A mortgage loan servicer is a company that processes mortgage loan payments from borrowers and performs other services in connection with mortgages and mortgage-backed securities. Mortgages may be serviced by the lender that originated the loan, or by an entity that purchases mortgage servicing rights from the original lender. Nondepository residential mortgage loan servicers are not currently regulated in Oregon.

**Bill Summary:** Senate Bill 98 outlines the duties and responsibilities of residential mortgage loan servicers, requires they be licensed by the Department of Consumer and Business Services (DCBS), and prescribes penalties for those operating without a license. The measure also allows DCBS to participate in a multistate mortgage examination.

**Oregon Laws 2017:** Chapter 636

[Senate Bill 134](#)

Effective Date: January 1, 2018

## Retail Installment Contracts for Vehicle Sales

**At the request of:** Attorney General Rosenblum

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** Retail installment contracts to purchase vehicles are similar to traditional auto loans in that both allow buyers to obtain vehicles by agreeing to make payments over time. A traditional loan is a transaction between a buyer and a bank, or other lender, for money used to pay a vehicle dealer the total cost of the vehicle in return for the buyer's agreement to repay the bank. A retail installment contract involves a transaction between a buyer and vehicle dealer directly, wherein the buyer agrees to make regular payments to the dealer. Both banks and dealers may subsequently sell the rights to collect repayment on either type of contract to another lender or third party.

**Bill Summary:** Senate Bill 134 clarifies that when a lender is purchasing the right to collect on a retail installment contract from a vehicle seller, the lender is not "financing" the sale between the buyer and seller. It also outlines a process to determine how much a buyer must reimburse a vehicle seller for the use of a vehicle between taking possession and returning the vehicle to the seller.

**Oregon Laws 2017:** Chapter 241

[Senate Bill 316-A](#)

Not Enacted

## Promotion Activities by the Oregon Wine Board

**Chief Sponsors:** Sens. Winters, Roblan, Beyer; Rep. Rayfield

**Committees:** Senate Business and Transportation, Joint Ways and Means

**Background and Current Law:** The Oregon Wine Board, created in 2003, is a semi-independent state agency charged with promoting Oregon's wine industry. The board is composed of nine members, appointed by the governor, and is funded by taxes on wine and grapes. Oregon's wine industry has experienced significant growth in the past decade: approximately 700 wineries and over 1,000 grape growers are located in Oregon, representing about a 500 percent increase over the past 15 years. Wine producers are constantly looking for new markets. Wine industries in California and Washington spend significant resources on industry research; Oregon's research is largely limited to what the state's universities and community colleges engage in.

**Bill Summary:** Senate Bill 316-A would have allocated \$1.5 million from wine taxes for a research and investment program to expand national and international market access opportunities for Oregon wineries. Other programs funded by wine tax revenues, such as local governments, mental health services, and the administrative purposes of the Oregon Liquor Control Commission, must have been funded first.

[Senate Bill 330](#)

Effective Date: January 1, 2018

**Termination of Portable Electronics Insurance**

**At the request of:** Senate Interim Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** Portable electronics insurance is a relatively new classification of insurance products that cover a wide array of electronic devices against loss, theft, and malfunction, among other things. House Bill 3411 (2011) required portable electronics vendors to obtain a limited license from the Department of Consumer and Business Services in order to offer or sell portable electronics insurance coverage.

**Bill Summary:** Senate Bill 330 reduces the amount of advance notice insurers are required to give vendor policyholders and enrolled customers of modification or termination of their portable electronics insurance coverage, from 60 to 30 days. The measure also allows notice to be provided via email with customer consent.

**Oregon Laws 2017:** Chapter 450

[Senate Bill 331](#)

Effective Date: January 1, 2018

**Replacement Insurance Policies by Affiliated Company**

**At the request of:** Senate Interim Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** Under current law, the only way that an insurer who offers lines of insurance through multiple, distinct underwriting companies can transfer a policyholder from one of its holding companies to another is to not renew a policy. This can lead to confusion for the policyholder when they receive notice that their policy will not be renewed.

**Bill Summary:** Senate Bill 331 allows an insurer to offer an insured a replacement policy from a subsidiary company in lieu of renewing an existing policy, if the insurer notifies the insured and the insurance producer at least 45 days prior to the renewal date on the existing policy.

**Oregon Laws 2017:** Chapter 250



[Senate Bill 332](#)

Effective Date: January 1, 2018

**Rebates Offered by Insurance Companies**

**At the request of:** Senate Interim Committee on Business and Transportation

**Committees:** Senate Health Care, Senate Business and Transportation, House Health Care

**Background and Current Law:** Current law allows for insurers to provide premium discounts or rebates to policyholders if offered in connection with a health promotion or disease prevention program under federal or state law, or in connection with a wellness program defined, by rule, by the Department of Consumer and Business Services.

**Bill Summary:** Senate Bill 332 allows insurers to offer certain rebates, such as prizes, goods, wares, merchandise, or articles of property, to people other than policyholders, so long as such prizes do not have an aggregate value exceeding \$100 and are given as a form of advertising or promotion.

**Oregon Laws 2017:** Chapter 327

[Senate Bill 336](#)

Effective Date: January 1, 2018

**Responsible Managing Individuals for Construction Contracting Companies**

**At the request of:** Senate Interim Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** The Construction Contractors Board (CCB) regulates residential and commercial construction contractors, subcontractors, and home inspectors. It investigates and adjudicates complaints filed against licensees, levies sanctions when applicable, and provides education and testing on construction laws and business practices. Every contractor or business licensed by the CCB must have a responsible managing individual (RMI). The RMI can be either an owner or an employee who exercises management or supervisory authority and has successfully completed training and passed an examination or demonstrated the required experience. Businesses may have more than one RMI, but most only have one. This can cause problems when the RMI leaves a business unexpectedly before a replacement can become qualified and licensed.

**Bill Summary:** Senate Bill 336 establishes a process for a construction contractor or business to follow when it loses its RMI, allowing operation with a temporary RMI for up to 14 days after notifying the CCB.

**Oregon Laws 2017:** Chapter 483



[Senate Bill 381](#)

Effective Date: January 1, 2018

**Real Estate Loan Notices**

**Chief Sponsors:** Sen. Hansell

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** Many documents related to real estate loans are required to be mailed in hard copy to the designated recipients, including: payoff statements; trust deeds; requests for resolution conferences; notice of noncompliance with, or ineligibility for, foreclosure avoidance measures; notice of default; and notice of trustee sale. Statute specifies that these documents are to be mailed to the address on file; however, in some cases, the recipient relies upon a post office box for mail delivery, and some documents are not mailed in a method that allows delivery to a post office box.

