

HOUSE COMMITTEE ON RULES, REDISTRICTING, AND PUBLIC AFFAIRS

June 30, 2001
1:30 PM

Hearing Room D
Tapes 173 - 174

MEMBERS PRESENT: Rep. Carl Wilson, Chair
Rep. Richard Devlin, Vice-Chair
Rep. Dan Doyle, Vice-Chair
Rep. Dan Gardner
Rep. Bill Garrard
Rep. Steve March
Rep. Bruce Starr
Rep. Joanne Verger
Rep. Cheryl Walker

STAFF PRESENT: Cara Filsinger, Committee Administrator
Sandy Thiele-Cirka, Committee Administrator
Jim Stembridge, Committee Administrator
Jennifer Goodman, Committee Assistant

MEASURE/ISSUES HEARD: HJR 51 – WORK SESSION
SB 977 – WORK SESSION
SB 811 – WORK SESSION
HB 2934 – WORK SESSION
SJR 12A – WORK SESSION
SB 487 – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<u>TAPE 173, A</u> 004	Chair Wilson	Calls the meeting to order at 1:36. Opens a work session on HJR 51.
<u>HJR 51 – WORK SESSION</u> 008	Rep. Doyle	MOTION: Moves HJR 51 WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Advancing E - Government.
012		VOTE: 9-0
	Chair Wilson	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
017	Chair Wilson	Closes the work session on HJR 51 and opens a work session on SB 977.
<u>SB 977 – WORK SESSION</u> 033	Jim Stembridge	Committee Administrator. Explains that SB 977 addresses certain procedures to follow in the event a worker's compensation insurer becomes insolvent.
046	John Powell	Oregon Insurance Guarantee Association. Describes his association. Submits and testifies from (EXHIBIT A) . Believes there is a problem with the amount of time it takes the courts to declare a company insolvent. Explains that this bill advances

money to the injured party. Adds that this bill establishes a bar claim date. States that workers compensation insurance claims are exempt from the claim date. Explains that SB 977 establishes a net worth limitation of 25 million dollars. Discusses the two reasons this limitation is imposed. Explains that this bill establishes a priority listing for payment of obligations of the insolvent insurance company. States that there is no opposition to this bill.

135 Rep. Gardner

MOTION: Moves SB 977 to the floor with a DO PASS recommendation and be placed on the CONSENT CALENDAR.

137

VOTE: 9-0

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

Chair Wilson

146

Chair Wilson

Closes the work session on SB 977 and opens a work session on SB 811.

SB 811 – WORK SESSION

151

Sandy Thiele-Cirka

Committee Administrator. Summarizes and explains the –10 amendments. States that the bill encourages the school districts to implement programs to improve student performance and school personnel satisfaction.

161

Staff

Introduces –10 amendments (**EXHIBIT B**).

162

Chair Wilson

Asks where the –10 amendments originated.

163

Thiele-Cirka

States Senator David Nelson.

176

John Marshall

Oregon School Board Association. States that they support the –10 amendments. Explains that the purpose of the school report card is to inform the parents and to promote involvement.

192

Rep. Starr

Asks if the amendment includes information that the school district and department collects.

195

Marshall

Responds in the affirmative.

199

Rep. Starr

MOTION: Moves to ADOPT SB 811-10 amendments dated 06/22/01.

200

VOTE: 6-3

AYE: 6 - Doyle, Garrard, Starr, Verger, Walker C, Wilson

NAY: 3 - Devlin, Gardner, March

The motion CARRIES.

Chair Wilson

217

Rep. Starr

MOTION: Moves SB 811 to the floor with a DO PASS AS AMENDED recommendation.

220

VOTE: 6-3

AYE: 6 - Doyle, Garrard, Starr, Verger, Walker C, Wilson

NAY: 3 - Devlin, Gardner, March

The motion CARRIES.

Chair Wilson

DOYLE will lead discussion on the floor.

230

Chair Wilson

Closes the work session on SB 811 and opens a work session on HB 2934.

HB 2934 – WORK SESSION

237

Staff

Introduces the –10 amendments (**EXHIBIT C**).

238

Thiele-Cirka

Summarizes the bill and explains the –10 amendments.

258

Scott West

Oregon Lodging Association. Explains local lodging taxes.

Explains that this bill will require a local reimbursement fee.

