

HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

April 4, 2001
3:15 PM

Hearing Room 50
Tapes 94 - 98

MEMBERS PRESENT: Rep. Bill Witt, Chair
Rep. Betsy Johnson, Vice-Chair
Rep. Tim Knopp, Vice-Chair
Rep. Alan Bates
Rep. Alan Brown
Rep. Janet Carlson
Rep. Richard Devlin
Rep. Bill Garrard
Rep. Jerry Krummel
Rep. Laurie Monnes-Anderson
Rep. Vicki Walker

MEMBER EXCUSED:

STAFF PRESENT: Daniel Clem, Committee Administrator
Renee' Lunsford, Committee Assistant

MEASURE/ISSUES HEARD: SB 843 A – Work Session
HB 3799 – Public Hearing
HB 2794 – Work Session
HB 3733 – Public Hearing and Work Session
HB 3788 – Public Hearing and Work Session
HB 3790 – Public Hearing and 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>
TAPE 94, A		
004	Chair Witt	Calls the committee to order at 3:15 p.m. and opens a work session on SB 843A.
<u>SB 843A - WORK SESSION</u>		
006	Rep. Knopp	MOTION: Moves SB 843A to the floor with a DO PASS AS AMENDED recommendation.
011	Chair Witt	Gives explanation of SB 843A with the amendment. VOTE: 11-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 – Rep. Devlin, Rep. Johnson NOTE: A motion is made later in the meeting to allow Rep. Johnson and Rep. Devlin to cast their votes on SB 843A.
015	Chair Witt	The motion CARRIES. REP. WITT will lead discussion on the floor.
024	Chair Witt	Closes the work session on SB 843A and opens a public hearing on HB 3799.
<u>HB 3799 - PUBLIC HEARING</u>		
026	Dan Clem	Committee Administrator. Reads staff preliminary summary on HB 3799.
048	Fred VanNatta	Representing Vulcan Power Company. Submits written testimony (EXHIBIT A) and testifies in support of HB 3799.

077	Steve Munson	CEO, Vulcan Power Company. Testifies in support of HB 3799.
229	John Wellingshoff	Attorney, Beckley Singleton. Testifies in support of HB 3799.
397	Rep. Garrard	Asks Mr. Munson what kind of an effect does the temperature in the water make to an operation that you have described.
414	Munson	Explains how the temperature change of the water affects the system.
TAPE 95, A		
014	Rep. Garrard	Asks if seismic activity is considered in the construction of these plants.
019	Munson	Responds with type of specifications required for construction.
026	Rep. Johnson	Asks for help dealing with the prescriptive nature of this bill in such a volatile market. States that my concern is the requirement of the certain fixed percentages at certain fixed prices.
031	Munson	Wonders what the concern is. Replies why the prescriptive nature is required and states the pricing issue is a different one and explains.
060	Rep. Johnson	Asks if there is any history that would suggest you tried to strike contractual deals with the utilities rather than come to the legislature.
065	Munson	Replies that he has documents showing a continual effort for the past 5-10 years to sell indigenous base load power in Oregon and the northwest.
072	Rep. V. Walker	Asks is this power as green as you think it is.
074	Munson	Responds yes compared to other forms of energy and explains.
083	Rep. Bates	Asks if the utilities would be in a position of paying penalties if they could not reach the percentages needed.
088	Munson	Responds I think not and explains.
095	Rep. Bates	States one of his concerns is going back to the PUC this.
100	Munson	Explains what they are offering.
117	Rep. Krummel	Refers to section 2 and asks what is meant by public utility.
124	Wellingshoff	Replies with his understanding of the definition under Oregon Statutes and notes who are excluded.
131	Rep. Krummel	Refers to the Newberry project located in Central Oregon and asks what is the difference now than from earlier attempts.
143	Munson	Responds nothing has changed, except that the power prices have increased which advances the competitiveness of this resource if we can get market share.
161	Rep. Krummel	Refers to the cap on wholesale prices and asks would you suggest a cap on retail price and if that will allow the company to remain solvent.
183	Wellingshoff	States there is a cap on retail price and that is your public utilities commission regulation and explains.
191	Munson	Responds we believe these prices can be competitive and prove profitable.
200	Rep. Monnes-Anderson	Asks how many acres in Oregon.
205	Munson	Responds that we have a joint venture at Newberry volcano and the joint venture has 38,000 acres of geothermal leases.
207	Rep. Monnes-Anderson	Asks if you have had projects that went defunct and do you try to relocate on another area of the property.
213	Munson	Responds with the success of the team.
230	Rep. Monnes-Anderson	Asks if the same pricing is in effect for all the sites.
239	Wellingshoff	Indicates that some other states do have caps in their legislation