**Bill Summary:** Senate Bill 381 requires that notices relating to real estate loans that are required to be mailed to the borrower must be mailed to all addresses on file with the lender, including post office boxes.

**Oregon Laws 2017:** Chapter 251

[Senate Bill 664-A](#)

Not Enacted

**Imposition of Civil Penalties on Small Businesses**

**Chief Sponsors:** Sen. Olsen

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** General authorization for state agencies to impose civil penalties is governed by ORS 183.745. Persons subject to penalties receive notice and have 20 days to appeal by requesting a hearing in writing or an order becomes final. Penalties are due and payable 10 days after orders become final. If a hearing is requested, it is a “contested case hearing,” subject to judicial review. The provisions of ORS 183.745 do not apply to: tax penalties; antitrust violations; wage claims; occupational safety and health violations; workers’ compensation claims; claims of unlawful discrimination in employment or public accommodations; or penalties imposed by the Public Utility Commission.

**Bill Summary:** Senate Bill 664-A would have prohibited state agencies from imposing civil penalties on small businesses for a first violation of paperwork requirements, provided the violation did not pose an unreasonable risk of harm to either the employees of the business or the general public, and so long as the business was in compliance with all other applicable laws. The measure specified that the prohibition would not apply in cases where a contrary requirement was imposed by federal law or mandatory federal guidance.

[Senate Bill 838](#)

Effective Date: January 1, 2018

**Governance of Timeshares**

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** A timeshare is partial ownership of real property that entitles owners to use the property for a certain period of time every year, while other owners use the property the rest of the year. For example, a 1/52nd ownership share typically entitles the owner to use the property for one week per year. Timeshares are typically vacation properties that an individual or family can use, either for a set or variable amount of time each year, depending on the timeshare arrangement. Legislation was enacted in Oregon in 1983 to regulate and support the timeshare industry and to require full and adequate disclosure of all pertinent facts about the timeshare plan.

**Bill Summary:** Senate Bill 838 refines the definition of “developer” for timeshare purposes to remove references to persons who sell timeshares, and to include persons who create the timeshare plan, their successors in interest, and persons who purchase a timeshare from either the creator of the plan or a successor in interest for the primary purpose of resale.

**Oregon Laws 2017:** Chapter 354

[Senate Bill 885](#)

Not Enacted

**Waiver of Practical Engineering Exam for Licensees**

**Chief Sponsors:** Sen. Roblan

**Committees:** Senate Business and Transportation

**Background and Current Law:** The Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) was established in 1919 and currently regulates engineering, land surveying, photogrammetric mapping, and water right examination. As a semi-independent state agency, OSBEELS ensures that only competent people are granted licenses to practice and only licensed individuals practice professionally in these fields. One requirement to become licensed is successful passage of an examination on the fundamentals of engineering. Currently, the examination may be waived for applicants who have been professionally registered or licensed elsewhere for at least 25 years.

**Bill Summary:** Senate Bill 885 would have reduced the amount of time that an applicant is required to be licensed or registered elsewhere to have the fundamentals examination waived, from 25 to eight years. The measure also authorized OSBEELS to waive the practical engineer’s examination requirement for applicants similarly registered or licensed elsewhere for at least eight years.

### [Senate Bill 936](#)

Effective Date: October 6, 2017

#### Strategic Investment Program Modifications

**Chief Sponsors:** Sen. Johnson

**Committees:** Senate Business and Transportation, Senate Finance and Revenue, House Revenue

**Background and Current Law:** The Strategic Investment Program, administered by the Oregon Business Development Department (OBDD), offers a 15-year property tax exemption on a portion of large capital investments that serve a traded-sector industry. To qualify, the cost of the project must exceed the taxable portion; typically, qualifying projects in urban areas exceed \$100 million, while in rural areas they are over \$25 million. Projects can be approved ad hoc by counties through a public hearing process and negotiation with the business and city, if applicable, or be approved as part of a designated Strategic Investment Zone formed by a county or city via request to OBDD.

**Bill Summary:** Senate Bill 936 increases the taxable portion of projects located in rural areas that are eligible for the property tax exemption under the Strategic Investment Program, based on the total cost of the project: for projects under \$500 million, the taxable real market value is \$25 million; for projects between \$500 million and \$1 billion, it is \$50 million; and for projects exceeding \$1 billion in project cost, the taxable real market value is \$100 million. The measure increases the cap on the community services support fee to \$2.5 million in any year for both urban and rural projects not located within strategic investment zones.

**Oregon Laws 2017:** Chapter 490

### [Senate Bill 974](#)

Effective Date: January 1, 2018

#### Claims Against Vehicle Dealers by Nonretail Customers

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** Motor vehicle dealers in Oregon are regulated by the Driver and Motor Vehicle Services (DMV) division of the Oregon Department of Transportation (ODOT). A standard dealer certificate is good for three years and allows a dealer to sell most motor vehicles. A special certificate allows a dealer to exclusively sell motorcycles, mopeds, Class I all-terrain vehicles (ATV), and snowmobiles. A bond or letter of credit is required in order to be certified as a vehicle dealer: the minimum bond requirement is \$40,000, or \$2,000 if the dealer holds a motorcycle, moped, snowmobile, or ATV certificate.

**Bill Summary:** Senate Bill 974 increases the required bonds or letters of credit from \$40,000 to \$50,000 for motor vehicle dealers, and from \$2,000 to \$10,000 for dealers who sell only motorcycles, mopeds, Class I ATVs, and snowmobiles. The measure reduces the amount that a nonretail customer can claim against a dealer's bond from \$20,000 to \$10,000, and limits the types of claims that nonretail customers may make against a dealer's bond who only sells motorcycles. Senate Bill 974 also prohibits DMV from issuing any new dealer certificates for motorcycles, mopeds, Class I ATVs, and snowmobiles.

**Oregon Laws 2017:** Chapter 530

[Senate Bill 980](#)

Effective Date: January 1, 2018

## Compensation to Vehicle Dealer Franchisees for Cost of Vehicle Recalls

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** A motor vehicle recall is issued when a vehicle manufacturer or the National Highway Traffic Safety Administration determines that the vehicle or onboard equipment creates an unreasonable safety risk or fails to meet minimum safety standards. Most decisions regarding recalls are made voluntarily by the manufacturer. Under a motor vehicle recall, manufacturers are required to fix the problem by repair, replacement, refund, or repurchase of the vehicle. Recall work is typically conducted by a manufacturer's dealer franchisee.

