

SENATE COMMITTEE ON RULES

May 13, 2003
3:00 pm

Hearing Room 343
Tapes 50 - 53

MEMBERS PRESENT: **Sen. Kate Brown, Co-chair**
 Sen. Bev Clarno, Co-chair
 Sen. Jason Atkinson Vice-chair
 Sen. Ginny Burdick Vice-chair
 Sen. Roger Beyer
 Sen. Tony Corcoran

STAFF PRESENT: **Jim Stembridge, Committee Administrator**
 Pam Cox, Committee Assistant

MEASURES: **HB 3272A – Public Hearing**
 HB 3613 – Public Hearing
 HB 3264A – Public Hearing
 HB 2763 – Public Hearing

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.

<u>TAPE#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 50, A		
005	Chair Brown	Calls the meeting to order at 3:09 p.m. and opens the work session on SB 706.
<u>HB 3272– PUBLIC HEARING</u>		
010	Jim Stembridge	Committee Administrator. Summarizes HB 3272.
011	Roger Nyquist	Testifies and submits written testimony in favor of HB 3272. Describes the proposed boundaries of Linn and Benton counties (EXHIBIT A) .
051	Mark Nelson	Submits written testimony in favor of HB 3272 and describes the desire on the boundaries of Linn County and states Benton County is not in agreement with the proposed boundaries (EXHIBIT B) .
065	Nyquist	Presents pictures showing the boundaries of Linn County.
076	Nelson	Points to the area of the boundary in the middle of the river.
085	Nyquist	Notes the tax dollars involved were in the machinery in a food processing plant located in this area.
103	Sen. Brown	Asks who is providing services in this at the present time.
110	Nelson	Answers it depends on the services.
115	Nyquist	Property owners could best answer this issue.
131	Sen. Atkinson	Ask if the river changes back would you give the land back.
139	Nyquist	States a drastic change in the land movement is not anticipated.
136	Sen. Corcoran	Asks if the land in question in one zone.
140	Nyquist	Answers no.
144	Sen. Corcoran	Asks if there have been any attempts to rezone that area.
145	Nyquist	Answers he does not know.
153	Terry Quindower	Testifies in favor of HB 3272 and informs the committee of his concerns about who was taking care of this particular property.
190	Karla Chambers	Stahlbush Island Farms, Inc. Testifies in favor of HB 3272 and

		explains all of the businesses and residents would like to live in Linn County and everyone is confused when boundaries are not certain.
225	Sen. Brown	Asks if there has been other problems when needing to contact an agency.
236	Chambers	Relates experiences of people who are trying to locate an agency and are often wrong about what county they are in.
243	Sen. Brown	Asks if her children have to cross the river to go to school.
247	Chambers	States the majority of children go to Linn County Schools.
265	Annabelle Joromillo	Commissioner, Benton County. Testifies in opposition of HB 3272. Explains the need for discussions to a conclusion noting there has not been mutual discussions by all parties (EXHIBITS C and D).
351	Sen. Brown	Asks if the Morris Brother's agreed on the changes.
361	Ray Wilson	Surveyor, Benton County. Testifies in opposition of HB 3272A and explains the agreement with the Morris Bros.
368	Sen. Brown	Refers to the map and states that from a common sense approach the changes should be made.
392	Joromillo	Responds that changing the boundaries now would cause changes in the future.
403	Chair Clarno	Asks for an explanation of the costs.
408	Wilson	Responds the road has been vacated, there will be very little expense.
TAPE 51, A		
009	Chair Clarno	Asks if the road has been maintained since it was vacated
010	Wilson	Answers no.
011	Sen. Brown	Explains the Morris Brother's are legally responsible for repairing the road.
015	Wilson	Answers yes they maintain that road.
027	Chair Clarno	Asks how much in taxes does Benton County receive.
039	Joromillo	Answers fifty thousand.
037	Chair Clarno	Asks about other taxes.
040	Jaramillo	Describes others who receive taxes from this fund.
043	Chair Clarno	Asks about fire services.
045	Joromillo	Answers the rural fire services are purchased from the Corvallis Fire Department.
050	Wilson	Notes the technical aspects of the boundary and the wording of the bill and states if the bill is passed and the river moves we will be back doing this again.
067	Sen. Brown	Asks to look at the map.
070	Wilson	Offers an explanation of the map and the movement that the land has taken.
087	Sen. Brown	Asks if the bill only applies to the Stalbush Farms, Inc.
088	Wilson	States no it applies to everything.
117	Jim Stenbridge	Expresses the map is similar to the one exhibited earlier.
103	Sen. Beyer	Notes the fifty thousand dollars in taxes and asks for the total acreage.
110	Joromillo	Discusses the land that would be shifted if the boundaries were set.
137	Sen. Beyer	Asks what the net figure would be.
130	Joromillo	Notes the amount of money that would be involved if the is shifted.
141	Chair Clarno	Asks have there been discussions with Linn County regarding these changes.

