

PUBLIC HEARING AND WORK SESSION

SB 526, SB 580, SB 581

TAPE 086 A

SENATE REVENUE COMMITTEE

March 27, 2001 — 8:30 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Members Excused: Senator Ted Ferrioli, Chair

Staff: Paul Warner, Legislative Revenue Officer

Richard Yates, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Nikki Whitty, Coos County Commissioner

Mary Barton, Coos County Treasurer

Darren Bond, Director of Finance, Oregon State
Treasury

Hasina Squires, Special Districts Association of
Oregon

TAPE 086, SIDE A

004 Vice Chair L. Meeting called to order at 8:34 a.m.
Beyer

005 Richard Yates Gave overview of SB 580. The bill deletes ORS sections requiring county treasurers to register bonds and manage bond proceeds and payments for certain public bonding authorities. Deletes provisions, where they apply, requiring or allowing district bonds to be registered and payable at the office of county treasurer and provisions requiring funds for debt service to be held by or transferred to the county treasurer.

081 Yates The bill changes bond provisions for the following districts: water supply, health, sanitary, housing authorities, rural fire protection, geothermal heating, irrigation, drainage, and corporations formed for irrigating or draining land, for water supply, or flood control. Requires county treasurer to transfer all records and bond proceeds to the appropriate district within 30 days. Requires county treasurer to take appropriate action to assure timely debt service during the 30-day transfer period.

OPENED PUBLIC HEARING ON SB 580

089 Nikki Whitty Testified in support of SB 580. Stated that this bill and the other two being discussed today (SB 526 and SB 581) address statutes the Oregon Treasurers' Association has wanted to clean up for a number of years. Explained that bonds are no longer issued in the way described in statutes, so the statutes must be updated.

101 Mary Barton Testified in support of SB 580. Concurred that bearer bonds are no longer issued. The industry standard is now registered bonds. This action would bring the law into conformance with practices today. The State Treasurer's Office has amended the bill to state which financial institutions qualify to redeem bonds.

114 Darren Bond Stated that the (-1) amendments for SB 580, SB 526, and SB 581 simply clarify that they relate

to public funds and that as public funds they must comply with ORS 295 public funds security statutes. The definitions of the institutions eligible to hold funds are included in ORS 295.

131 Barton Added that the current industry standard in selling bonds is that there is the expectation a financial institution will be used for registering and payment of bonds. Do not want county treasurers acting in this capacity because most county treasurers do not have the infrastructure in place to make timely bond payments.

149 Bond Relative to the payment process, added that is the model the state uses. A fiscal agent is procured, who keeps a full accounting of all the bond issues and of all payments made to bond holders against the bonds, as well as the issuing entity.

Questions and answers interspersed.

175 Hasina Squires Supports the SB 580 and its (-1) amendments, as well as the other two bills and amendments to be heard today. Pointed out minor technical changes that could be handled on the House side.

CLOSED PUBLIC HEARING ON SB 580

OPENED WORK SESSION ON SB 580

250 Sen. George MOTION:

MOVES (-1) AMENDMENTS TO SB 580 BE ADOPTED.

252 Vice Chair L. Beyer ORDER:

HEARING NO OBJECTION, THE VICE CHAIR SO ORDERED.

253 Sen. George MOTION:

MOVES SB 580 AS AMENDED TO THE
SENATE FLOOR WITH A DO PASS
RECOMMENDATION.

256 Vice Chair L.
Beyer ORDER:

HEARING NO OBJECTION, THE MOTION
PASSES: 6-0-1

Sen. George will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON SB 580

OPENED PUBLIC HEARING ON SB 526

265 Yates Discussed SB 526. The bill eliminates
requirement that county treasurers be custodians
of moneys of sanitary districts. Allows district
boards to deposit district funds into depositories
and specifies procedures for withdrawal.
Allows district board to specify the place where
district bonds are payable. Makes district bond
proceeds payable to the district. Makes district
property taxes payable to the district.

299 Whitty Testified in support of the bill. SB 526 allows a
sanitary district to place its funds outside the
county treasurer. Discussed the

(-1) amendments that delete reference to "banks
or savings and loan associations" and inserts
"depositories".

CLOSED PUBLIC HEARING ON SB 526

OPENED WORK SESSION ON SB 526

315 Sen. George MOTION:

MOVES (-1) AMENDMENTS TO SB 526 BE
ADOPTED.

317 Vice Chair L. Beyer ORDER:
HEARING NO OBJECTION, THE VICE CHAIR SO ORDERED.

319 Sen. George MOTION:
MOVES SB 526 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

322 Vice Chair L. Beyer ORDER:
HEARING NO OBJECTION, THE MOTION PASSES: 6-0-1
Sen. George will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON SB 526

OPENED PUBLIC HEARING ON SB 581

333 Yates Discussed SB 581. This bill allows diking districts to deposit funds in one or more depositories. Specifies how funds, so deposited, may be withdrawn. Deletes requirement that county treasurers hold district assessments for districts. Deletes require-ment that district bills be paid by county warrant.

CLOSED PUBLIC HEARING ON SB 581

OPENED WORK SESSION ON SB 581

356 Sen. George MOTION:
MOVES (-1) AMENDMENTS TO SB 581 BE ADOPTED.

359 Vice Chair L. Beyer ORDER:
HEARING NO OBJECTION, THE VICE CHAIR SO ORDERED.

360 Sen. George MOTION:

MOVES SB 581 AS AMENDED TO THE
SENATE FLOOR WITH A DO PASS
RECOMMENDATION.

363 Vice Chair L. ORDER:
Beyer

HEARING NO OBJECTION, THE MOTION
PASSES: 6-0-1

Sen. George will carry the bill on the Senate
Floor.

383 Vice Chair L. Adjourned meeting at 8:59 a.m.
Beyer

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 580, Yates, Staff Measure Summary, 1 pp.
2. SB 580, Yates, Fiscal Impact Statement, 1 pp.
3. SB 580, Yates, Revenue Impact Statement, 1 pp.
4. SB 580, Yates, ORS sections regarding counties and county officers, 1 pp.
5. SB 580, Yates, (-1) Amendments, (BHC/ps) 3/27/01, 1 pp.
6. SB 581, Yates, Staff Measure Summary, 1 pp.
7. SB 581, Yates, Revenue Impact Statement, 1 pp.
8. SB 581, Yates, (-1) Amendments, (BHC/ps) 3/27/01, 1 pp.
9. SB 526, Yates, Fiscal Impact Statement, 1 pp.
10. SB 581, Yates, Staff Measure Summary, 1 pp.
11. SB 581, Yates, Revenue Impact Statement, 1 pp.
12. SB 581, Yates, (-1) Amendments, (BHC/ps) 3/27/01, 1 pp.