**Bill Summary:** Senate Bill 980 requires vehicle manufacturers to compensate their dealer franchisees for all labor and parts the manufacturer requires to be used to perform repairs on vehicles subject to recall, and for holding such vehicles pending receipt of parts. Compensation must be at least 1.5 percent of the value of the vehicle held, but cannot exceed the vehicle's value. Exceptions are provided in cases where a national compensation program provides equal or greater compensation, and manufacturers are prohibited from reducing compensation through chargeback or removing a franchise from an incentive program solely based on its claim under the measure.

**Oregon Laws 2017:** Chapter 363

[Senate Bill 982](#)

Not Enacted

## Business Relationship Between Equipment Manufacturers and Dealers

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation

**Background and Current Law:** The relationship between manufacturers of equipment, such as farm implements and outdoor power equipment, and the dealers that sell such equipment at retail is similar to that of dealers and manufacturers of motor vehicles; however, the relationships are governed by different statutes.

**Bill Summary:** Senate Bill 982 would have modified regulation of the relationship between manufacturers, suppliers, and dealers of equipment such as farm implements, outdoor power equipment, landscaping equipment, construction and mining equipment, and off-road vehicles.

[Senate Bill 983](#)

Effective Date: January 1, 2018

**Qualifications to Perform Electrical or Plumbing Work on Recreational Vehicles**

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** The Building Codes Division of the Oregon Department of Consumer and Business Services regulates individuals and businesses engaged in electrical, plumbing, boiler, elevator, and manufactured dwelling work. Oregon has reciprocal licensing agreements with other states for certain fields. Individuals and businesses performing professional work in these areas are required to be licensed, with some exceptions; each field has multiple license types, with some being specialty or limited licenses. One of these license types, the “limited maintenance electrician’s license,” allows the licensee to repair and maintain electrical wiring and equipment used in manufactured structures, which includes recreational vehicles, manufactured dwellings, and recreational structures. Currently no one in Oregon holds this type of license.

**Bill Summary:** Senate Bill 983 eliminates the limited maintenance electrician’s license category.

**Oregon Laws 2017:** Chapter 364

[Senate Bill 985](#)

Effective Date: January 1, 2018

**Exemption from Filing Requirements for Certain Lines of Insurance**

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** The Division of Financial Regulation at the Department of Consumer and Business Services (DCBS) regulates the insurance industry in Oregon. Insurers dealing in certain lines of insurance, such as health insurance plans, are required to file proposed rates and policy forms with DCBS, which posts filings and tables with proposed rates prior to making decisions.

**Bill Summary:** Senate Bill 985 exempts several classes of commercial insurance from rate and policy form filing requirements. The measure authorizes DCBS to adopt rules to exempt or amend the rate and form filing requirements for any commercial line of insurance if the existing requirement is undesirable or unnecessary to protect the public and if doing so will enhance competition.

**Oregon Laws 2017:** Chapter 492



### [Senate Bill 986](#)

Effective Date: January 1, 2018

#### Elimination of Specific Notifications of Insurer's Policies and Practices

**At the request of:** Senate Committee on Business and Transportation

**Committees:** Senate Business and Transportation, House Business and Labor

**Background and Current Law:** The federal Gramm-Leach-Bliley Act, enacted in 1999, seeks to protect consumer financial privacy by limiting when financial institutions may disclose a consumer's nonpublic personal information to nonaffiliated third parties. Current Oregon law specifies that insurers must notify policyholders of their disclosure practices when the policy is issued, and annually upon renewal, even if practices have not changed.

**Bill Summary:** Senate Bill 986 eliminates the requirement that insurers notify policyholders of their disclosure practices annually, if such information is only disclosed to nonaffiliated third parties in accordance with applicable law and the insurer has not changed its practices.

**Oregon Laws 2017:** Chapter 365

### [Senate Bill 1044](#)

Effective Date: June 29, 2017

#### Oregon Liquor Control Commission Regulations

**Chief Sponsors:** Sen. Beyer

**Committees:** Senate Business and Transportation, House Economic Development and Trade

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) regulates businesses that import, manufacture, distribute, sell, or serve alcohol in Oregon. It was instituted in 1933 at the end of the nationwide prohibition on alcohol. Oregon is a "control" state, meaning it has the exclusive right to sell packaged distilled spirits through a statewide distribution center in Portland, which is then sold through retail liquor stores operated by contracted liquor agents. Licenses are issued to private businesses for the sale of packaged beer and wine, and to restaurants, bars, and taverns for the sale of beer, wine, and distilled spirits by the glass.

**Bill Summary:** Senate Bill 1044 makes several changes to the laws governing alcohol in Oregon. It clarifies that the OLCC's authority to investigate or discipline a license or permit holder does not end with the lapse, suspension, or revocation of that license or permit. It increases the fee for a server's permit from \$10 to \$50, but lifts the requirement that the permit application be endorsed by another alcohol licensee or an OLCC employee. The measure exempts the sale of distilled liquor and the OLCC's appointment of distillery retail outlet agents from public contracting laws. It allows licensed distilleries to sell distilled liquor with 10 percent alcohol content by volume, down from the current 17 percent, and it expands the types of current licensees that may apply for an on-premises sales license. Finally, the measure allows an identification card issued by a federal territory or a federally recognized Indian tribe to be used as proof of age to purchase alcohol.

**Oregon Laws 2017:** Chapter 533

[House Bill 2041](#)

Not Enacted

**Oregon Product Certification Program**

**Chief Sponsors:** Rep. Clem

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

**Background and Current Law:** Oregon products, including wheat, wine, and beer, often command price premiums over products produced in other states. This price premium is a result of the actual or perceived quality of the product, how it was made, or an indication of consumer support for Oregon-made products. Currently, there is no state-run product certification program indicating whether products originated in Oregon.

**Bill Summary:** House Bill 2041 would have created the Certified Oregon Program within the Oregon Business Development Department, and authorized the use of the term “Certified Oregon” by Oregon businesses on products and labels as well as in advertising and media. The measure required the Oregon Business Development Department to form an advisory group to make program recommendations and certify businesses.

[House Bill 2089](#)

Effective Date: January 1, 2018

**Vermouth Sales in Oregon**

**Chief Sponsors:** Reps. Lininger, Gomberg, G. Smith

**Committees:** House Economic Development and Trade, Senate Business and Transportation

**Background and Current Law:** Vermouth is a fortified wine flavored with botanicals that is frequently used in cocktails. Exclusive liquor agents currently offer 10 different types of vermouth for sale. However, many distilleries are licensed by the Oregon Liquor Control Commission as retail outlet agents, not exclusive liquor agents.