		or regulation and some have enacted this by PUC regulation and others do not have caps.
247	Rep. Garrard	Asks how many geothermal development companies are presently in the State of Oregon.
250	Munson	Responds I can't answer that question and explains.
262	Rep. Devlin	States the first portion of the bill appears easily understandable. Asks if the second portion of the bill is referring to the public utility (i.e. PGE) maximum charges that they can charge their customers.
275	Wellinghoff	Responds with suggested changes that would correct an error and explains.
296	Rep. Devlin	States the price for solar technologies has been falling over the last decade and asks why we would lock ourselves into an area that may fall even lower.
315	Wellinghoff	Responds it certainly could be less than this and explains.
341	Marc Rappaport	President, Sustainable Energy Development, Inc. Testifies in support of HB 3799.

TAPE 94, B

002	Rep. Johnson	Asks about the connection with ethanol.
003	Rappaport	Responds with process using material that is heavy fuel loading that can be used to produce electricity and ethanol.
009	Rep. Johnson	Asks for clarification on sustaining companies through traditional means and using this kind of power account that sets aside percentages from operating utilities.
017	Rappaport	States I haven't found any venture capital that's been interested in investing in this new industry and explains.
031	David Gwyther	Investment broker and consultant. Testifies in support of HB 3799.
082	Sandy Lonsdale	Employee of Vulcan Power Company. Testifies in support of HB 3799 and references exhibit A for letters from supporters.
142	Rep. V. Walker	Asks if the Vulcan project is a closed or open loop project and can you explains that concept to the committee.
144	Lonsdale	Responds to my knowledge it is a closed loop and explains the process.
165	Chair Witt	Recesses the public hearing on HB 3799 and reopens the work session on SB 843A.

SB 843A – WORK SESSION (CONTINUES)

167	Rep. Witt	MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. JOHNSON, DEVLIN to BE RECORDED as voting AYE on SB 843A.
170	Chair Witt	Closes the work session on SB 843A and reopens the public hearing on HB 3799.

HB 3799 – PUBLIC HEARING (CONTINUES)

178	Kevin Lynch	Representative of Pacific Corp. Testifies in opposition to HB 3799.
228	Chair Witt	Asks about amending the bill so that the cap would be at the wholesale point instead of the retail point. Asks if you could comment on your position if they amended it as indicated.
230	Lynch	Responds yeah looking at amending it. States that part then becomes not so much a matter of not reconciling the cost but a matter of what is a reasonable cost and explains.
253	Lynch	Continues with his testimony.
286	Rep. Krummel	Asks if SB 1149 will create the jump-start that the renewable

