

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

July 21, 2005 Hearing Room 357

12:45 P.M. Tapes 45 - 46

MEMBERS PRESENT: Rep. Rep. Wayne Krieger, Chair

Rep. Rep. Jeff Barker, Vice-Chair

Rep. Brian Boquist, Vice-Chair

Rep. Linda Flores

Rep. Greg Macpherson

STAFF PRESENT: Janet Adkins, Committee Administrator

Cletus Moore, Committee Administrator

Heidi Moawad, Counsel

Sandy Thiele-Cirka, Committee Administrator

Louann Rahmig, Committee Assistant

MEASURES/ISSUES HEARD:

SB 1000A – Work Session

SB 153A – Public Hearing and Work Session

HB 3507 – Public Hearing

HJR 18 – Public Hearing and Work Session

SB 501A – Public Hearing and Work Session

SB 1080 – Public Hearing and Work Session

SB 303 – Work Session

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
TAPE 45, A		
003	Chair Krieger	Calls the meeting to order at 12:45 p.m. and opens a work session on SB 1000A.
<u>SB1000A – WORK SESSION</u>		
005	Cletus Moore	Committee Administrator. Explains SB 1000A which allows two individuals to enter into a valid reciprocal beneficiary relationship. Refers to the -A10 amendments (EXHIBIT A).
009	Rep. Boquist	MOTION: Moves to ADOPT SB 1000A-10 amendments dated 7/20/05.
014	Rep. Barker	Advises he cannot support the amendment.
020	Rep. Macpherson	Advises he also cannot support the amendment because it removes the text of the bill. Believes there needs to be a full debate in this committee.
030	Chair Krieger	Notes the objections.
031	Chair Krieger	The motion CARRIES.
032	Rep. Boquist	MOTION: Moves SB 1000A to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the House Committee on Budget.
034	Rep. Barker	Indicates he will vote no.
036	Rep. Macpherson	States he will also vote no as this is the policy committee; the budget committee is not.

042	Chair Krieger	Informs about the debate on HB 3476, at which about half the testimony was from the SB 1000 witnesses.
<p>046</p> <p>VOTE: 3-2-0</p> <p>AYE: 3 - Boquist, Flores, Krieger</p> <p>NAY: 2 - Barker, Macpherson</p>		
050	Chair Krieger	The motion CARRIES.
052	Chair Krieger	Closes the work session on SB 1000A.
072	Chair Krieger	Opens a public hearing and work session on SB 153A which modifies provisions relating to photo red light cameras and photo radar systems.

SB 153A – PUBLIC HEARING AND WORK SESSION

077	Sen. Rick Metsger	Senate District 26. Testifies in support of SB 153A. Advises the bill is designed to conform all jurisdictions that currently use photo radar and photo red light to adhere to the same statutes. Discusses the City of Beaverton interpretations of current law. Describes the provisions in SB 153A which clarify the law.
119	Chair Krieger	Explains that the integrity of the police can be jeopardized by policies of mayors and city councils.
131	Rep. Barker	Reports on conversations with city officials in the City of Beaverton and all have agreed to abide by the rules.
137	Rep. Macpherson	Comments on the location of signs warning of photo radar use.
153	Sen. Metsger	Responds that the intent is to change behavior.
167	Rep. Macpherson	Asks if a sign warning of police use of any speed control method wouldn't be desirable.
173	Sen. Metsger	Answers that perhaps consideration of related issues might be in order.

178	Rep. Macpherson	Indicates that he is trying to understand the bill which includes two kinds of technology, only one of which carries a warning sign requirement. Questions the rationale.
193	Sen. Metsger	Responds that the law is not being changed but only confirming a law that already exists. Is open to additional discussions.
204	Rep. Macpherson	Disagrees and explains why.
225	Sen. Metsger	Believes there is a philosophical difference.
242	Chair Krieger	Indicates there was a lot of resistance to photo radar in the beginning so there were some “side boards” placed on its operation which included warning the public.
252	Rep. Barker	Agrees that there was a lot discussion when the law came about.
256	Rep. Macpherson	Understands that there is general discomfort in using this technology. Continues that speed will not be controlled by putting out a sign.
276	Rep. Barker	MOTION: Moves SB 153A to the floor with a DO PASS recommendation.
278	Rep. Boquist	Comments on general paranoia about unannounced use of technology.
		VOTE: 4-1-0
		AYE: 4 - Barker, Boquist, Flores, Krieger
		NAY: 1 - Macpherson
289	Chair Krieger	The motion CARRIES. REP. BARKER will lead discussion on the floor.
300	Chair Krieger	Closes the work session on SB 153A and opens the public hearing on HB 3507.