**Bill Summary:** House Bill 2089 allows licensed distilleries to sell the distilled spirits they produce directly to customers. They can also create and charge for sample cocktails containing vermouth, but they are not allowed to sell a bottle of vermouth along with any distilled spirits. The measure allows liquor stores and distillery retail outlet agents to sell up to 20 different varieties of vermouth for off-premises consumption so long as the vermouth is sold in factory-sealed containers.

**Oregon Laws 2017:** Chapter 31



[House Bill 2090](#)

Effective Date: January 1, 2018

**Business Use of Consumer Information**

**Chief Sponsors:** Reps. Huffman, Williamson

**Committees:** House Business and Labor, Senate Business and Transportation

**Background and Current Law:** Oregon’s Attorney General and district attorneys enforce unlawful trade practices, often by serving a person who has engaged in, or is about to engage in an unlawful trade practice with an investigative demand. This requires that the person appear and testify, answer to written interrogatories, or produce relevant documents or physical evidence for examination. The purpose of this process is to receive an assurance of voluntary compliance; both the Attorney General and district attorneys have the option of going to court to restrain a person from engaging in the alleged unlawful trade practice.

**Bill Summary:** House Bill 2090 makes it an unlawful trade practice if a business asserts, on its website or in information available to consumers, how consumer information will or will not be used, and uses that information in a way that is materially inconsistent with those statements or representations.

**Oregon Laws 2017:** Chapter 145

[House Bill 2091](#)

Effective Date: October 6, 2017

**Rural Broadband Service**

**At the request of:** House Interim Committee on Rural Communities, Land Use and Water

**Committees:** House Economic Development and Trade, Senate Business and Transportation

**Background and Current Law:** In 1999, the legislature directed the Oregon Public Utility Commission to create the Oregon Universal Service (OUS) fund to support local telephone companies that provide basic telephone service in high-cost rural areas in Oregon. The fund’s purpose is to ensure that basic telephone service is available at reasonably comparable and affordable rates throughout the state. The fund is supported by a surcharge on all retail telecommunications sales.

**Bill Summary:** House Bill 2091 allows the OUS fund to be used to encourage broadband service availability and limits the service surcharge to 8.5 percent.

**Oregon Laws 2017:** Chapter 32

[House Bill 2150](#)

Effective Date: October 6, 2017

**Alcohol Privilege Tax Payments**

**At the request of:** House Special Committee on Small Business Growth

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

**Background and Current Law:** Oregon manufacturers or importing distributors of wine, cider, and malt beverages must file a statement with the Oregon Liquor Control Commission indicating how much of their product they produced, purchased, or received during the previous calendar month and pay applicable privilege taxes. Currently, the filing and payment system is paper-based.

**Bill Summary:** House Bill 2150 allows manufacturers or distributors of alcoholic beverages to file product statements and pay their privilege taxes electronically starting July 1, 2019.

**Oregon Laws 2017:** Chapter 382

[House Bill 2152](#)

Effective Date: January 1, 2018

**Small Business Development and Marketing**

**At the request of:** House Special Committee on Small Business Growth

**Committees:** House Economic Development and Trade, Senate Business and Transportation

**Background and Current Law:** There are 19 small business development centers currently operating throughout Oregon, mostly in conjunction with community colleges and public universities. These centers provide services to local businesses, including advising and training. Oregon law prohibits these centers from using state funds to engage in outreach and marketing efforts to publicize their services.

**Bill Summary:** House Bill 2152 permits small business development centers to use state funding to conduct outreach or marketing activities. The measure also directs centers to work with other specified organizations to provide business support services to small businesses in Oregon.

**Oregon Laws 2017:** Chapter 201

[House Bill 2153-A](#)

Not Enacted

**Commercial Interior Designer Registration**

**At the request of:** House Special Committee on Small Business Growth

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

**Background and Current Law:** Commercial interior designers offer creative and technical solutions to create specified-build interior environments. Their designs must conform to building codes and regulatory requirements. These designs can include nonstructural or nonseismic elements like ceiling or partition systems, spatial occupancy layouts, ergonomic layouts, and interior environments that impact the health and safety of the building’s occupants. Oregon does not have a state registry or certification process for commercial interior designers.

**Bill Summary:** House Bill 2153-A would have required the Department of Consumer and Business Services to create a voluntary certification program for commercial interior designers. The measure clarified a certified commercial interior designer’s ability to submit specified plans, drawings, designs, and specifications to city and county building officials.

[House Bill 2155-A](#)

Not Enacted

**New Markets Tax Credit**

**At the request of:** House Special Committee on Small Business Growth

**Committees:** House Economic Development and Trade, House Revenue

**Background and Current Law:** Taxpayers who make a qualified low-income community investment are eligible for a credit against personal or corporate excise taxes equal to 39 percent of the cost of the investment. A qualified low-income community investment is an equity investment in, or long-term debt security issued by, a qualified community development entity which meets specified conditions and obtains certification from the Oregon Business Development Department. The credit is nonrefundable and has a carryforward, or the ability to apply to future tax years, of five years.

**Bill Summary:** House Bill 2155-A would have extended the sunset for qualified equity investments to January 1, 2023. The measure would have allowed the Oregon Business Development Department to issue up to \$24 million in tax credits, cap transaction costs, and allow the tax credit to be used to create affordable housing.

[House Bill 2159](#)

Effective Date: January 1, 2018

**Cider Alcohol Content Limits**

**At the request of:** House Special Committee on Small Business Growth

**Committees:** House Economic Development and Trade, House Revenue, Senate Business and Transportation

**Background and Current Law:** The federal Alcohol and Tobacco Tax and Trade Bureau recently increased the alcohol content limit for ciders from 7 percent alcohol by volume (ABV) to 8.5 percent ABV. Under federal law, ciders with more than 8.5 percent ABV are considered natural wines, special natural wines, or other-than-standard wines. This classification has regulatory and tax ramifications.

**Bill Summary:** House Bill 2159 increases Oregon’s ABV limit for cider to 8.5 percent to match the federal designation, allowing Oregon cider producers to make one set of calculations when completing tax filings for both federal and state taxes.

**Oregon Laws 2017:** Chapter 202

[House Bill 2160](#)

Effective Date: January 1, 2018

**Brewery Public House Licenses**

**At the request of:** House Special Committee on Small Business Growth

**Committees:** House Economic Development and Trade, Senate Business and Transportation

**Background and Current Law:** Oregon’s brewery-public house licenses were first created in 1985. These state licenses allow for the manufacture of malt beverages and sale of malt beverages, wine, or cider. There were over 104 brewery and brewery-public house licenses in 2005. As of 2016, Oregon has 314 licensed brewery-public houses, showing a 12 percent year-over-year growth rate.

