

## **HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS**

**August 1, 2005 Hearing Room 357**

**4:00 P.M. Tapes 61 - 62**

**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**

**Louann Rahmig, Committee Assistant**

### **MEASURES/ISSUES HEARD:**

**SB 1089 – Work Session**

**SB 1098 – 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.**

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
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**TAPE 61, A**

004	Chair Krieger	Calls the meeting to order at 4:08 p.m. and opens a work session on SB 1089.
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### **SB 1089 - WORK SESSION**

015	Rep. Peter Buckley	House District 5. Testifies and submits written testimony in support of SB 1089 <b>(EXHIBIT A)</b> .
021	John Christensen	Chief of Staff, Senator Margaret Carter. Reports that Sen. Carter is in Ways and Means.
030	Janet Adkins	Committee Administrator. Explains that SB 1089 requires the State Treasurer and Oregon Investment Council (OIC) to implement a two-phase divestiture program regarding investments in Sudan. Refers to the -3 amendments <b>(EXHIBIT B)</b> which require the OIC and the State Treasurer to act reasonably to try to insure that funds are not invested in any company the OIC knows is doing business in Sudan for as long as the Sudanese government continues the campaign of human rights violations, atrocities or genocide. Advises there is a subsequent referral to the budget committee. Refers to written testimony and background material submitted by Sen. Carter <b>(EXHIBITS C THROUGH E)</b> .
048	Christensen	Advises that fiscal staff was unaware of the sanctions that have been on Sudan and on American companies since the 1990s. Continues that there are no American companies in Sudan at the present time.
067	Randall Edwards	State Treasurer. Testifies and submits written testimony in support of SB 1089 and the -3 amendments <b>(EXHIBIT F)</b> . Has a reservation with the section that addresses how the legislature approaches OIC. Prefers “urges” rather than “directs.”
107	Rep. Macpherson	Asks if the proposed language is in an amendment.
109	Edwards	Answers no.
110	Rep. Macpherson	Comments that the key difference is the introductory phrase.
113	Rep. Barker	States that he is reluctant to “direct” the OIC.
119	Rep. Boquist	Thanks the treasurer. Offers that this is a serious issue.
142	Kate Richardson	Chief of Staff, State Treasurer. Advises that the fiscal impact is significantly decreased by the -3 amendments as there is more flexibility that focuses on the primary portfolio.

155	Rep. Barker	Remarks about Halliburton working in Iraq. Asks if it is possible we are investing in companies that are not American.
163	Richardson	Points to the definition of company which will be part of the investigation and evaluation the OIC will have to go through with its legal counsel.
168	Chair Krieger	Asks about the \$200,000 impact.
174	Richardson	Responds that the fiscal was to the original bill.
178	Chair Krieger	Comments that there was no fiscal determined in 1987-89 when dealing with another country.
181	Richardson	Replies we may have investments there, depending on how companies are defined.
194	Rep. Macpherson	Observes that the bill doesn't tell the treasurer or OIC to do anything different than the general standard that applies, other than to be mindful about what is going on in Sudan.
216	Richardson	Responds that was their second choice for language. Continues that there are different interpretations of the prudent investor's standard.
239	Rep. Boquist	<b>MOTION: Moves to ADOPT SB 1089-3 amendments dated 7/27/05.</b>
		<b>VOTE: 5-0-0</b>
245	Chair Krieger	<b>Hearing no objection, declares the motion CARRIED.</b>
246	Rep. Boquist	<b>MOTION: Moves SB 1089 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on budget BE RESCINDED.</b>
252	Rep. Macpherson	Supports the bill based on the clarification by the witnesses.
		<b>VOTE: 5-0-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>

259            Chair Krieger            The motion CARRIES.

**REP. BUCKLEY & REP. BOQUIST will lead discussion on the floor.**

265            Chair Krieger            Closes the work session on SB 1089 and opens a work session on SB 1098.

**SB 1098 - WORK SESSION**

268            Janet Adkins            Committee Administrator. Explains SB 1098 which restructures the statutes that authorize and direct use of the Special Public Works Fund. Refers to the -2 amendments (**EXHIBIT G**) which prohibit the Port of Portland from spending any money to finance transportation projects at the Troutdale property formerly known as the Reynolds Aluminum property, if the capital improvements are intended to allow the use of the facility to be an intermodal transportation facility. Points out that the -2 amendments are similar to the amendments in SB 71 (the Connect Oregon bill) previously passed.

305            Chair Krieger            Asks if the parties have agreed to this.

306            Adkins            Answers she is not aware.

311            Gary Whitney            Policy and Program Coordinator, Economic and Community Development Department. Testifies in support of SB 1098. States that the bill reorganizes and simplifies the statutes on the public works program and adds two nonvoting seats to the Oregon Economic and Development Commission. Explains why the bill is needed.

352            Whitney            Continues that they are proposing to add airport districts to the list of applicants eligible for low-cost financing for infrastructure needs.

389            John Rakowitz            Economic and Community Development Department. Adds that there is agreement by numerous stakeholders.

**TAPE 62, A**

013            Rep. Macpherson            Asks if the Port of Portland agrees to the -2 amendments.

019            Rakowitz            Presumes there is an agreement but has not been part of the process.

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|-----|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 024 | Ken Armstrong   | Oregon Ports Group. Indicates he has not been part of the discussions but believes that Speaker Minnis and Port of Portland Executive Director Bill Wyatt have found the terms that are represented in the -2 amendments acceptable to both sides. |
| 032 | Rep. Boquist    | <b>MOTION: Moves to ADOPT SB 1098-2 amendments dated 7/30/05.</b>                                                                                                                                                                                  |
| 037 | Rep. Macpherson | States that his support is based on the understanding that the Port is in agreement.                                                                                                                                                               |
|     |                 | <b>VOTE: 5-0-0</b>                                                                                                                                                                                                                                 |
| 039 | Chair Krieger   | <b>Hearing no objection, declares the motion CARRIED.</b>                                                                                                                                                                                          |
| 040 | Chair Krieger   | Closes the work session on SB 1098. Recesses the meeting at 4:37 p.m.                                                                                                                                                                              |
| 044 | Chair Krieger   | Reconvenes at 5:15 p.m. and announces that SB 1096 will be carried over to August 2.                                                                                                                                                               |
| 046 | Chair Krieger   | Adjourns the meeting at 5:17 p.m.                                                                                                                                                                                                                  |

### **EXHIBIT SUMMARY**

- A. SB 1089, written testimony, Rep. Peter Buckley, 2 pp
- B. SB 1089, -3 amendments, staff, 5 pp
- C. SB 1089, written testimony, Sen. Margaret Carter, 3 pp
- D. SB 1089, background material, Sen. Margaret Carter, 1 p
- E. SB 1089, background material, Sen. Margaret Carter, 3 pp
- F. SB 1089, written testimony, Randall Edwards, 2 pp
- G. SB 1098, -2 amendments, staff, 1 p