Adds that this bill would grandfather existing allocation levels at

		their current level for those who already have a tax. Explains that those who will have a future tax will have a 5% minimum collection fee. Discusses Portland charges that are now implemented and how it would be in the future under this law.
297	Rep. March	Asks if any lodging taxes have been raised since January.
302	West	Explains that there are several in process.
306	Rep. Devlin	Asks if most in this industry use credit cards.
310	West	Responds in the affirmative.
312	Rep. Devlin	Suggests that if there is not already a tax in place, some may end up paying more in tax.
315	West	States that is correct. Explains that the average discount rate in Oregon is 2 1/2 percent.
324	Michelle Deister	League of Oregon Cities. Requests the effective date be July 1, 2001 and not January 1, 2001.
339	Rep. Starr	MOTION: Moves to ADOPT HB 2934-10 amendments dated 6/15/01.
341		VOTE: 9-0
	Chair Wilson	Hearing no objection, declares the motion CARRIED.
343	Rep. Starr	MOTION: Moves HB 2934 to the floor with a DO PASS AS AMENDED recommendation and RESCIND subsequent referral to the Committee on Ways and Means and be placed on the CONSENT CALENDAR.
355	Rep. Verger	States that she has not had time to check with her constituents on this bill and will be a courtesy 'yes' vote.
360	Rep. Walker	States that some taxes will be levied sometime this year.
366		VOTE: 9-0
	Chair Wilson	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
381	Chair Wilson	Closes the work session on HB 2934 and opens a work session on SJR 12A.
<u>SJR 12A – WORK SESSION</u>		
385	Staff	Introduces the –A4 amendments (EXHIBIT D).
386	Cara Filsinger	Committee Administrator. Explains the –A4 amendments. States that this an annual session bill. Explains that the –A4 amendments change the start of session to the second Monday of February. Continues discussing per diem.
403	Rep. Devlin	Believes this is the best version of the annual session bill. Discusses interim committees and responding to initiatives. States his support of the bill.
TAPE 174, A		
014	Rep. Walker	Expresses concern with the staffing of such a short session.
030	Rep. March	Explains that the language is transposed in the staff measure summary.
036	Rep. Starr	Asks about per diem in the amendment.
040	Rep. Devlin	States that they have to have 31 members in the House and 16 members in the Senate to call a special session.
048	Rep. Starr	Expresses concern over the payment of per diem.
062	Rep. Devlin	MOTION: Moves to ADOPT SJR 12-A4 amendments dated 06/28/01.
063		VOTE: 9-0
	Chair Wilson	Hearing no objection, declares the motion CARRIED.
067	Rep. Devlin	MOTION: Moves SJR 12A be sent to the floor with a BE

ADOPTED AS AMENDED recommendation.

068 Rep. Walker
069

States that she will give a courtesy vote of yes.

VOTE: 9-0

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

Chair Wilson

The motion CARRIES.

Rep. DEVLIN will lead discussion on the floor.

076 Chair Wilson

Closes the work session on SJR 12A and opens a work session on SB 487.

SB 487 – WORK SESSION

081 Cara Filsinger

Committee Administrator. Explains that there are seven amendments to SB 487.

091 Staff

Submits **(EXHIBITS E, F, G, H, I, J, & K).**

092 Mark Nelson

Oregon PERS Retirees. States that the -2 amendments provide flexibility for retirees over the age of 65. Adds that they can work any number of hours and still collect retirement.

110 Bill Linden

Oregon PERS Retirees. Explains that the -3 amendments add an opportunity for public employees to buy back credit for service in other states. Adds that currently teachers have this option. Refers to page two of the amendment. States that it provides a process for the credit. Explains that the -4 amendments grant ad hoc benefit increases to retirees. States the requirements for the authority for ad hoc raises. States that they would support an amendment to clarify the language.

151 Linden

States that the -5 amendments allow a member to change their beneficiary as a result of a divorce decree. Explains that the -6 amendments encapsulate the -2 through -5 amendments.

166 Chair Wilson

Asks if the -5 amendments are fully contained in SB 134.

169 Linden

Responds that it is only partly covered in SB 134.

172 Rep. Walker

Asks if retirees in the -4 amendments receive COLAS every year.

177 Linden

Responds that there is an automatic COLA built into statute. Explains that this allows the board to have discretion relating to the financial conditions of the fund.

184 Rep. Walker

Asks if authority already exists in rule.