300	Lynch	resource generation plants need.
315	Cindy Finlayson	Responds yes and explains. Representing Portland General Electric Company (PGE). Submits written testimony (EXHIBIT B) and testifies in opposition to HB 3799.
339	Rep. Krummel	Mentions the talk about delaying SB 1149 and asks if this bill would be a better idea from your perspective.
340	Finlayson	Answers no and explains.
350	Rep. Krummel	Asks if a bill like this would help to alleviate the uncertainty experienced over the past
360	Finlayson	Responds in my opinion it would not.
382	Rep. Monnes- Anderson	Clarifies the statement that we don't have enough generating sites and this is an opportunity to have more asks where is the conflict then.
390	Finlayson	Responds we believe the market will provide those and explains.
403	Rep. Garrard	Asks what percentage of your present portfolio deals with non- hydro electric power.
408	Lynch	Responds by quoting statistics on Pacific Corp. projects and expansions.
TAPE 95, B		
021	Finlayson	States that about 12% of PGE's retail sources are hydro and explains.
037	Chair Witt	States he doesn't consider it a sufficient opposition of this bill simply to say that we should let the market make these decisions.
048	Chair Witt	Closes the public hearing on HB 3799 and opens a work session on HB 2794.
<u>HB 2794 - WORK SESSION</u>		
054	Rep. Krummel	MOTION: Moves to ADOPT HB 2794-1 amendments dated 4/2/01.
057	Chair Witt	Requests a motion on a conceptual amendment due to the drafting error on line 10 of the -1 amendment.
064	Rep. Krummel	MOTION: Moves to ADOPT HB 2794-1 amendments dated 4/2/01 and that the measure be FURTHER AMENDED on page 1, line 10, by changing ""the" to "it's"".
070	Rep. Garrard	Asks if the amendment is in reference to that made by the Oregon Association of Broadcasters.
076	Chair Witt	States the amendment was mine. VOTE: 11-0
079	Chair Witt	Hearing no objection, declares the motion CARRIED.
083	Dave Fiskum	Representing the Oregon Association of Broadcasters. Testifies in support of the -1 amendment to HB 2794.
095	Tom Gallagher	Representing the Oregon Newspaper Publishers Association. Testifies in support of the -1 amendment to HB 2794.
099	Rep. V. Walker	Clarifies that if you pay up front you don't have to go through credit check issues and asks if that is correct.
103	Gallagher	Responds yes and explains.
110	Rep. V. Walker	Asks who would you do the credit check on, the pack or the candidate.
115	Gallagher	Responds that would be up to the candidate who wanted the credit and the reasons.
125	Chair Witt	Explains what was removed from this bill.

133	Rep. Krummel	Asks if a pack would be only as good as the candidate is willing to make it or should it be treated like a sole proprietorship.
145	Fiskum	Responds that a political action committee would not have a credit record and the expectation would be for payment up front and explains what might occur for a candidate.
158	Chair Witt	States that the vendor would apply their normal policies.
179	Rep. Krummel	MOTION: Moves HB 2794 to the floor with a DO PASS AS AMENDED recommendation.
180	Rep. Garrard	States his thoughts regarding HB 2794.
188	Rep. V. Walker	States her views regarding HB 2794. VOTE: 10-1 AYE: 10 – Bates, Brown, Carlson, Devlin, Johnson, Knopp, Krummel, Monnes-Anderson, Walker V, Witt NAY: 1 – Garrard The motion CARRIES. REP. KNOPP will lead discussion on the floor.
190	Chair Witt	
208	Chair Witt	Closes the work session on HB 2794 and opens a public hearing on HB 3733.
<u>HB 3733 - PUBLIC HEARING</u>		
212	Clem	Gives background information on HB 3733.
220	Representative Al King	House District 44. Submits written testimony (EXHIBIT C) and testifies in support of HB 3733 and the –1 amendment.
282	Mike Graine	Representing the Oregon Office of Energy. Testifies in support of HB 3733.
298	Rep. King	Continues with additional information regarding the report.
307	Rep. Krummel	Asks if it happens to be in the Oregon benchmarks and could it be measurable in that context.
332	Graine	Responds that is not a specific benchmark and explains.
334	Chair Witt	Asks about the amendment.
335	Rep. King	Responds that I have brought forward the –1 amendment.
350	Tom O'Connor	Representing the Oregon Municipal Electric Utilities. Testifies on HB 3733.
TAPE 96, A		
008	Chair Witt	Closes the public hearing and opens a work session on HB 3733.
<u>HB 3733 – WORK SESSION</u>		
010	Rep. Knopp	MOTION: Moves to ADOPT HB 3733-1 amendments dated 3/30/01. VOTE: 11-0 Hearing no objection, declares the motion CARRIED. MOTION: Moves HB 3733 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Tax Fairness and School Funding/Revenue Committee by prior reference.
012	Chair Witt	
014	Rep. Knopp	
019	Rep. V. Walker	Asks what is a “sinking loan fund”.
022	Chair Witt	References a memo regarding the sinking loan fund. VOTE: 11-0 AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
031	Chair Witt	
039	Chair Witt	Closes the work session on HB 3733 and recesses the committee for dinner at 5:40 p.m.
049	Vice-Chair Knopp	Reconvenes the committee at 6:40 p.m. and opens a public hearing on HB 3788.