**Bill Summary:** House Bill 2160 allows brewery-public house licensees to sell beer, wine, or cider for consumption on or off the premises at two locations rather than a single location as is currently allowed by Oregon law.

**Oregon Laws 2017:** Chapter 34

[House Bill 2164](#)

Not Enacted

**Electronic Building Permit System, E-Permitting**

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

**Committees:** House Business and Labor

**Background and Current Law:** In 2003, the Department of Consumer and Business Services (DCBS) worked with local governments and contractors to implement a pilot project for an electronic building permit system referred to as “e-permitting.” The system allows contractors to apply for, pay, and receive building permit approvals online and around the clock. Legislation passed in 2005 and 2007 transitioned the program from pilot to a regional, then to a statewide, service to contractors and local governments with a sunset date in 2018. In 2015, the Legislative Assembly removed the sunset and reduced the surcharge that supports the e-permitting system. Use of the system by cities and counties is voluntary, and DCBS is prohibited from taking any adverse action against an entity that chooses not to use the system.

**Bill Summary:** HB 2164 would have required cities, counties, and other government entities that administer and enforce building inspection programs to provide electronic access to building code information and services by January 1, 2020. The measure would have allowed municipalities to use the Building Codes Division e-permitting system or develop their own equivalent system.

[House Bill 2168](#)

Not Enacted

**Equipment Used by Building Inspectors**

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

**Committees:** House Business and Labor

**Background and Current Law:** Building inspectors do not always bring equipment to the work site to assist them in the performance of the inspection. For example, an inspector who needs to access the roof may rely on the contractor’s ladders or lifts. If an accident occurs while the building inspector is using the contractor’s ladder, it is unclear who is liable.

**Bill Summary:** House Bill 2168 would have clarified that the building inspector assumes the risk of injury when using equipment belonging to the contractor, subcontractor, material supplier, or property owner.

[House Bill 2189](#)

Effective Date: January 1, 2018

**Liability of Real Estate Appraisers**

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

**Committees:** House Business and Labor, Senate Business and Transportation

**Background and Current Law:** Real estate appraisers are liable for material defects contained within an appraisal that they conduct. Under current law, the “discovery rule” allows a suit to be filed for a period of time after the plaintiff discovers an alleged defect in an appraisal. Since the appraisal in question may have been conducted years before, appraisers may no longer have the necessary records to defend themselves, as records must be retained for only five years under the Uniform Standards of Professional Appraisal Practice.

**Bill Summary:** House Bill 2189 specifies that these actions must be commenced within six years of the appraisal or an otherwise applicable period of limitation, whichever is earlier.

**Oregon Laws 2017:** Chapter 143

[House Bill 2190](#)

Not Enacted

**Poker Clubs and Other Social Games**

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

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

**Background and Current Law:** Social games are games between players in a private home where no house player, house bank, or house odds, exist and where there is no house income from operation of the game; they are not defined as gambling in statute. Cities and counties currently have statutory authority to permit social gaming at private businesses and clubs and places of public accommodation. The Bureau of Labor and Industries issued a ruling in 2015 against a Portland poker club for violating minimum wage and record keeping requirements for not paying the dealers, stating that individuals cannot volunteer their services for private, for-profit employers.

**Bill Summary:** House Bill 2190 would have limited cities and counties to authorizing the playing of social games on premises operated and controlled by charitable, fraternal, and religious organizations. For-profit, private businesses and clubs would have no longer been allowed to have social games played on their premises.

## Shell Companies

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

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

**Background and Current Law:** The Financial Crimes Enforcement Network of the U.S. Department of the Treasury issued a report in 2006 listing Oregon as one of four states that make it easy for people who want to hide illicit activity and their identity to register a corporation. Oregon business registrants can open a bank account in another county under the name of the business, in which moneys from illicit activities can then be laundered. Because Oregon does not require the beneficial owner or the directors to be listed on filings with the Secretary of State, it may be very hard for law enforcement to trace the activity and the money.

**Bill Summary:** House Bill 2191 prohibits incorporating or organizing for any illegal purpose or with intent to fraudulently conceal business activity. The measure holds officers, directors, members, managers, employees, or agents of a shell entity liable for damages to the corporation or LLC or to persons who suffer as result of creating false documents. The measure allows the court to dissolve a shell entity and allows the government to prohibit directors, officers, members, managers, or others with significant direction or control of a shell entity from engaging in commercial activity in Oregon. The Attorney General may bring action for dissolution of a shell entity. The Secretary of State may investigate alleged violations of business entity statutes and order a corporation or LLC to submit information upon request. The measure allows the Secretary to share this information with law enforcement. The Secretary is given authority to dissolve a business if it violates statutes or fails to cooperate with an investigation. The measure allows the Department of Revenue to recommend that the Secretary of State dissolve a business for failure to comply with Oregon tax laws.

**Oregon Laws 2017:** Chapter 705



**[House Bill 2243](#)****Not Enacted****E-Commerce Tax Credit****At the request of:** Governor Brown for Business Oregon**Committees:** House Economic Development and Trade, House Revenue

**Background and Current Law:** Qualified businesses may claim a tax credit based on capital assets used in electronic commerce operations (e-commerce) so long as the business is engaged in or preparing to engage in e-commerce in a specially designated e-commerce enterprise zone or in the City of North Plains, a designated e-commerce city. The business must also be exempt from property taxes through the state's broader Enterprise Zone program. The tax credit equals 25 percent of the investments made in e-commerce operations by the business during the tax year specifically related to e-commerce sales, customer service, order fulfillment, or broadband infrastructure. The maximum credit allowed is the lesser of either \$2 million or the tax liability of the taxpayer for that year. A business may carry unused credits forward for up to five years. According to the Legislative Revenue Office, this tax credit program cost \$5.7 million during the 2015-2017 biennium (Research Report #2-17, Tax Credit Review: 2017 Session).

**Bill Summary:** House Bill 2243 would have extended the sunset on the e-commerce tax credit until January 1, 2024 and expanded the total number of allowable e-commerce zones from 15 to 21. The measure allowed a taxpayer who could claim more in credits than their tax liability to receive an 80 percent refund on the balance instead of carrying the full amount of the overage into the next tax year. The measure also would have allowed Business Oregon or the Oregon Department of Revenue to produce reports with details about taxpayers claiming the credit, so long as they did not create a risk of disclosing identities or income levels.

