

HOUSE COMMITTEE ON GENERAL GOVERNMENT

March 24, 2005 Medford Public Library

8:30 A.M. Tapes 29-30

MEMBERS PRESENT: Rep. Vicki Berger, Chair

Rep. Peter Buckley, Vice-Chair

Rep. Mac Sumner, Vice-Chair

Rep. Kevin Cameron

Rep. Sal Esquivel

Rep. Larry Galizio

Rep. Brad Witt

STAFF PRESENT: Caralyn Fischer, Committee Administrator

Katie Howard, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2911 - Public Hearing

Office of Regulatory Streamlining – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

| TAPE/# | Speaker | Comments |
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TAPE 29, A

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| 005 | Chair Berger | Calls the meeting to order at 7:04 p.m. Introduces the staff and explains what the committee does. Asks members to introduce themselves and what districts they represent. |
| 021 | Committee | Committee members introduce themselves. |
| 032 | Chair Berger | Asks for witnesses from the audience. Talks about the list of bills on the agenda and other material available for the audience. |
| 054 | Chair Berger | Opens the public hearing on HB 2911. |

HB – 2911 – PUBLIC HEARING

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| 057 | Rob Patridge | Medford resident and former state legislator. Mentions that Rep. Esquivel introduced HB 2911 for him. Introduces Gerald W. Burns. Welcomes people to Medford. |
| 083 | Gerald W. Burns | Certified Professional Accountant (CPA), Jackson County. Talks about financial reports and his experience. States that a case came to his attention concerning a cemetery district in Brookings. Talks about a wall built on the premises and it required an audit. States the most recurring example is when fire stations buy large pieces of equipment. Believes raising the threshold will help a lot of people and does not require a one-time expenditure. Talks about an exemption left out of a three year grace period. Refers to chart (EXHIBIT A) . |
| 177 | Cara Fischer | Committee Administrator. Explains HB 2911. Emphasizes how the numbers would affect small governments. Talks about the review process. Shares that a similar bill, HB 2382, is assigned to the House Audits Committee. |
| 226 | Rep. Esquivel | States he had the bill drafted on behalf of Patridge and Burns. |
| 241 | Rep. Cameron | Asks if we know how much it would save the cities' governments and organizations. |
| 250 | Burns | States that about \$4,000 a piece for 100 in the in-lieu category and 60 in the review category. Talks about the financial responsibilities of cemeteries. |
| 274 | Patridge | |

Talks about the adequate safeguards overseeing the municipal auditing.

- 286 Burns Says if they fail to submit the report, they have to do a higher level report that is more intrusive.
- 296 Chair Berger Asks about the consequences for failure to report.
- 297 Fischer Answers the consequences are in statute and rules and the process is watched over by the Secretary of State.
- 305 Burns States that most people have not filed this year. Talks about the phase - in periods. Says the state forms are much simpler and easier to understand and fill out.
- 342 Rep. Buckley Asks if this new system would reduce the workload of the office of the Secretary of State.
- 347 Burns Answers he thinks it would as people would have fewer reports to track down.
- 356 Rep. Esquivel Ask when the last time it was adjusted.
- 363 Burns Says that it was updated 10 to 15 years ago
- 368 Chair Berger Closes the public hearing on HB 2911. Opens the informational meeting on the Office of Regulatory Streamlining.

OFFICE OF REGULATORY STREAMLINING – INFORMATIONAL MEETING

- 416 Patrick Allen Manager, Office of Regulatory Streamlining. Talks about the history of the Office of Regulatory Streamlining. Emphasizes that the department is not about lowering standards.

TAPE 30, A

- 001 Allen Shares the office is focusing on paperwork reduction within states agency. Talks about water permits and how the office is working with eight different state agencies. Talks about a pilot project with small retailers and convenience stores. Stresses they want real

suggestions from real people and gives examples about how the office works with people.