050	Rep. Knopp	Serves notice of possible reconsideration on SB 843A.
HB 3788 - PUBLIC HEARING		
056	Mike Grainey	Assistant Director, Oregon Office of Energy. Submits written testimony (EXHIBIT D) and testifies in support of HB 3788.
085	Rep. Krummel	Asks if you are talking to the bill as drafted.
087	Grainey	Answers no we are discussing the -7 amendment and explains.
092	Grainey	Continues with his testimony.
127	Chair Witt	Recesses the meeting for 5 minutes.
130	Chair Witt	Reconvenes the meeting.
131	Grainey	Continues with his testimony.
193	Chair Witt	Asks Mr. Grainey to explain who was involved in developing this bill.
201	Grainey	States those that have been involved in working on HB 3788.
212	Chair Witt	Adds that the governor and the governor's office are in support of these bills.
215	Grainey	Responds yes and explains.
220	Rep. Monnes-Anderson	Asks if the standard for carbon dioxide admissions change from the federal level is there anyway the state can change those.
227	Grainey	Responds there is no national federal standard and this is the only state that has any kind of binding CO ² standard on energy facilities.
255	Gary Conkling	Representing the Industrial Customers of Northwest Utilities and the Business Customer Coalition. Submits written testimony (EXHIBIT E) from Greg Miller and testifies in support of HB 3788 with the -7 amendment.
289	Tom Gallagher	Representing PG&E National Energy Group. Testifies in support of HB 3788.
317	Cindy Finlayson	Representing Portland General Electric (PGE). Submits written testimony (EXHIBIT F) and testifies in support of HB 3788 and the -7 amendment.
320	Kevin Lynch	Representing Pacific Corp. Testifies in support of HB 3788.
344	Rep. Bates	Asks what is going on in other states as far as producing power is concerned.
358	Conkling	Responds the State of Washington is dominated by consumer owned utilities that don't have exclusive territories and continues with explanation.
377	Rep. Bates	Asks if other states around us are giving tax breaks for power to be produced in those states that we would share.
380	Conkling	Responds I don't have specific information.
385	Gallagher	Adds that other states are changing their siting laws and looking at incentives and explains.
440	James W. Nass	Legal Counsel for the Appellate Courts. Submits written testimony (EXHIBIT G) and testifies in support of HB 3788.
TAPE 97, A		
015	Nass	Continues with his testimony.
024	Rep. Knopp	Asks which dash are you speaking to.
026	Nass	Responds I have only seen the original bill and the -1 amendment.
029	Nass	Continues with his testimony.
036	Rep. Monnes-Anderson	Suggests that when talking about the Circuit Court the timing etc. it would be nice to know where that was referenced.
042	Nass	Responds I believe that Judicial Review is in section 12 and states were to locate them in the -7 amendments.

051	Doug Riggs	Representing the State Association of Electrical Workers, the Oregon Building and Construction Trades Council and the National Electrical Contractors Association. Submits written testimony (EXHIBIT H) and testifies in support of HB 3788 and a proposed –8 amendment.
129	Rep. Monnes-Anderson	Asks where in the –8 amendment are you addressing. Asks if everything ahead of section 20 would be exactly the same as the –7 amendment.
130	Riggs	Responds that it is almost at the very end and references page 44, section 21, line 28. States I believe that to be the case.
150	Rep. Bates	Gives additional information on the –8 amendment.
160	Rep. Devlin	Asks if he can give the committee some idea of the prevailing wages.
173	Riggs	Responds that is exactly right and would also add sections 12 and 13 and explains.
215	Rep. Bates	Asks if this answers a real problem with outside workers being brought in during construction.
217	Riggs	Responds we think there are significant problems and gives explanation.
238	Rep. Krummel	Points out that workers can be hired from other states and it is not beneficial to Oregon and asks how does this help Oregon workers.
250	Riggs	Responds there is a benefit in “cross-pollination” between states and explains what the amendment does.
279	Rep. Krummel	Asks if the facility has to abide by the same rules imposed on other utilities.
288	Riggs	States these provisions were anticipated and we tried to draft the amendment as flexible as possible and explains.
318	Rep. Krummel	Asks if the companies in Oregon are already under a provision that they have to follow this type of legislation if they are building a generation plant.
329	Riggs	Answers they are not necessarily under a provision like this unless they are bidding on a public works project and gives further explanation.
349	Rep. Krummel	Asks if it would be better to let companies decide how to do this, rather than having it prescribed by state law.
352	Riggs	Responds that in an ideal world yes and explains.
400	Rep. Krummel	Clarifies that you would put your trust in the CCB and their perscriptiveness on this as opposed to two businesses working out a business to business relationship.
408	Riggs	Responds that if it were two businesses that had a track record in Oregon or Washington we would probably put our faith in those businesses but since we do not know which companies are coming in that it would be more responsible giving flexibility to a state agency.
427	Chair Witt	Asks if labor goes over state lines, why wouldn’t power go over state lines why doesn’t that same argument hold.
430	Riggs	Responds I think it does to a certain extent and explains.
TAPE 96, B		
006	Chair Witt	References the statement from your testimony “What’s in it for Oregon” your answer is, “not much” and I could apply this same statement to your proposal regarding labor.
010	Riggs	Expresses his opinion.
016	Rep. Brown	Asks if there is any assurance that non-union members will have