185 Linden

Responds that granting ad hoc increases has been handled by the Legislature.

188 Rep. Walker

Asks if each one was granted by the Legislature.

189 Linden

States that this is his understanding.

190 West

States that the last ad hoc raise granted by the Legislature was granted in 1985. Believes that COLAS have not kept up with inflation.

201 Rep. Walker

Asks about the -5 amendments. Wonders if the bill would affect divorce decrees that already address this issue.

210 Linden

Responds that if the terms of the divorce decree does not prohibit a change in beneficiary.

238 Rep. Verger

Asks why there was a rule to have a limit on public service.

243 Linden

Responds that there are federal laws that limit the number of hours a retired person can work.

251 Rep. Verger

Asks why she cannot work for other public departments without hurting her retirement.

259 Linden

Explains that she can work any number of hours under this amendment.

270 Rep. Verger

Asks if this bill would allow her to work unlimited hours as an interim city manager.

274	West	Responds in the affirmative. Adds that this is included in the –2 amendments.
284	Rep. Walker	Asks if one retires at 65 and returns to work the next day would they receive the same salary and retirement benefits.
293	Linden	Responds that they would receive the same pay and benefits.
304	Rep. Starr	Refers to the –4 amendments. Asks about ad hoc increases. States that PERS would pay for this.
317	Linden	States that there would be no cost to the employers.
321	Rep. Devlin	States that the language would reduce benefits for currently active retirees in the future.
325	Linden	Responds that the cost of retiree increases would come out of active members earnings.
324	Nelson	Responds that 2% paid out now comes from the active members.
339	Rep. Devlin	States that if more than 2%, it would not come from active members.
342	Linden	Responds that he does not know the funding source.
357	Dave Hendrickx	Legislative Counsel. States that in the past all COLAS were taken from employer contributions. Adds that it would not work from the General Fund.
373	Rep. Devlin	Asks about the –5 amendments. Asks if there are similar issues that have already passed out of Ways and Means in SB 134.
389	Nelson	States that written consent may not be part of SB 134.
402	Dallas Weyand	Legislative Fiscal Office. Introduces himself.
407	Chair Wilson	Asks about the fiscal impact of the amendments.
415	Weyand	States that the -2 amendments do not have a fiscal impact. States that the –3 amendments includes ‘buy back’ and discusses actuary and administrative costs. Adds that the –4 amendments discuss ad hoc benefits. Adds that there is some cost to this amendment. Explains that the –5 amendments relate to SB 134 and is to come out in front of a full Ways and Means Committee. Explains that there already is a nominal cost.
TAPE 173, B		
045	Rep. Devlin	Explains that the –7 and –10 are basically the same. Adds that there is some additional language in the –10 amendments. Poses a hypothetical situation regarding ‘pay back’ credits.
059	Weyand	Explains that ‘buy back’ requires the employee to pay 7 ½ % interest for that period.
069	Rep. Devlin	Understands that this includes only regular earnings.
075	Weyand	Responds that that is possible. Explains that there may have been some exceptional earning years in the regular account and there might be a cost to employers for this.
079	Rep. Devlin	Explains that it would be the same cost if the employee waits eight to ten years and regain the years then.
085	Rep. Devlin	Explains that the –8 amendments are unnecessary.
090	Chair Wilson	Closes the work session on SB 487 and adjourns the meeting at 2:35 p.m.

Submitted By,

Reviewed By,

Jennifer Goodman,
Committee Assistant

Cara Filsinger,
Committee Administrator

Reviewed By,

Jim Stembridge
Committee Administrator

Reviewed By,

Sandy Thiele-Cirka
Committee Administrator

EXHIBIT SUMMARY

- A – SB 977, written testimony, John Powell, 2pp.**
- B – SB 811, -10 amendments, Staff, 3pp.**
- C – HB 2934, -10 amendments, Staff, 4pp.**
- D – SJR 12, -A4 amendments, Staff, 1p.**
- E – SB 487, -2 amendments, Staff, 2pp.**
- F – SB 487, -3 amendments, Staff, 2pp.**
- G – SB 487, -4 amendments, Staff, 2pp.**
- H – SB 487, -5 amendments, Staff, 7pp.**
- I – SB 487, -6 amendments, Staff, 10pp.**
- J – SB 487, -7 amendments, Staff, 1p.**
- K – SB 487, -8 amendments, Staff, 138pp.**