142	Wilson	States they have not had a formal meeting.
153	Sen. Beyer	Asks what problem needs to be fixed.
167	Mark Nelson	Linn County. Explains all counties were involved in the methodology used to define county lines and states the line should be in the middle of the river.
221	Nyquist	Offers to meet with other counties and move forward with these changes.
231	Chair Clarno	Closes the public hearing on HB 3272A and opens a public hearing on HB 3613.
HB 3613 – PUBLIC HEARING		
235	Jim Stembridge	Committee Administrator. Summaries HB 3613 and the -2 amendments.
248	Rep. Greenlick	District 33. Testifies in favor of HB 3613 and submits written testimony. Asks, <ul style="list-style-type: none"> ● is this a prudent thing to do ● is it profitable for Oregon investment funds ● is it politically appropriate ● will it lead to more jobs in Portland <p>Concludes that Oregon could earn money with the passage of this bill (EXHIBIT E).</p>
423	Sen. Corcoran	Asks which unions have and have not worked this out.
423	Rep. Greenlick	States to his knowledge no unions are currently opposing if the -2 amendments are added.
430	Sen. Corcoran	Notes only three public sector unions have stated they would put their names to it.
438	Rep. Greenlick	States if the -2 amendments are approved the unions have no problem.
447	Sen. Corcoran	Asks why we need this if we have the Oregon Growth Account.
450	Rep. Greenlick	Responds there is no money in the Oregon Growth Account.
463	Sen. Corcoran	Asks if the proposal would impact the Common School Fund and the Oregon Short Fund.
TAPE 50, B		
011	Rep. Greenlick	Answers we are not creating a new category of investment. We are asking that when they use funds in these entities, that they look toward Oregon first.
062	Keith Barns	Retired Chief Officer, Integrated Measurement Systems. Describes the company and how positive venture funding was. Urges passage of HB 3613
113	Les Fahey	Owner, Fahey Ventures. Testifies in favor of HB 3613 and informs the committee on the positive and the negative issues of gaining capitol on the early stages of venture funds (EXHIBIT F) .
183	Wayne Embree	Entrepreneur. Testifies in favor of HB 3613 and explains this same issue was addressed twenty years ago. Explains how the funds were invested and states this is the best time to invest in startup companies (EXHIBIT G) .
259	Sen. Corcoran	Asks where is the hope that we are on our way up.
300	Embree	States we are close to the flat end of the cycle.
341	Sen. Corcoran	Asks is this a different time than the past in the business cycle.
344	Embree	Answers yes but this is the best time to invest.
354	Sen. Corcoran	Asks what are the OIC requirements on current venture capital

investments.

360 Embree Answers that OIC has only invested in two venture markets.
 363 Sen. Corcoran States his concern with the issue of the investments and asks do we gain from the investments already made.

366 Embree Describes the Seed Fund and states it was very small and now receives \$18 million in returns.

368 Dennis McNannay CEO, Core Policy Systems. Explains how his company became strong and states access to capital will dictate how large companies will get and where they locate.

400 Jim Johnson Investor. Testifies in support of HB 3613 and states it gives Oregon a chance but we need more of a network.

406 Harvey Mathews Associated Oregon Industries, (AOI). Testifies in favor of HB 3613. States that Oregon does not have enough networks.