020	Riggs	equal opportunity.
037	Rep. Carlson	Gives explanation why union hiring halls are referenced. Notes that there is a difference between the -7 and -8 amendment starting on page 32 section 13 and asks if that is an integral part of the bill.
046	Riggs	Responds that is exactly right and explains.
058	Rep. Carlson	References the two processes for review and asks if the reference on page 41 line 19 was the part about the 6-month review from the Supreme Court. References page 17-18 and asks if those are the two provisions and could someone explain why the two are different.
081	Nass	Responds close and references various sections of the amendment for his explanation.
127	Rep. Carlson	Asks if there are any problems with page 41 lines 19-20.
130	Nass	Responds that is fine.
132	Chair Witt	States that if there are any problems they can be worked out on the Senate side.
142	Rick Thomas	Executive Director, Independent Electrical Contractors of Oregon. Testifies in support of HB 3788 with the -7 amendment but opposes the -8 amendment.
210	Chair Witt	Notes that you mentioned power may go in and out of the state but so does labor in fact out of the country.
212	Thomas	Responds yes.
220	Jessica Harris	Representing the Associated General Contractors (AGC). Testifies in opposition of HB 3788 with the -8 amendment but supports the -7 amendment.
274	Chair Witt	Closes the public hearing and opens a work session on HB 3788.
<u>HB 3788 - WORK SESSION</u>		
279	Rep. Knopp	MOTION: Moves to ADOPT HB 3788-7 amendments dated 4/3/01.
		VOTE: 11-0
282	Chair Witt	Hearing no objection, declares the motion CARRIED.
285	Rep. Bates	MOTION: Moves to ADOPT HB 3788-8 amendments.
288	Rep. Krummel	Asks if the -8 amendment would supercede the -7 amendment.
292	Rep. Bates	Responds that is correct and states the -8 includes all of -7 as well as additions for labor.
		VOTE: 5-6
		AYE: 5 – Bates, Devlin, Johnson, Monnes Anderson, Walker V
		NAY: 6 – Brown, Carlson, Garrard, Knopp, Krummel, Witt
297	Chair Witt	The motion FAILS.
305	Rep. Knopp	MOTION: Moves HB 3788 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.
309	Rep. Devlin	Asks if we have a fiscal on the bill.
313	Chair Witt	Responds no.
315	Rep. Devlin	Asks if there has been any evidence presented to the committee indicating the cost of the bill in terms of fiscal impact.
317	Chair Witt	States that we do not have fiscal at this time.
318	Rep. Devlin	Asks if there was a subsequent referral to Ways and Means when it came to this committee.