HB 3507 – PUBLIC HEARING

311	Rep. Patti Smith	House District 52. Testifies in support of HB 3507. Explains the need to bring statutes in line with other states to protect our children.
331	Bill Taylor	Counsel. Explains HB 3507 which increases mandatory minimum sentences from 100 months to 300 months in prison and extends the period of post-prison supervision for, and requires active tracking of, a person convicted of rape in the first degree, sodomy in the first degree or unlawful sexual penetration in the first degree. Refers to the -1 amendments which, if adopted, replace the bill (EXHIBIT B) .

TAPE 46, A

073	Rep. Kevin Cameron	House District 19. Testifies in support of HB 3507. Suggests calling this the Oregon Child Sexual Assault Protection Act. Points out that HB 3507 focuses on the three crimes committed on children less than 12 years of age.
104	C. W. Jensen	Retired Portland Police Captain. Testifies in support of HB 3507. Provides information on an actual case with which he was involved.
162	Chair Krieger	Requests Rep. Cameron and Rep. Smith consult with counsel on a way to expedite HB 3507.
166	Rep. Barker	Expresses appreciation to Mr. Jensen for sharing his personal experiences.
169	Rep. P. Smith	Concludes that something needs to be done immediately.
172	Rep. Cameron	Refers to Jessica's Law in Florida. Continues that they don't want to have to name Oregon's law after a child.
181	John Hummel	Oregon Criminal Defense Lawyers Association. Testifies in opposition to HB 3507. States that the bill hasn't received due consideration. Is curious where the resources are going to come from to enact HB 3507. Requests an interim committee to analyze the issue.
236	Hummel	Provides statistics on sex offenses from the Oregon Criminal Justice Commission (EXHIBIT C) . Believes the rate is decreasing. Concludes that focus should be on the worst offenders.

256	Rep. Macpherson	Refers to the offenses for which the increase in mandatory sentencing is proposed. Asks if those crimes are limited to stranger violence or offenses by known assailants.
267	Hummel	Responds that no sex crime in Oregon is limited to strangers.
274	Rep. Macpherson	Asks how the new mandatory minimums relate to Ballot Measure 11 (BM 11) mandatory minimums or the sentencing grid now in place.
280	Heidi Moawad	Counsel. Answers that the amendments apply to BM 11 mandatory minimum sentences.
290	Rep. Macpherson	Inquires if these offenses are all within BM 11.
292	Moawad	Answers yes.
293	Rep. Macpherson	Asks if the sentencing grid isn't relevant.
294	Moawad	Responds that there are times when a district attorney may look at the sentencing guidelines grid. Provides an example.
308	Rep. Macpherson	Inquires how these compare to existing BM 11 mandatory minimums.
313	Moawad	Provides information on how to interpret the language in the -1 amendments using an offense against a child under 12 years of age as an example.
330	Rep. Macpherson	Asks if the numbers are incremental.
339	Moawad	Explains further.
365	Rep. Barker	Inquires about Mr. Hummel's position on a crime against a child under age 12.
384	Hummel	Responds that his organization is willing to look at increased penalties in one area, if there is an offset in another.
398	Rep. Barker	Indicates that the offender is 18 years of age.

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| 400 | Moawad | Explains that the original bill amended both ORS 137.700 and 137.707, but the -1 amendments apply only to ORS 137.700. |
| 409 | Steve Doell | President, Crime Victims United of Oregon. Testifies in support of HB 3507. Points out that this is for first degree rape, first degree sodomy, and first degree unlawful penetration, perpetrated by a person over the age of 18 on a person under the age of 12. Responds to Mr. Hummel's testimony that the numbers are going down. Reports that 44 percent of the BM 11 population are sex offenders. Adds that 18 states have tough laws like the one being proposed and another nine are looking at increasing their penalties for child sex offenders. |

TAPE 45, B

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| 040 | Chair Krieger | Requests Rep. Smith and Rep. Cameron talk with counsel about creating an interim work group. |
| 051 | Chair Krieger | Closes the public hearing on HB 3507 and opens a public hearing on HJR 18. |

HJR 18 – PUBLIC HEARING

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| 057 | Patrick Brennan | Committee Administrator. Refers to the -1 amendments (EXHIBIT D) which replace the measure and amend the Oregon Constitution to modify eligibility for veterans' farm and home loans upon approval by voters; makes active members of the Oregon National Guard and Reserves eligible if they have completed their initial active status obligation; and authorizes refinancing and clarifies eligibility of veteran's spouse. Explains that the -1 amendments are a rewrite of HJR 47A. |
| 067 | Rep. Boquist | Explains that HJR 18 was passed out of the Veterans Committee. |
| 076 | Paula Brown | Deputy Director, Oregon Department of Veterans Affairs (ODVA). Testifies in support of HJR 18 and the -1 amendments. Advises that HJR 18 was not included in the Governor's 2005-07 recommended budget. Explains that currently only veterans who have served on active duty are eligible for home loans. |
| 099 | Rep. Boquist | Reports on a companion house bill that has been placed in another bill so implementation language is already in process. Calls attention to a fiscal impact from HJR 47. |

