

**HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS**

**April 22, 1999 Hearing Room E**

**8:00 a.m. Tapes 60 - 61**

**MEMBERS PRESENT: Rep. Jane Lokan, Chair**

**Rep. Kathy Lowe, Vice-Chair**

**Rep. Betsy Close**

**Rep. Dan Gardner**

**Rep. Tim Knopp**

**Rep. Jeff Kruse**

**Rep. Bob Montgomery**

**Rep. Kitty Piercy**

**STAFF PRESENT: Pat Zwick, Administrator**

**Susan M. Pettey, Administrative Support**

**MEASURES HEARD: HB 2722 Public Hearing**

**HB 3170 Public Hearing**

**HB 3409 Public Hearing**

**HB 3182 Public Hearing**

**HB 3582 Public Hearing**

**HB 2988 Public Hearing**

**HB 2919 Public Hearing**

**HB 2796 Public Hearing**

**HB 2940 Public Hearing**

**HB 2771 Public Hearing**

**HB 3358 Public Hearing**

**HB 3329 Public Hearing**

**HB 3427 Public Hearing**

**HJR 34 Public Hearing****HB 3453 Work Session****HB 3425 Work Session****HB 3501 Work Session****HB 3035 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.

TAPE/#	Speaker	Comments
<b>TAPE 60, A</b>		
004	Chair Lokan	Opens the meeting at 8:10 a.m. Opens public hearing on HB 2722.
<b><u>HB 2722 PUBLIC HEARING</u></b>		
008	Chair Lokan	Closes public hearing on HB 2722, and opens public hearing on HB 3170.
<b><u>HB 3170 PUBLIC HEARING</u></b>		
012	Chair Lokan	Closes public hearing on HB 3170, and opens public hearing on HB 3409.
<b><u>HB 3409 PUBLIC HEARING</u></b>		
016	Chair Lokan	Closes public hearing on HB 3409, and opens public hearing on HB 3182.
<b><u>HB 3182 PUBLIC HEARING</u></b>		
019	Chair Lokan	Closes public hearing on HB 3182, and opens public hearing on HB 3582.
<b><u>HB 3582 PUBLIC HEARING</u></b>		
021	Chair Lokan	Closes public hearing on HB 3582, and opens public hearing on HB 2988.
<b><u>HB 2988 PUBLIC HEARING</u></b>		
023	Chair Lokan	Closes public hearing on HB 2988, and opens public hearing on HB 2919.

**HB 2919 PUBLIC HEARING**

025	Chair Lokan	Closes public hearing on HB 2919, and opens public hearing on HB 2796.
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**HB 2796 PUBLIC HEARING**

027	Chair Lokan	Closes public hearing on HB 2796, and opens public hearing on HB 2940.
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**HB 2940 PUBLIC HEARING**

029	Chair Lokan	Closes public hearing on HB 2940, and opens public hearing on HB 2771.
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**HB 2771 PUBLIC HEARING**

031	Chair Lokan	Closes public hearing on HB 2771, and opens public hearing on HB 3358.
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**HB 3358 PUBLIC HEARING**

033	Chair Lokan	Closes public hearing on HB 3358, and opens public hearing on HB 3329.
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**HB 3329 PUBLIC HEARING**

035	Chair Lokan	Closes public hearing on HB 3329, and opens public hearing on HB 3427.
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**HB 3427 PUBLIC HEARING**

037	Chair Lokan	Closes public hearing on HB 3427, and opens public hearing on HJR 34.
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**HJR 34 PUBLIC HEARING**

039	Chair Lokan	Closes public hearing on HJR 34, and opens work session on HB 3453.
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**HB 3453 WORK SESSION**

113	Pat Zwick	Summarizes provisions of HB 3453.
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125	John Lattimer	Director, Audits Division, Secretary of State. Submits and summarizes written testimony ( <b>EXHIBIT A</b> ). Discusses the 1997 passage of SB 546. Remarks on the audit cost estimates.
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166	Sharron Walker	Deputy Director, Audits Division, Secretary of State. Explains current law.
204	Walker	Discusses financial audits and performance audits.
225	Sharron Walker	Describes a performance audit, which is the determination of whether a board has adequately and effectively discharged its legal responsibilities.
248	Rep. Montgomery	Asks if this is a different audit than is done with "other boards".
252	Lattimer	Answers yes.
254	Rep. Montgomery	Asks why audits are performed differently. Asks if all audits should be done the same. Asks if all audits can be done the same.
256	Lattimer	Explains that is a policy choice this committee is considering. Comments that this is an unusual and expensive requirement, but it can be accomplished.
269	Rep. Montgomery	Refers to the audit requirement in HB 3453. Asks if the boards will be audited by the state system. Asks if the boards will continue under the requirement of Ways & Means budget approval.
274	Lattimer	Replies that boards will be audited by the state system. Adds that the requirement that took them out of the state process has not been removed.
280	Rep. Montgomery.	Asks if the boards will go through Ways & Means Committee.
285	Lattimer	Believes this to be true.
290	Rep. Montgomery	Indicates opposition to HB 3453.
295	Rep. Kruse	Refers to SB 546. Asks if there was a sunset.
299	Lattimer	Responds affirmatively.
302	Rep. Kruse	Asks when is the sunset.
304	Walker	Responds that the sunset is June 30, 2001. Refers to SB 1127, current legislation, that proposes to remove the sunset and make the status permanent. Remarks that HB 3453 has no impact on whether boards go through the budget process, and addresses only audit requirements.
306	Rep. Montgomery	Indicates opposition to HB 3453.