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| 051 | Rep. Richardson | Wonders if there is a move for eliminating paperwork completely and shifting toward on-line transactions. |
| 052 | Allen | Answers on-line transactions are a piece of what they are looking toward implementing. |
| 064 | Chair Berger | Asks for clarification between Oregon Liquor Control Commission (OLCC) and the Department of Environmental Quality (DEQ). |
| 068 | Allen | Clarifies OLCC and DEQ. Mentions that the bills from the committee are some of the first to be signed by the governor. Talks about HB 2093 and its relation to OSHA notices. Mentions another bill dealing with the definition of an independent contractor. States that combined licensing is an area that the office of Regulatory Streamlining is looking at. Mentions that they are now looking at state and local governments working together to help. Notes that they will be looking at water regulations and re-using water. |
| 136 | Allen | Closes his testimony and expresses desire to hear constituents concerns. |
| 135 | Rep. Buckley | Asks how the general public can make suggestions on governmental streamlining. |
| 140 | Allen | Says one way is to contact legislators and another is through e-mail. |
| 152 | Chair Berger | Ask if the website is listed in the State of Oregon web system. |
| 160 | Allen | Talks about the websites. |
| 164 | Chair Berger | Asks how Oregon is doing compared to other states. |
| 170 | Allen | Talks about the state of New York and how they have a permanent streamlining office. Says that in Oregon it is not a permanent part of Oregon, only a 2 to 4 year period. States he is the entire office of streamlining. |
| 189 | Chair Berger | Asks for further questions and thanks Allen. |

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| 195 | Rep. Esquivel | Acknowledges Skip Knight the Vice-President of Medford City Council. |
| 200 | Chair Berger | Introduces Gerald Burns and reviews the remaining items to be discussed. |
| 211 | Gerald W Burns | Certified Professional Accountant (CPA), Jackson County. Talks about HB 2195 and mentions instances where someone might run a CPA business under false pretenses. Believes that the Board of Accountancy should have the power to stop people who are not CPAs from claiming they are CPAs. States these people can cause harm. |
| 262 | Chair Berger | States that HB 2195 passed out of the House recently. |
| 271 | Rep. Richardson | Talks about his concern with HB 2195 and wants to make sure there is an appeal process. States the amendment was made addressing his concerns. Mentions he contacted the CPA board and found no problem with the members of the board. |
| 296 | Chair Berger | Feels this is a great representation of governmental responsibility. |
| 304 | Rep. Esquivel | States that the Real Estate Agency has had the ability to levy fines and cease & desist orders. |
| 311 | Rep. Richardson | Says there is no indications the CPAs are using their power to abuse. |
| 321 | Rep. Galizio | States for the record how the CPA board is full of integrity. |
| 327 | Chair Berger | Thanks Mr. Burns and urges him to contact his senator. |
| 337 | Anne Billeter | Children's Young Adult and South Region Manager, Jackson County Library System. Talks about HB 2916. Emphasizes the importance of reading to children in early childhood. Talks about state grant money and says that they are using the money to purchase books (EXHIBIT B). |
| 393 | Chair Berger | Says HB 2916 will be heard on Tuesday March 30th. |
| 411 | John Zupan | President, Rogue Valley Association of Realtors. Says he is here to talk about HB 2520. Talks about that the transfer tax and how it |

would repeal the limit on HB 2520. Expresses concern about a regressive tax. Mentions the tax is only on one type of asset. States it is a volatile place to put a tax. States they do not want to impose a tax on a small portion of the community.

TAPE 29, B

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| 001 | Zupan | Says that they understand the problem of low income taxes. States his problems with transfer taxes. Believes it is discriminatory. Believes it will have a detrimental impact on the state. States it would be good for the whole community to solve the problem. |
| 062 | Chair Berger | Holds committee in abeyance while video recording tapes are changed. |
| 068 | Rep. Buckley | Thanks Mr. Zupan for his testimony. Asks about other industries asking cities and states not to consider regulations. |
| 078 | Zupan | Addresses the relationship industries have with cities and states. Then identifies taxes with significant impacts on industries. |
| 083 | Rep. Buckley | Expresses the desire for communities to find community solutions. |
| 096 | Rep. Esquivel | States he is going to have his idea for low-income housing distributed in the House. |
| 112 | Connie Saldana | Senior and Disability Services of Rogue Valley Community, Staff Person. Says there has been a huge increase in the amount of paperwork required by case managers. States the amount is becoming extreme. Makes note of their frustrations. |
| 154 | Rep. Esquivel | Talks about the conversation he had with Ms. Saldana over Medicare and Medicaid. Notes that 20 cents on every dollar is being spent on bureaucracy. |
| 167 | Saldana | States they are not talking about accountability and believes the paperwork is self-defeating. |
| 174 | Rep. Buckley | Talks about how he and Rep. Esquivel are working on a bill to address the paperwork in bills. |