106	Brennan	Explains the fiscal reflects the cost of adding to the voter's pamphlet.
110	Rep. Macpherson	Asks about the veterans' home loan program.
118	Bruce Shriver	Chief Financial Officer, ODVA. Explains the tax exempt general obligation bonds process.
126	Rep. Macpherson	Requests the loan interest rate.
131	Shriver	Answers about 3/8 of one percent below market.
134	Rep. Macpherson	Inquires about the standard percentage of appraised value and duration of the loan.
137	Shriver	Replies the loans are fixed rate up to 97 percent loan to value ratio. Indicates that SB 223 which will be effective January 1 will allow the loan to value ratio to go up to 100 percent. Adds that any loan in excess of 80 percent requires mortgage insurance.
146	Rep. Macpherson	Inquires about mortgage insurance.
148	Shriver	Explains that mortgage insurance protects the state in case of default.
150	Rep. Macpherson	Asks if there are insurers that will write that risk.
152	Shriver	Answers yes.
153	Rep. Macpherson	Inquires if something has to be paid for that insurance.
155	Shriver	Responds the borrower pays for mortgage insurance.
156	Rep. Macpherson	Clarifies that HJR 18 will expand eligibility for the program to the National Guard.
160	Shriver	Replies yes. Continues that current law requires active duty and discharge.
169	Rep. Boquist	Adds that HJR 18 includes all the reserve components. Advises that the federal government has "skirted" the veterans' issue by putting

people on 179-day tours so they are not “qualified” as a veteran.
Provides an example.

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| 192 | Rep. Macpherson | Seeks clarification that HJR 18 would extend loan benefits to everyone who signed up whether or not they were ever in a war zone. |
| 199 | Rep. Boquist | Answers that is technically correct. |
| 202 | Brown | Adds that an active duty service member, whether or not actually deployed and served in a combat zone, has veteran status and could receive an Oregon state veterans’ home loan. Explains the changes in HJR 18 and the -1 amendments. |
| 216 | Rep. Boquist | Believes the minimum obligation is now eight years. |
| 221 | Rep. Macpherson | Inquires if the tour has to be completed before eligible. |
| 225 | Rep. Boquist | Responds that six years of the obligation must be completed. |
| 228 | Col. Mike Caldwell | Oregon Military Department. States that Rep. Boquist is correct. Advises of an eight-year total obligation for all service members, six years active and two years inactive service. Supports HJR 18. |
| 251 | Rep. Boquist | Points to page 3 of the -1 amendments which outlines the service required, except if disabled. |
| 252 | Chair Krieger | Closes the public hearing and opens a work session on HJR 18. |

HJR 18 – WORK SESSION

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| 256 | Rep. Boquist | MOTION: Moves to ADOPT HJR 18-1 amendments dated 6/28/05.

VOTE: 5-0-0 |
| 260 | Chair Krieger | Hearing no objection, declares the motion CARRIED. |
| 261 | Rep. Boquist | MOTION: Moves HJR 18 be sent to the floor with a BE ADOPTED AS AMENDED recommendation. |

VOTE: 5-0-0

AYE: In a roll call vote, all members present vote Aye.

272 Chair Krieger **The motion CARRIES.**

REP. BOQUIST will lead discussion on the floor.

274 Chair Krieger Closes the work session on HJR 18 and opens a public hearing and work session on SB 501A.

SB 501A – PUBLIC HEARING AND WORK SESSION

278 Sandy Thiele-Cirka Committee Administrator. Explains SB 501A which requires that insurance carriers provide annual reports to the Department of Consumer and Business Services (DCBS) on the total number of members, total premium, total costs for claims, medical loss ratio, average premium amounts paid by each member per month, and percentage of change between premiums from the previous year. Refers to the -A7 amendments (**EXHIBIT E**) which add a requirement for an annual colorectal exam for an insured over 50 years of age.

307 Rep. Boquist Asks if the -A7 amendments are the only ones.

308 Thiele-Cirka Answers yes.

314 Joel Ario Insurance Administrator, DCBS. Testifies in support of SB 501A and neutral on the -A7 amendments, but recommend them over the -A5 amendments. Reports on the work to make the process more transparent.

343 Jessica Stevens Service Employees International Union (SEIU) Local 503. Testifies in support of SB 501A. Reads a prepared statement. Supports the -A7 amendments with implementation January 1, 2006, instead of an emergency clause.

365 John Powell Regence Blue Cross. Testifies in support of SB 501A but does not recommend the -A7 amendments. Recommends against the legislature mandating policy provisions because it takes away consumer choice and adds to costs. Continues that the -A7 amendments do not apply to self-insured groups.