308	Rep. Kruse	Indicates opposition to HB 3453.
317	Rep. Knopp	Asks if the boards had difficulty producing a financial statement.
322	Lattimer	Responds that financial statements were not prepared timely.
333	Rep. Knopp	Asks if all other boards must submit financial statements.
335	Lattimer	Responds affirmatively.
337	Rep. Lowe	Indicates opposition to HB 3453.
348	Lattimer	Explains that HB 3453 deals only with the audit requirement. Indicates if HB 3453 does not pass, the boards will contract with someone to do the audits.
361	Chair Lokan	Declares that there is insufficient support, and HB 3453 has failed. Closes work session on HB 3453, and opens work session on HB 3425.
<b><u>HB 3425 WORK SESSION</u></b>		
377	Zwick	Explains provisions of HB 3425-2 amendments. Addresses fiscal impact.
412	Mike Dewey	Multnomah Greyhound Park. Withdraws the amendment relative to the 1.6% tax. Withdraws the amendment to have the unclaimed tickets go to two commercial tracks. Addresses receipt distribution into Oregon and various tracks throughout the nation.
468	Chair Lokan	Comments that this is a pro-active endeavor.
472	Dewey	Agrees with Chair Lokan.
<b>479</b>	<b>Rep. Gardner</b>	<b>MOTION: Moves to ADOPT HB 3425-2 amendments dated 4/19/99.</b>
482	Rep. Lowe	Asks if funds are subject to oversight when the Hub is operating.
<b>TAPE 61, A</b>		
054	Dewey	Answers yes, through the Racing Commission.
057	Rep. Lowe	Asks if the allocation distribution can be changed.

060	Dewey	Answers yes.
070		<b>VOTE: 8-0</b>
	Chair Lokan	<b>Hearing no objection, declares the motion CARRIED.</b>
078	Rep. Gardner	<b>MOTION: Moves HB 3425 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 6-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 2 - Close, Piercy</b>
	Chair Lokan	<b>The motion CARRIES.</b>
092	Chair Lokan	Closes work session on HB 3425, and opens work session on HB 3501.
<b><u>HB 3501 WORK SESSION</u></b>		
112	John Brenneman	Oregon Funeral Directors Association. Presents and discusses HB 3501-2, -3, and -4 amendments ( <b>EXHIBITS B, C, D and E</b> ).
139	Chair Lokan	Asks for an explanation of the certificate of registration renewal process.
152	Lucinda Potter	Executive Director, Oregon State Mortuary Cemetery Board. Supports a biennial renewal process. Submits and summarizes written testimony ( <b>EXHIBIT F</b> ). Indicates that renewal allows for the integrity of office files.
186	Rep. Montgomery	Asks if HB 3501 creates a license requirement for "another state."
192	Potter	Answers no.
199	Rep. Montgomery	Asks if HB 3501 creates another license requirement.
206	Potter	Responds that a license is necessary in Oregon to act as a funeral service practitioner. Indicates that HB 3501 is precedent setting, and not many states allow this activity.

218	Rep. Montgomery	Comments that Washington can take business away from Oregon without paying a fee.
225	Potter	Explains the certificate of registration process and death certificate filing. Discusses reasons for supporting renewability.
247	Rep. Knopp	Favors neighboring states be equal partners. Asks if discussions have taken place with bordering states.
261	Potter	Assumes they plan to do something similar to Oregon
278	Rep. Knopp	Opines bordering states will require the same registration.
285	Potter	Indicates support of -3 amendments.
297	Rep. Kruse	Observes that, except for renewal, there is no difference between ñ2 and ñ3 amendments.
300	Potter	Comments that the only difference is the renewability of the certificate.
304	Rep. Kruse	Asks how long it takes to get a license.
315	Potter	Replies, one to two weeks.
333	Brenneman	Comments that Washington is interested in one-time registration fee of approximately \$25 to register Oregon practitioners. Supports ñ2 amendments.
360	Rep. Knopp	Suggests legislative review next session if HB 3501 passes this session. Supports ñ2 amendments.
388	Diane Bassett-Pohl	Member, State Mortuary and Cemetery Board. Supports renewability from an administrative standpoint. Indicates that viable information every two years is essential.
427	Rep. Gardner	<b>MOTION: Moves to ADOPT HB 3501-2 amendments dated 4/2/99.</b>
		<b>VOTE: 8-0</b>
Chair Lokan		<b>Hearing no objection, declares the motion CARRIED.</b>

