

HB 3362 STAFF MEASURE SUMMARY
House Committee On Economic Development

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Meeting Dates: 3/11

WHAT THE MEASURE DOES:

Prohibits person who transacts title insurance in Oregon from refusing to issue a title insurance policy or refusing to close or insure a real property transaction solely because the real property subject to the transaction has been used for the purpose of growing, producing, manufacturing, or selling cannabis, or conducting other cannabis activities if such activities occurred in compliance with state laws regulating medical and recreational marijuana. Makes violation an unfair and deceptive practice in the transaction of insurance. Requires Director of Department of Consumer and Business Services to adopt rules to prohibit the violation and provide for a maximum civil penalty of \$5,000. Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Division of Financial Regulation, housed within the Oregon Department of Consumer and Business Services, protects consumers and regulates insurance, depository institutions, trust companies, securities, and consumer financial products and services.

Current law (ORS 731.190) defines title insurance as "insurance of owners of property or others having an interest therein or liens or encumbrances thereon, against loss by encumbrance, defective titles, invalidity or adverse claim to title."

ORS 746.240 states that "no person shall engage in this state in any trade practice that, although not expressly defined and prohibited in the Insurance Code, is found by the Director of the Department of Consumer and Business Services to be an unfair or deceptive act or practice in the transaction of insurance that is injurious to the insurance-buying public."

House Bill 3362 prohibits a person who transacts title insurance in Oregon from refusing to issue a title insurance policy or refusing to close or insure a real property transaction solely because the real property subject to the transaction has been used for the purpose of growing, producing, manufacturing, or selling cannabis, or conducting other cannabis activities if such activities occurred in compliance with state laws regulating medical and recreational marijuana. The measure makes a violation of this prohibition an unfair and deceptive practice in the transaction of insurance under ORS 746.240.