TAPE 46, B

030	Chair Krieger	Closes the public hearing on SB 501A.
033	Rep. Flores	Asks Mr. Powell about the emergency clause.
039	Powell	Reports that the Speaker's office arranged for the -A7 amendments changing the implementation date to January 1, which is preferable, otherwise claims would have to be dealt with retroactively which would be cumbersome and costly.
052	Sen. Jeff Kruse	Senate District 1. Refers to the discussion on SB 501 in the Senate Health Policy Committee. Advises that the -A7 amendments were another bill. Continues that the -A7 amendments remove the six-year sunset which is on all other insurance mandates. Explains why he objects to removing the sunset. Requests the committee wait for another amendment reinserting the sunset.
092	Chair Krieger	Seeks clarification on the removal of sunset dates on some of the procedures.
095	Sen. Kruse	Responds that was done over his objections. Continues that insurance becomes increasingly unaffordable because coverage is for everything conceivable and adding more mandates exacerbates the problem.
110	Chair Krieger	Asks about a comment regarding the Senate president.
112	Powell	Responds that SB 374 which is being put into SB 501 belongs to the Senate president.
118	Chair Krieger	Agrees with Sen. Kruse that mandates do cost.
123	Sen. Kruse	Replies that he doesn't think that adding a sunset changes the mandate.
130	Rep. Boquist	MOTION: Moves to ADOPT SB 501A-7 amendments dated 7/21/05.

VOTE: 5-0-0

- 133 Chair Krieger Hearing no objection, declares the motion **CARRIED**.
- 134 Rep. Boquist **MOTION: Moves SB 501A to the floor with a DO PASS AS AMENDED recommendation.**
- VOTE: 5-0-0**
- AYE: In a roll call vote, all members present vote Aye.**
- 140 Chair Krieger The motion **CARRIES**.
- REP. BOQUIST will lead discussion on the floor.**
- 144 Vice-Chair Boquist Closes the work session on SB 501A and opens a public hearing on SB 1080.

SB 1080 – PUBLIC HEARING

- 147 Sandy Thiele-Cirka Committee Administrator. Explains SB 1080 which requires a laboratory performing a water sample analysis for a water supplier to report the results of the analysis directly to the Department of Human Services (DHS) and to the water supplier if the analysis shows contaminant levels in excess of established levels allowed by water quality standards.
- 159 Gail Shibley Administrator, Office of Public Health Systems, DHS. Testifies and submits written testimony in support of SB 1080 (**EXHIBIT F**). Refers to an excerpt from an audit report in **EXHIBIT F** which identified a reporting deficiency. Continues that SB 1080 eliminates the deficiency while minimizing the burden on laboratories.
- 200 Shibley Continues that language proposed in the 2003 session was not supported by the water suppliers or utilities. Adds that SB 1080 is the result of consensus and compromise by a number of stakeholders.
- 229 Vice-Chair Boquist Closes the public hearing on SB 1080 and opens a work session on SB 303.

SB 303 – WORK SESSION

- 233 Sandy Thiele-Cirka

Committee Administrator. Explains SB 303 which abolishes the Insurance Pool Governing Board and establishes and renames to the Office of Private Health Partnerships. Refers to the -1 amendments **(EXHIBIT G)**. Advises there are conflict amendments coming.

- 259 Chair Krieger Wants to move the -1 amendments into SB 303 so they can be part of the conflict discussion.
- 264 Rep. Boquist **MOTION: Moves to ADOPT SB 303-1 amendments dated 6/27/05.**
- VOTE: 5-0-0**
- 265 Chair Krieger **Hearing no objection, declares the motion CARRIED.**
- 267 Chair Krieger Closes the work session on SB 303 and opens a work session on SB 1080.

SB 1080 – WORK SESSION

- 270 Rep. Boquist **MOTION: Moves SB 1080 to the floor with a DO PASS recommendation and be placed on the CONSENT CALENDAR.**
- VOTE: 5-0-0**
- AYE: In a roll call vote, all members present vote Aye.**
- 278 Chair Krieger **The motion CARRIES.**
- 282 Chair Krieger Closes the work session on SB 1080 and adjourns the meeting at 4:10 p.m.

EXHIBIT SUMMARY

- A. SB 572, -A19 amendments, staff, 42 pp
- B. HB 3507, -1 amendments, staff, 5 pp
- C. HB 3507, written statistics, John Hummel, 2 pp

- D. HJR 18, -1 amendments, staff, 4 pp
- E. SB 501, -A7 amendments, staff, 2 pp
- F. SB 1080, written testimony, Gail Shibley, 6 pp
- G. SB 303, -1 amendments, staff, 1 p