441	Rep. Gardner	<b>MOTION: Moves HB 3501 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 8-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair Lokan	<b>The motion CARRIES.</b>  <b>REP. CLOSE will lead discussion on the floor.</b>
<b>TAPE 60, B</b>		
049	Chair Lokan	Closes work session on HB 3501, and opens work session on HB 3035.
<b><u>HB 3035 WORK SESSION</u></b>		
057	Zwick	Explains effects of HB 3035-2 amendment.
087	Rep. Montgomery	Suggests a sunset clause.
102	Rep. Piercy	Expresses concern about additional costs and workload.
113	Rep. Montgomery	Refers to ñ2 amendments, line 23, the word "shall." Asks if it should be changed to "will," or "may."
124	Chaimov	Explains the ramifications of a word change.
136	Rep. Montgomery	Refers to ñ2 amendments, page 2, line 3. Indicates that committees at this time do not have that authority.
162	Chaimov	Explains this means the committee will be commenting on an agency decision to repeal a rule. Adds that it does not grant the legislative assembly the authority to repeal a rule.
193	Zwick	Explains that the -2 amendments insert "at least 49 days before the effective date."
210	Rep. Kruse	Mentions this gives citizens an avenue to assure their concerns are addressed before the adoption of rules.



226	Rep. Piercy	Asks how HB 3035 would change current practice.
229	Chaimov	Explains interim committees would spend more time with heads of agencies regarding rules adoption.
237	Rep. Piercy	Refers to the fiscal impact statement. Quotes: "To the extent this measure establishes a workload beyond the levels assumed in the assembly and the LAC budgets, or required by cumulative enactment of other bills, additional resources may be required." Indicates the cost of resources appears to be wide-open.
246	Chaimov	Indicates the purpose of that statement in the fiscal impact statement is that LAC believes it can handle some additional work on behalf of committees, session or interim, without requiring additional resources.
258	Rep. Lowe	Comments on the opportunity for citizen involvement in the rule-making process.
274	Rep. Kruse	Remarks that this does not explain why rules stray so far from the legislative intent. Observes that this is more for citizen involvement than legislative involvement.
305	Chair Lokan	Comments that more attention will be given by committees to the rule-making process. Opines that HB 3035 provides for legislative oversight. Discusses a sunset.
325	Rep. Montgomery	Comments that a sunset clause requires review, and "nothing is sunsetted around here."
333	Rep. Kruse	<b>MOTION: Moves to ADOPT HB 3035-2 amendments dated 4/21/99.</b>
348	Rep. Montgomery	Comments that since HB 3035-2 costs do not reach the \$50,000 mark, there can be no referral to Ways & Means.
359	Rep. Lowe	Expresses concern about the "wide-open fiscal."
372	Rep. Kruse	Addresses the fiscal impact of HB 3035-2 amendments.
396		<b>VOTE: 5-3</b> <b>AYE: 5 - Close, Knopp, Kruse, Montgomery, Lokan</b> <b>NAY: 3 - Gardner, Lowe, Piercy</b>

	Chair Lokan	The motion CARRIES.
413	Rep. Kruse	MOTION: Moves HB 3035 to the floor with a DO PASS AS AMENDED recommendation.
425	Chair Lokan	VOTE: 5-3 AYE: 5 - Close, Knopp, Kruse, Montgomery, Lokan NAY: 3 - Gardner, Lowe, Piercy
	Chair Lokan	The motion CARRIES.  REP. KRUSE will lead discussion on the floor.
431	Chair Lokan	Closes work session on HB 3035. Adjourns the meeting at 10:25 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ HB 3453, written testimony w/attachments, John Lattimer, 6 pp.**

**B ñ HB 3501, -2 amendments, staff, 8 pp.**

**C ñ HB 3501, -3 amendments, staff, 8 pp.**

**D ñ HB 3501, -4 amendments, staff, 8 pp.**

**E ñ HB 3501, written testimony, John Brenneman**

**F - HB 3501, written testimony, Lucinda Potter, 2 pp.**