TAPE 51, B

011 Mathews Concludes that HB 3613 creates jobs, directs investments and is prudent.

015 Randall Edwards Treasurer, State of Oregon. Expresses concern about conflicts with prudent investment standards. Explains that each fund has a specific beneficiary. Discusses current investment strategies. **(EXHIBIT H)**.

070 Chair Brown Asks what are the distinctions in other states regarding fiduciary requirements.

071 Edwards Answers that the question is how to utilize the Oregon Growth Account and the need to use the appropriate monies to invest.

151 Sen. Beyer Notes the -2 amendments appear to leave all the discretion to the investment counsel.

169 Edwards States the comments are to the bill as it is written.

193 Sen. Corcoran Refers to the discussion with the unions on this issue and states that they are fine with this bill.

The following prepared testimony is submitted for the record without public testimony for HB 3613:

Joseph Cortright Submits written testimony **(EXHIBIT I)**
 Sen. Bruce Starr District 15. Submits written testimony **(EXHIBIT J)**
 204 Chair Brown Closes the public hearing on HB 3613 and opens a public hearing on HB 3264.

HB 3264 – PUBLIC HEARING

213 Charlie Stone Assistant State Forester, Oregon Department of Forestry. Testifies in favor of HB 3264 and states this bill was initiated because of a law suit **(EXHIBIT K)**.

233 Sen. Corcoran Asks who would apply enforcement action.
 234 Stone Answers the State Forestry Department.
 235 Sen. Corcoran Notes that would make them the regulators of the State Forester Act.

240 Stone Responds that this bill has amendments to clarify in law that the state does not create rules.

333 Sen. Corcoran States under current situations a timber cutter cannot be dismissed by the State Forester.

357 Stone Answers not unless they are in violation of the rules
 359 Sen. Corcoran Asks if they violate the rules could they stop the operation.
 360 Stone Responds yes.
 368 Sen. Corcoran States either you are or you are not a regulator.
 387 Stone Indicates the State Forester is the regulator of the State Forestry Practices Act and but not on the Endangered Species Act.
 390 Sen. Corcoran Asks under the State Forestry Practices Act has an operation ever

391 Stone been stopped.
Responds not on private land. Clarifies the amendments regarding appeal decisions and directives to the Board to amend the rules.

453 Chair Brown Notes that one complaint was on the amount of notice given to both sides.

422 Stone States there was a hearing on the house side and our folks testified.

425 Chair Brown Notes the problem of changing the law in the middle of a court proceeding.

438 Richard Witman Legal Counsel, Oregon Department of Forestry. Submits written testimony in opposition of HB 3264. Informs the committee on the affects of this bill (**EXHIBIT L**).

TAPE 52, A

040 Chair Brown Asks if the Department of Environmental Quality (DEQ) is the regulatory enforcer for the Clean Air Act.

045 Whitman Recognizes that if the plaintiffs are correct then local governments could be responsible for implementing a federal law to the degree that the federal agencies charged with administrating that law have not chosen to do so, and that is what we are trying to avoid.

054 Sen. Burdick Asks if they prevail will the law suit go away.

056 Witman Answers no. The bill is needed to clarify the intent of the legislature.

078 Sen. Corcoran Asks what is legal issue.

080 Ray Wilkerson Oregon Forestry Council. Testifies in support with some reluctance but believes this bill is necessary.

142 Mary Scurlock Senior Policy Analyst, Pacific Rivers Council. Testifies in opposition of HB 3264 and offers a PowerPoint presentation on endangered species not being protected (**EXHIBIT M and N**).

235 Patty Goldman Attorney. Informs the committee that evidence was provided and this bill would just shift the target.

364 Sen. Beyer Asks about the statement “if we do this we allow people to be guilty before proven innocent”.

366 Scurlock Responds if a problem is found the operation would not be approved until the operation has changed.

386 Sen. Beyer Asks if they sued the state of Washington.

400 Scurlock Answers Washington has come up with better regulations.

405 Sen. Beyer States Washington allows killing of these fish all the time

418 Goldman Notes there are creditable findings that fish have been killed by logging.

428 Sen. Beyer Asks what is the status of that listing now.

430 Scurlock Responds under review as all listings.

432 Sen. Beyer Notes a judge stated they were listed improperly.

434 Scurlock Notes it has been argued that it would stay in place until the listings were reviewed by the federal agencies.