**[House Bill 2244](#)****Effective Date: January 1, 2018****Oregon Film and Video Incentives****At the request of:** Governor Brown for Business Oregon**Committees:** House Economic Development and Trade, Senate Finance and Revenue

**Background and Current Law:** House Bill 2191 (2005) created the Greenlight Oregon Labor Rebate Fund. The fund is administered by the Oregon Film and Video Office and offers qualifying film and video productions a cash rebate of up to 6.2 percent of Oregon-based payroll. To qualify, a film and video production must spend more than \$1 million in Oregon. Under current law, the office must stop issuing rebates from this account on or after January 1, 2018.

**Bill Summary:** House Bill 2244 extends the Oregon Film and Video Office's authority to issue a rebate from the Fund until January 1, 2024. The measure also allows the office to deduct up to 1 percent from a rebate for workforce development and educational efforts undertaken by the office in connection with the qualifying film production.

**Oregon Laws 2017:** Chapter 38

[House Bill 2348](#)

Not Enacted

### Business Registry Filing Fees

**At the request of:** Secretary of State Atkins

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

**Background and Current Law:** Oregon law requires people doing business in the state under an assumed name to register it as a public record with the Oregon Secretary of State. This registration lets the public know that the holder of the name intends to do business under that name. For each registry filing, the business must pay a fee ranging from \$50 to \$275. The Office of the Secretary of State retains \$20 of the filing fee to cover the office's expenses associated with the business registry, with the remainder deposited in the General Fund.

**Bill Summary:** House Bill 2348 would have increased a portion of the business registry filing fee retained by Secretary of State from \$20 to \$25 and reduced the portion going to the General Fund.

[House Bill 2356](#)

Effective Date: October 6, 2017

### Licensure of Debt Buyers

**At the request of:** Attorney General Rosenblum

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

**Background and Current Law:** Debt collection practices are governed by both federal and state regulations. Oregon law defining unlawful collection practices applies only to debt collectors and not debt buyers. Debt collectors must be registered with the Department of Consumer and Business Services and anyone injured by an unlawful collection practice may bring an action in court. Unlike a debt collector who collects on behalf of a creditor, debt buyers own the debt and are collecting on their own behalf. However, debt buyers are not required to register, are not subject to the statutory requirements for debt collections practices, and may sue the consumer.

**Bill Summary:** House Bill 2356 requires debt buyers to be licensed by the Department of Consumer and Business Services. The measure requires a debt buyer, or a debt collector acting on their behalf, who brings legal action to include in the court pleading information making it clear to the debtor exactly what debt is being collected. The measure also expands what constitutes an unlawful collection practice.

**Oregon Laws 2017:** Chapter 625

[House Bill 2501](#)

Not Enacted

## Pay Rates for Real Estate Appraisers

**Chief Sponsors:** Rep. Gomberg; Sen. Johnson

**Committees:** House Business and Labor

**Background and Current Law:** A high volume of real estate activity has resulted in frustration by some who say the length of time to receive an appraisal is too long and the cost is too high. There are currently 1,520 licensed and certified appraisers in Oregon, a 10 percent increase over two years. In addition, there are 111 appraiser assistants, a 54 percent increase over three years.

**Bill Summary:** House Bill 2501 would have directed the Appraiser Certification and Licensure Board to establish rates of pay for independent contractor appraisers. The measure required appraisal management companies to compensate independent contractor appraisers at the rates set by the board. The measure would have allowed people not regulated by the board to prepare appraisal documents for internal use by financial institutions, consumer finance companies, or insurance companies.

[House Bill 2544](#)

Not Enacted

## General Supervising Electricians

**Chief Sponsors:** Rep. Hack

**Committees:** House Business and Labor

**Background and Current Law:** Under Oregon law, an electrical permit can be issued to a licensed electrical contractor or the contractor's designated agent. The permit application must include a signed statement that the electrical contractor's general supervising electrician will sign the permit before an inspection is requested. The permit becomes void if the supervising electrician's employment ends before the electrical installation is completed. Administrative rules require, in most instances, that the general supervising electrician be a full-time employee of the electrical contractor.

**Bill Summary:** House Bill 2544 would have allowed for the issuance of electrical permits to electrical contractors who contracted for the services of a general supervising electrician rather than directly employing such persons. The measure also allowed general supervising electricians to work part-time for a contractor.

[House Bill 2581](#)

Not Enacted

**Notification of Security Breach**

**Chief Sponsors:** Reps. Rayfield, Olson

**Committees:** House Business and Labor

**Background and Current Law:** People who own or license personal information that is used in their business, vocation, occupation, or volunteer activities have the duty to safeguard that personal information. In 2007, the Oregon Consumer Identify Theft Protection Act was enacted to require notification to consumers when there has been a breach of security of computerized data. If more than 250 consumers are affected, then the Oregon Attorney General must be notified. Security breaches affecting more than 1,000 consumers trigger a requirement to notify the nationwide consumer reporting agencies. The Department of Consumer and Business Services was given authority to enforce and make rules under the act, including assessing penalties.

**Bill Summary:** House Bill 2581 would have expanded the definition of “personal information” to include account information stored on a credit or debit card. After a security breach occurred, the measure required the person who held the account information to notify, in addition to the consumer, the financial institution and the merchant services provider that processed the transaction. The measure would have held the person liable for costs incurred by the financial institution if the failure to safeguard the account information amounted to gross negligence.

[House Bill 2610](#)

Effective Date: January 1, 2018

**Electronic Business Documents and Signatures Accommodations**

**At the request of:** House Committee on Judiciary

**Committees:** House Judiciary, Senate Judiciary

**Background and Current Law:** Many actions taken or meetings held by corporations require some form of written notice to the Board of Directors or shareholders, which includes electronic communications; however, electronic notices are not specifically contemplated by current law.

**Bill Summary:** House Bill 2610 provides for electronic signatures on corporate documents and the sending, receipt, and refusal of electronic notices.

**Oregon Laws 2017:** Chapter 55

[House Bill 2622](#)

Effective Date: June 14, 2017

**Financial Institutions Addressing Exploitation Liability Immunity**

**At the request of:** House Committee on Judiciary

**Committees:** House Judiciary, Senate Judiciary

**Background and Current Law:** According to a 2015 report by the Oregon Department of Human Services' (DHS) Office of Adult Abuse Prevention and Investigation, of the 19,000 investigations of abuse conducted by DHS that year, over 1,500 resulted in findings of substantiated financial exploitation, which is the leading type of abuse of vulnerable adults.