321	Chair Witt	Replies it did not.
323	Rep. Devlin	Conveys his protest on being sent to Ways and Means.
325	Chair Witt	States that is noted.
328	Rep. V. Walker	Comments that I had an additional amendment to move and I am not being allowed to do that.
330	Chair Witt	States that right now we have a motion on the bill and we have to deal with this motion first.
335	Rep. Carlson	States there is some good policy and references specific points.
337	Rep. Devlin	MOTION: Moves to ADJOURN.
339	Chair Witt	States that we have a motion before us and explains that this is a very important piece of legislation for the State of Oregon.
350	Rep. V. Walker	Makes an appeal of the denial of Rep. Devlin's motion to adjourn and states that it takes precedents.
354	Chair Witt	States that I was just informed of that and we will vote on that motion.
		VOTE: 5-6
		AYE: 5 – Bates, Devlin, Johnson, Monnes Anderson, Walker V
		NAY: 6 – Brown, Carlson, Garrard, Knopp, Krummel, Witt
360	Chair Witt	The motion FAILS.
373	Chair Witt	Asks Rep. Knopp to make his motion again.
375	Rep. Knopp	MOTION: Moves HB 3788 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.
		VOTE: 8-3
		AYE: 8 - Brown, Carlson, Devlin, Garrard, Knopp, Krummel, Monnes Anderson, Witt
		NAY: 3 - Bates, Johnson, Walker V
		The motion CARRIES.
379	Chair Witt	
TAPE 97, B		
015	Rep. Devlin	Serves notice of possible reconsideration of the committees vote to send the bill to Ways and Means.
025	Rep. Monnes-Anderson	Serves notice of possible reconsideration of the committees vote to send the bill to Ways and Means.
035	Chair Witt	Vote is still being considered.
068	Rep. Knopp	MOTION: Moves to RECONSIDER the vote by which HB 3788 was sent to the floor with a DO PASS AS AMENDED recommendation.
075	Rep. Devlin	Notes his objection and conveys that he has discussed this with the Chief Clerk.
082	Rep. V. Walker	Comments that the Chief Clerk can be here in a few minutes or answer the question via the phone.
110	Chair Witt	Conveys that the motion has to be withdrawn.
111	Rep. Knopp	Withdraws the motion.
114	Chair Witt	The bill passes with a DO PASS AS AMENDED recommendation and referral to the Ways and Means Committee and the bill will stay in committee until our next meeting.
119	Chair Witt	Closes the work session on HB 3788 and opens a public hearing on HB 3790.

HB 3790 - PUBLIC HEARING

127	Clem	Presents background information on HB 3790 and references the -3 and -5 amendments.
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144	Chair Witt	Asks if there is a referral to Ways and Means. Clarifies we have a -5 amendment.
145	Clem	States there is no referral. Explains they have the -7 amendment, which combined the -3 and -5 amendments.
169	Tom Gallagher	Representing PG&E National Energy Group. Testifies in support of HB 3790. Defines positive aspects of the -7 amendments.
237	Mike Burton	Representing the Oregon Economic Community Development Department. Testifies on HB 3790 and the -7 amendment.
293	Andrea Fogge	Representing the League of Oregon Cities. Testifies in support of the concepts in HB 3788. Testifies in opposition of HB 3790.
394	Rep. Monnes-Anderson	References section 10 in the -7 amendment that the city stills retains their authority to have control over franchise fees or to retain the fees and asks about a city, county or district may not levy or collect any tax fee when talking about this volume of fuel.
408	Fogge	Responds that lines 13 – 19 is what we hope fixes some of that and explains.
TAPE 98, A		
003	Gallagher	Gives additional explanation regarding that section.
014	Rep. Carlson	Asks for clarification on comments regarding property tax exemption permissive language and asks what page and what line. Asks what is your concern. Comments that your concern is not about the first part just the second part.
017	Fogge	Replies that it is in the -7 amendment page 2 line 30. States the property tax exemption piece is voluntary now and our concern lies with the second tax prevision on page 8. Explains some of their concerns.
043	Chair Witt	Asks what relevance does that comment have to do with SB 1149. Comments they could sell to Oregon Utility
047	Fogge	Answers that if SB 1149 was delayed then you have a situation where customers who would buy in terms of direct access wouldn't have the ability to do that. States yes they could.
059	Rep. Bates	Asks if the volume tax is also a 3-year limit.
062	Gallagher	Responds that section 10 intends to apply to any local government tax on any energy facility whether in or out of an enterprise zone and explains.
086	Hasina Squires	Representing the Special Districts Association of Oregon. Testifies on HB 3790. Recommends language changes when the bill reaches the Senate side.
137	Rep. Johnson	States you shared an example of a very small fire district asks what roll would ports play in the scenario you described.
139	Squires	Responds the ports would not play any role in this type of scenario and explains.
145	Rep. Krummel	Asks if water and sewer districts are enterprise service and therefore you have a rate base.
154	Squires	States that many water and sewer districts have permanent property taxing authority and do levy property taxes in addition to their fees and the property tax exemption would hit those types of districts also.
157	Rep. Krummel	References page 8 lines 25-26 and suggests that maybe special districts were inserted for in lieu of taxes that maybe because there wouldn't be a tax base they could negotiate a higher rate