480 Les Helgeson Native Fish Society. Submits written testimony in opposition of HB 3264 and explains this bill is bad for wildlife and forestry as well (**EXHIBIT O**).

TAPE 53, A

001 Helgeson Continues.

073 Chair Clarno Closes the public hearing on HB 3264 and opens a public hearing on HB 2613.

080	Sen. Beyer	Asks if there is anyone to testify. Notes that he has a letter signed by the Governor stating as soon as he receives the bill he will sign it (EXHIBIT P).
090	Chair Clarno	Asks if there is anyone in the hearing room from the Governor's office.
085	Stone	Notes the Governor's office had intended to pull the letter back.
094	Goldman	States there was a message on her answering machine stating the letter was a clerical error.
097	Stone	Clarifies he has been in touch with the Natural Resources office and they state the letter should have been pulled.
100	Chair Clarno	Injects the letter was premature.
103	Sen. Beyer	Notes the letter was signed stating the Governor is in supporting the bill.

The following prepared testimony is submitted for the record without public testimony for HB 3264:

	Aubrey Russell	Submits written testimony (EXHIBIT Q)
108	Chair Clarno	Closes the public hearing on HB 3264 and opens a public hearing on HB 2763.

HB 2763 – PUBLIC HEARING

111	Jim Stembridge	Summarizes HB 2763.
131	Hasina Squires	Special Districts. Testifies in favor of HB 2763 and notes the fee increase is excessive.
140	Rem Nivens	Oregon Community College Association. Testifies in favor of HB 2763 and notes the difficulty in recruiting board members for colleges, they do not want to create any barriers for their desire to participate in that process. Adds that John Marshall wants to be on record as supporting the bill (EXHIBIT R).
160	Al Davidson	Oregon County Clerks. Explains that he testified in opposition to HB 2763 and states the -1 amendments make the bill revenue neutral so they withdraw their opposition.
180	John Lindback	Director, Elections, Secretary of the State's Office. Notes that by passing this bill it will cause a lack of normality in the each elections voter's pamphlet.

The following prepared testimony is submitted for the record without public testimony for HB 2763:

	Larry Sowa	Submits written testimony (EXHIBIT S)
	Carol Gearin	Submits written testimony (EXHIBIT T)
211	Chair Clarno	Closes the public hearing on HB 2613 and adjourns the committee meeting at 5:40 p.m.

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EXHIBIT SUMMARY

- A – HB 3272, oversized exhibit, Roger Nyquist**
- B – HB 3272, written testimony, Mark Nelson, 1 p**
- C – HB 3272, written testimony, Commissioner Annabelle Jaramillo, 2 pp**
- D – HB 3272, enlarged exhibit, Commissioner Annabelle Jaramillo**
- E – HB 3613, written testimony, Rep. Greenlick, 3 pp**
- F – HB 3613, written testimony, Les Fahey, 2 pp**
- G – HB 3613, written testimony, Wayne Embree, 7 pp**
- H – HB 3613, written testimony, Randall Edwards, 9 pp**
- I – HB 3613, written testimony, Joseph Cortright, 2 pp**

J – HB 3613, written testimony, Sen. Bruce Starr, 3 pp
K – HB 3264, written testimony, Charlie Stone, 2 pp
L – HB 3264, written testimony, Richard Whitman, 2 pp
M – HB 3264, written testimony, Mary Scurlock, 7 pp
N – HB 3264, written testimony, Mary Scurlock, 2 pp
O – HB 3264, written testimony, Les Helgeson, 1 p
P – HB 3264, written testimony, Governor Kulongoski, 2 pp
Q – HB 2763, written testimony, Rem Nivens, 1 p
R – HB 2763, written testimony, Larry Sowa, 3 pp
S – HB 2763, written testimony, Carol Gearin, 3 pp