**Bill Summary:** House Bill 2622 allows financial institutions, including credit unions, to refuse transactions when they reasonably suspect financial exploitation or have received information from DHS, law enforcement, or a district attorney's office that financial exploitation is suspected or has occurred. Financial institutions are not required to freeze transactions, but if they do so in good faith, they are provided with blanket immunity from liability. Accounts may be frozen up to 15 days, and the hold may be terminated by a court order or if the financial institution is satisfied that exploitation is not occurring.

**Oregon Laws 2017:** Chapter 290

[House Bill 2638](#)

Effective Date: October 6, 2017

**Standards for Ignition Interlock Devices Improvement**

**At the request of:** House Committee on Judiciary

**Committees:** House Judiciary, Joint Ways and Means

**Background and Current Law:** Any person convicted of driving under the influence of intoxicants (DUI) or participating in a DUI diversion program and driving must have an ignition interlock device installed in any vehicle they drive. Interlock devices record and report breath samples provided by drivers and prevent vehicles from starting if alcohol is detected. Interlock devices also record and report tampering and lockouts.

**Bill Summary:** House Bill 2638 strengthens standards and requirements imposed on providers of ignition interlock devices: they must offer service centers statewide, have a 24-hour assistance line, and complete background checks on technicians. The measure also requires interlock devices to take location readings via GPS when test violations occur, permits diversion participants to be ordered back into treatment upon receipt of two negative reports, and transfers oversight of providers from the Oregon Department of Transportation to the Department of State Police in 2019.

**Oregon Laws 2017:** Chapter 655

[House Bill 2752-A](#)

Not Enacted

**Support for Large-Scale Timber Construction Projects**

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

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

**Background and Current Law:** The Framework Project is a construction project that seeks to use cross-laminated timber to erect a high-rise building in Portland. It would be the first building of its size to be constructed using cross-laminated timber in the United States.

**Bill Summary:** House Bill 2752-A would have directed Business Oregon to develop a grant program to support high rise construction with cross-laminated timber.

[House Bill 2761](#)

Not Enacted

**Inclusion of Daily Fantasy Sports within “Contest of Chance”**

**At the Request of:** House Committee on Business and Labor

**Committees:** House Business and Labor

**Background and Current Law:** Gambling in Oregon is strictly regulated, and it is a Class A misdemeanor to engage in unlawful gambling. There are questions as to whether daily fantasy sports games are a game of skill or a contest of chance (i.e., gambling). As of June 2017, 13 states have expressly legalized online daily fantasy sports games or deemed them legal through opinion. Moreover, most game operators do not take customers from 10 states that deem daily fantasy sports games as unlawful forms of gambling. The two largest fantasy sports game operators offer the games in the remaining states, though the question of their legality has not necessarily been settled.

**Bill Summary:** House Bill 2761 would have defined a “contest of chance” to include daily fantasy sports games, making them an unlawful form of gambling.



[House Bill 2833](#)

Effective Date: October 6, 2017

**Clarification of Property Tax Exemptions in Enterprise Zones**

**At the request of:** House Committee on Revenue

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

**Background and Current Law:** The last major update of statutes governing enterprise zones occurred in 2003 with House Bill 2299. Since that time, several potential issues have been identified through litigation and operational practices, and Business Oregon worked with the Legislative Revenue Office to address them.

**Bill Summary:** House Bill 2833 makes technical corrections and clarifications in statutes governing property tax exemptions in enterprise zones.

**Oregon Laws 2017:** Chapter 83

[House Bill 2855](#)

Effective Date: January 1, 2018

**Land Sale Contracts**

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

**Committees:** House Business and Labor, Senate Business and Transportation

**Background and Current Law:** In a land sale contract, the seller holds the title until terms of the contract have been fulfilled, at which point the seller provides the buyer with a deed of conveyance. If the contract includes a forfeiture remedy, Oregon law provides a process for the seller to enforce the forfeiture remedy. However, if the terms of the contract are fulfilled and the seller fails or refuses to provide the purchaser with a deed of conveyance, the purchaser must file suit to obtain the deed of conveyance.

**Bill Summary:** House Bill 2855 establishes a nonjudicial process by which a purchaser can obtain a deed of conveyance after terms of the contract are fulfilled. The process requires that the purchaser provide notice to the seller, occupants of the property, and anyone holding the title or interest. The seller can record an objection, at which point the purchaser may file a suit to challenge the objection and have the contract enforced.

**Oregon Laws 2017:** Chapter 164



[House Bill 2907](#)

Not Enacted

**Third-party Building Inspectors**

**Chief Sponsors:** Rep. Rayfield; Sen. Gelser

**Committees:** House Business and Labor

**Background and Current Law:** A pilot program, created in 2009, was designed to address the shortage in some regions of the state of building inspectors in various specialty codes. The program cross-trains building inspectors so an inspector can perform an inspection in more than one specialty code. Legislation in 2013 provided permanency for the program and granted authority to the Department of Consumer and Business Services to certify building inspectors in multiple specialty codes or parts of a specialty code. This language had the effect of requiring the specialized building code inspector to be an employee of the municipality for which it was performing inspections.

**Bill Summary:** House Bill 2907 would have allowed specialized building inspectors to be third-party contractors with a municipality, rather than employees of the municipality.

[House Bill 2950](#)

Not Enacted

**City of St. Helens Waterfront Redevelopment**

**Chief Sponsor:** Rep. Witt

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

**Background and Current Law:** The City of St. Helens is currently exploring ways to fund redevelopment projects on its waterfront. The primary area of focus is the former Boise Cascade veneer mill site adjacent to the St. Helens Historic Riverfront District. The City of St. Helens purchased the site in 2015.

**Bill Summary:** House Bill 2950 would have appropriated \$1.54 million to the City of St. Helens in support of its waterfront redevelopment plan.

[House Bill 2971](#)

Not Enacted

**Video Lottery Terminals at Portland Meadows**

**Chief Sponsors:** Rep. Clem

**Committee:** House Business and Labor

**Background and Current Law:** A business that wishes to offer video lottery game terminals to its customers must apply to the Oregon Lottery Commission. Video lottery game retailers must be under contract with the Oregon Lottery Commission and are limited to having no more than six terminals on their premises. However, a person holding a race meet license from the Oregon Racing Commission is allowed, under contract with the Oregon Lottery Commission, to have up to 10 video lottery game terminals.

**Bill Summary:** House Bill 2971 would have allowed a race meet licensee (i.e., Portland Meadows) to have up to 50 video lottery game terminals.