		on their services.
179	Rep. Monnes-Anderson	Asks if the cities currently collect a metric volume tax. States then it is not something that cities want to have the ability to do.
183	Fogge	Responds not at this time and explains. Responds yes it is and explains why they need that ability.
200	Rep. Monnes-Anderson	References page 8 line 12 that a city may not levy or collect from an energy facility any tax license fee.
206	Fogge	States that is what we tried to fix with language further down in the section and explains.
212	Doug Riggs	Representing the State Association of Electrical Workers, the Oregon Building and Construction Trades Council and the National Electrical Contractors Association. Testifies on HB 3790 and suggest trying to work out some compromise language.
252	Chair Witt	Asks if we should apply the standard to every business based on approval by local government.
266	Riggs	Responds I think there is a difference between the types of companies coming in and explains.
267	Chair Witt	Points out that Roseburg Lumber just took advantage of an enterprise zone exemption and it didn't commit them to any kind of prevailing wage requirement.
272	Riggs	Suggests again that it is worth a work group trying to reach a compromise before either going to the floor or the Senate side.
282	Rep. Krummel	States if first source hiring agreement and the language is already in the statue is it necessary to be reiterated again.
285	Riggs	Responds that the enterprise zone statue meets some of our concerns.
290	Burton	Explains that the first source requirement is in the existing enterprise zone statues.
301	Riggs	Comments again on his concern.
308	Rep. Devlin	Asks Mr. Burton when you were trying to say that it would apply to workers for an energy facility you believe it would apply to workers after the facility is built but might not apply to the construction workers building the facility.
312	Burton	States that is the intent of the current law.
314	Chair Witt	Comments that the standard is not the same.
319	Chair Witt	Closes the public hearing and opens a work session on HB 3790.
<u>HB 3790 – WORK SESSION</u>		
321	Rep. Knopp	MOTION: Moves to ADOPT HB 3790-7 amendments dated 4/5/01.
		VOTE: 11-0
323	Chair Witt	Hearing no objection, declares the motion CARRIED.
325	Rep. Knopp	MOTION: Moves HB 3790 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 9-2
		AYE: 9 - Bates, Brown, Carlson, Garrard, Johnson, Knopp, Krummel, Monnes Anderson, Witt
		NAY: 2 - Devlin, Walker V
328	Chair Witt	The motion CARRIES.
331	Rep. Devlin	Gives notice of possible minority report.
333	Rep. V. Walker	Gives notice of possible minority report.
347	Chair Witt	Remarks what bills will be added to the schedule for Friday, April 6 th .

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Chair Witt

Closes the work session on HB 3790 and adjourns the meeting at 9:30 p.m.

Submitted By,

Reviewed By,

Renee' Lunsford,
Committee Assistant

Daniel Clem,
Committee Administrator

Transcribed By,

Sara Noble
Committee Assistant

EXHIBIT SUMMARY

- A. HB 3799, written information, Fred VanNatta, 24 pp.**
- B. HB 3799, written testimony, Cindy Finlayson, 1 p**
- C. HB 3733, written testimony, Rep. Al King, 1 p**
- D. HB 3788, written information, Mike Grainey, 3 pp.**
- E. HB 3788, written testimony, Gary Conkling, 1 p**
- F. HB 3788, written testimony, Cindy Finlayson, 1 p**
- G. HB 3788, written testimony, James W. Nass, 6 pp.**
- H. HB 3788, written testimony, Doug Riggs, 5 pp.**