

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 7 - 0 - 2

Yeas: Doherty, Johnson, Keny-Guyer, Smith, Thatcher, Vega Pederson, Holvey

Nays: 0

Exc.: Lively, Richardson

Prepared By: Bob Estabrook, Administrator

Meeting Dates: 4/25, 4/30

WHAT THE MEASURE DOES: Allows Director of Department of Consumer and Business Services to issue order disqualifying, for up to seven years, a manufactured structure dealer whose license is revoked for certain violations, or any other person whose acts or omissions were material, from obtaining a license or working in an administrative or managerial capacity for a manufactured structure dealer. Allows Director to rescind or not issue order if disqualified person pays restitution to a customer the Director finds was harmed by the violation. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Limitations of existing statutes in keeping specific individuals from continuing to work in industry
- Effect of Senate committee amendments
- Relationship between administrative authority and enforcement through Department of Justice

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Existing statute allows the Director of the Department of Consumer and Business Services to revoke or suspend the license of a manufactured structure dealer if the dealer engages in acts prohibited by ORS 446.741, including knowingly making false statements, defrauding customers, or filing false information with DCBS. In practice, most manufactured structure dealer licenses are held by entities, not individuals, and existing statute does not provide for disqualification of individuals. If an entity's license is revoked, the individuals responsible for the bad acts could dissolve the disqualified entity and reform under a new entity, or individuals may continue to work under a different dealer's license.

Senate Bill 189 A allows the Director of the Department of Consumer and Business Services to disqualify individuals involved in prohibited practices that led to a license revocation from working in a managerial or administrative capacity for another licensed manufactured structure dealer for up to seven years. Individuals may contest their disqualification through the administrative appeal process described in ORS 183 and may pay restitution to customers harmed by their actions as an alternative to disqualification, at the discretion of the Director.