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| 189 | Rep. Richardson | States he would like her suggestions about reducing the paperwork. |
| 194 | Saldana | Mentions the changes in philosophy toward a self-sufficiency model. Notes that the model makes the client prove they need the services. |
| 216 | Chair Berger | Talks about how the government struggles with how much they can give and how much accountability they can create. Notes that Ms. Saldana's field is an intersection of local, state, and federal regulations. |
| 249 | Rob Patridge | Medford resident and former state legislator. Says the state police are very important for his southern Oregon delegation. Mentions Lieutenant Barthel and his struggle to train new state troopers. Thinks Oregon cannot cut the budget for State Police. Notes that Chair Berger has been a key legislator on methamphetamine legislation. |
| 316 | Chair Berger | States their deep concern for funding state police. |
| 319 | Rep. Esquivel | Talks about how in Jackson County there were 36 troopers in 1976 and now there are only 12, despite the population growth. Mentions the fatality on HWY 140 and how no troopers were on duty in Jackson County. Mentions the statistics in Grants Pass where population grows while the numbers of state troopers fall. Thinks it is unacceptable. Mentions that the state police lack funds. |
| 354 | Chair Berger | States that she has one methamphetamine bill. Talks about the number of initiatives targeting the meth problem this session. Mentions she spoke to the Judiciary Committee Chair on the issue and they will work the seventy bills into a comprehensive package. |
| 399 | Rep. Cameron | States that 60 to 70 percent of government facilities are impacted by the problem. |
| 415 | Sue Densmore | Oregon Progress Board. Mentions education and the impacts funding has on schools. Talks about how they are losing some of the arts and sports. Notes her work with small communities and how they make use of their funds. Wants to give the committee a copy of her report. |
| 505 | Rep. Cameron | Asks what benchmarks are and how she views them. |

TAPE 30, B

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| 038 | Densmore | Talks about the history of the Oregon Progress Board. Mentions the development of benchmarks. States there are currently 100 benchmarks and they show the direct correlation between funding and program improvement. |
| 081 | David Savia | Resident of Medford. Talks about accounting for all state agencies from top to bottom. Talks about the Josephine and Jackson County perception of redundancy and waste in state government. Mentions the library and the state police and thinks this is where the money should go. Asks if these redundancies can be cut by the state government. |
| 108 | Chair Berger | Talks about the Ways and Means process. Emphasizes there are plenty of champions for the status quo. Stresses it is hard to do things differently. |
| 130 | Rep. Richardson | Talks about a disconnection between the people who spend the money and those that pay the taxes. Notes the difficulty lies in the fact that every program has a constituency. Talks about the programs for pregnant women getting proper nutrition and how many programs are working on the problem. Says there are overlaps in this area. Mentions zero-based budgeting and the time involved with implementing the program. Says they are ranking the importance of government programs and determining the funding based on these ranks. |
| 236 | Chair Berger | Says that resources are scarce and priorities are high. Wants people to talk about the issues that are important to them. |
| 245 | Rep. Buckley | Talks about how Jackson and Josephine counties do not hear about the great resources the state has. Mentions Work Source Oregon. States he shares the desire to have positive impact programs. |
| 278 | Rep. Esquivel | Says he will never be satisfied with efficiency. States he has never seen a company with over a hundred employees that does not have inefficiencies. Talks about how the legislature strives toward efficiency and non-overlapping services. |
| 305 | Rep. Galizio | Talks about how people want to know where their money is going. Expresses the desire to look at the tax expenditure report and how some legislators want to create accountability. Points toward investment. Mentions recreational vehicles and how they get a tax break. |

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| 375 | Savia | Thanks the committee for their work. |
| 377 | Chair Berger | Closes the informational meeting on Streamlining and adjourns meeting at 9:51 p.m. |

EXHIBIT SUMMARY

- A. HB 2911, Actuary Charts, Gerald W. Burns, 2pp**
- B. HB 2916, Read to Your Bunny, Anne Billeter, 3pp**