[House Bill 2975-A](#)

Not Enacted

**Statutory Damages for Vehicle Customers**

**Chief Sponsor:** Rep. Malstrom

**Committees:** House Business and Labor, Senate Business and Transportation

**Background and Current Law:** A business that wishes to offer video lottery game terminals to its customers must apply to the Vehicle dealers must be certified by the Oregon Department of Transportation (ODOT). One requirement of certification is to maintain a \$40,000 bond or letter of credit. A person claiming loss or damage due to fraud, fraudulent representation, or relevant violations of the vehicle code by a dealer has a right of action, specifically against the bond or letter of credit. If the surety or financial institution cancels the bond or letter of credit for any reason, it must notify ODOT as a vehicle dealer is not allowed to conduct business without a bond or letter of credit.

**Bill Summary:** House Bill 2975-A would have allowed the court to award a prevailing retail customer reasonable attorney's fees and damages equal to \$500 for certain violations of the vehicle code.

[House Bill 3087-A](#)

Not Enacted

**Family Medical Leave Insurance Benefits**

**Chief Sponsors:** Reps. Williamson, Alonso León, Hernandez

**Committees Assigned:** House Early Childhood and Family Supports, House Revenue

**Background and Current Law:** Oregon employers with 25 or more employees are required to provide their employees with up to 12 weeks per year of unpaid family leave under the Oregon Family Leave Act (OFLA). Eligible employees may take OFLA leave for parental leave, a serious health condition, pregnancy disability, caring for a sick child, or the death of a family member. There is additional leave time available for pregnancy disability leave, parental leave, and sick child leave. Five states have enacted paid family leave laws. States fund the leave through employee payroll contributions, employer payroll contributions, or combined employer and employee payroll contributions.

**Bill Summary:** House Bill 3087-A would have created a family and medical leave insurance benefits program to provide a portion of wages to employees on leave. It permitted up to 12 weeks of benefits per benefit year and an additional six weeks for parental leave. The bill capped the maximum weekly benefit at 130 percent of average weekly wage, and required employers and employees to make payroll contributions up to .05 percent of employee wages. The bill also would have required leave to run concurrently with OFLA.

[House Bill 3101](#)

Effective Date: January 1, 2018

**Hotel Fees**

**Chief Sponsor:** Rep. Gomberg

**Committees Assigned:** House Business and Labor, Senate Business and Transportation

**Background and Current Law:** Hotel guests may be surprised when required to pay a resort fee in addition to the advertised room rate. Resort fees are billed to cover amenities provided by the hotel, such as internet access, newspapers, or exercise and pool facilities. The fees are charged regardless of whether the guest takes advantage of the amenities.

**Bill Summary:** House Bill 3101 requires hotels, inns, and travel arrangement companies to disclose mandatory fees at the time the guest reserves or rents a room.

**Oregon Laws 2017:** Chapter 213

[House Bill 3150](#)

Not Enacted

**Port Orford Cannery**

**Chief Sponsors:** Rep. Brock Smith, Sen. Kruse

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

**Background and Current Law:** The Legislative Assembly approved funds to replace the Port of Port Orford's Cannery Building during the 2016 session (House Bill 5201). The building is in disrepair and is no longer insurable. Funding was approved to demolish and replace the structure and to repair or replace a pump station. Business Oregon was initially expected to transfer the funds to the Port before the end of the last biennium, but project planning did not proceed at the expected pace and the funds were not distributed.

**Bill Summary:** House Bill 3150 would have allocated \$2.1 million to Business Oregon and required those funds be used to support the redevelopment of the Port Orford Cannery.

[House Bill 3279](#)

Effective Date: January 1, 2018

**Property Services Contractors**

**Chief Sponsors:** Reps. Lininger, Sanchez; Sen. Manning, Jr,

**Committees Assigned:** House Judiciary, Joint Ways and Means

**Background and Current Law:** Labor contractors generally recruit and supply or employ workers to perform labor for another business. Farm labor contractors and construction labor contractors may not operate without a license a license issued by Oregon's Bureau of Labor and Industries (BOLI). To obtain a license, an applicant must pass an examination designed to test their ability, knowledge and proficiency to manage the business of a labor contractor; proof of insurance and bonding are also required. Janitorial services are often provided by labor contractors.

**Bill Summary:** House House Bill 3279 adds a new category of labor contractors required to be licensed by BOLI: property services contractors, which include those who provide workers to perform janitorial services. The measure exempts the property services contractor from the bond requirement if they show proof of general liability insurance and have not violated employment laws in the preceding two years. Property services contractors are also required to provide professional training to managers, supervisors and employees to prevent sexual assault, sexual harassment, and discrimination in the workplace as well as whistleblower protections. The training is to be provided through or approved by BOLI. The measure requires the licensing examination taken by all labor contractors to test knowledge of applicant's responsibility in preventing sexual assault and sexual harassment.

**Oregon Laws 2017:** Chapter 676

[House Bill 3283](#)

Effective Date: August 8, 2018

**Animal Abuse and Neglect Penalty Adjustment**

**At the request of:** House Committee on Judiciary

**Committees:** House Judiciary, Senate Judiciary

**Background and Current Law:** Individuals convicted of animal abuse or neglect in Oregon are barred from possessing certain animals for five or 15 years, depending on the conviction, and can be ordered to reimburse the cost of care provided to subject animals pending resolution of the criminal case.

**Bill Summary:** House Bill 3283 increases the prohibition against possessing certain animals from five to 15 years for persons convicted of animal neglect in the first or second degree, and authorizes courts to reduce that period if the offender successfully completes court-approved mental health treatment. The measure also prohibits donations or fundraising amounts received by entities caring for animals to be used to offset the amount owed by offenders, reclassifies parrots as “domestic animals” rather than “livestock” for purposes of animal abuse and neglect statutes, and provides that contracting with an individual to rent or lease animals and care for them does not constitute insurance for purposes of the Insurance Code.

**Oregon Laws 2017:** Chapter 677

[House Bill 3322](#)

Not Enacted

**Regulation of Vehicle Repair Shops**

**Chief Sponsors:** Reps. Evans, Alonso León

**Committees:** House Business and Labor

**Background and Current Law:** Vehicle repair shops are not licensed or certified by the state. However, Oregon law does require vehicle repair shops to prepare an estimate of the cost of the repair before beginning the work and obtain the customer’s authorization before working on the vehicle when the estimate exceeds \$200.

**Bill Summary:** House Bill 3322 would have required vehicle repair shops to obtain certification from the Department of Consumer and Business Services that included an application fee, requirements to carry a bond or letter of credit, and insurance coverage.