

HOUSE COMMITTEE ON GENERAL GOVERNMENT

March 30, 1999 Hearing Room HR D

1:15 p.m. Tapes 51 - 52

MEMBERS PRESENT: Rep. Carl Wilson, Chair

Rep. Jason Atkinson, Vice-Chair

Rep. Chris Beck, Vice-Chair

Rep. Jo Ann Bowman

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Bruce Starr

Rep. Ron Sunseri

Rep. Terry Thompson

STAFF PRESENT: Cara Filsinger, Administrator

Faye D. Trupka, Administrative Support

MEASURE/ISSUES HEARD: HB 2766 Public Hearing

HB 2831 Public Hearing and Work Session

HB 2709 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.

| TAPE/# | Speaker | Comments |
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| TAPE 51, A | | |
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| 004 | Chair Wilson | Opens meeting at 1:16 p.m. and opens public hearing on HB 2766. |
| <u>HB 2766 PUBLIC HEARING</u> | | |
| 008 | Cara Filsinger | Administrator. Explains HB 2766. |
| 015 | Harold Haugen | Commissioner, Josephine County. Testifies in support of HB 2766. Reads written testimony (EXHIBIT A). |
| 053 | Rep. Harper | Asks for copy of Legislative Counsel (LC) opinion. |
| 062 | Gordon Fultz | Association of Oregon Counties (AOC). Testifies in support of HB 2766. States that the LC opinion was requested by the AOC. States that the LC opinion created a lot of confusion. Details the three issues that HB 2766 addresses. |
| 112 | Haugen | Remarks that the statute is not clearly defined to help solve potential problems with the fair board and county commissioners. |
| 121 | Rep. Bowman | Asks why the wording "county court" instead of "county". |
| 130 | Fultz | Describes county court. |
| 132 | Rep. Bowman | Asks if someone would know if the document was referring to a board of county commissioners rather than a court. |
| 138 | Haugen | Replies yes. |
| 140 | Rep. Bowman | Asks about amendment to HB 2766. |
| 143 | Filsinger | Explains handout. |
| 145 | Rep. Bowman | Asks if it refers to this section. |
| 147 | Filsinger | Replies yes. |
| 148 | Chair Wilson | Asks about the purpose of the letter of credit. |
| 151 | Fultz | Replies he does not know. |
| 153 | Haugen | Responds that HB 2766 was created to handle liability or potential exposure for financial reasons. |

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| 155 | Rep. Starr | Asks why this legislation is needed. |
| 163 | Fultz | Replies the LC opinion does not clearly define whether a fair board member could be removed "for cause". |
| 173 | Fultz | States that current statutes leave the county liable. |
| 183 | Rep. Starr | Asks for examples of problems within Oregon. |
| 186 | Fultz | Responds that there are witnesses here to provide examples. |
| 195 | Frank J. Knapp | Multnomah County Fair. Testifies in opposition to HB 2766. Reads written testimony (EXHIBIT B). |
| 229 | Rep. Bowman | Asks why HB 2766 would destroy county fairs. |
| 237 | Knapp | Explains that passage of HB 2766 would give the county courts the right to dissolve fair boards and place the fairs in private hands. |
| 240 | Rep. Bowman | States that HB 2766 reads that the county board and the fair board would have to agree before the county fair board could be dissolved. |
| 242 | Knapp | Responds to question. |
| 253 | Chair Wilson | Asks if funds would defray costs. |
| 256 | Knapp | Responds yes. |
| 264 | Dave Schmidt | Commissioner, Linn County. Testifies in support of HB 2766. States that local governments have problems with setting priorities. |
| 314 | Schmidt | Explains limitations of liability insurance. |
| 330 | Tom Corr | Attorney, Linn County. Testifies in support of HB 2766. Explains the original language for ORS Chapter 565. Describes county court. States Attorney General opinions continue to explore the relationship between the county fair board and the county board of commissioners. |
| 384 | Corr | States that the county is liable for any contract that the county fair enters into. |
| 420 | Chair Wilson | States that HB 2766 contains a section that would allow the county fair board to be liquidated and to create a fair district. |

TAPE 52, A

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| 002 | Schmidt | States that some counties are interested in liquidating and creating a fair district. |
| 009 | Rep. Bowman | Asks the current relationship between the county board of commissioners and the county fair board. |
| 015 | Schmidt | Replies that the county fair board drafts budgets to present in budget hearings. States the budget committee has the final authority. |
| 018 | Rep. Bowman | Asks if the county fair is seeking supervisory authority and accountability. |
| 024 | Schmidt | States that counties want accountability and reduction of liability. |
| 030 | Chair Wilson | Asks about the day-to-day relationship between the county fair board and the county board of commissioners. |
| 037 | Schmidt | Describes that HB 2766 would mandate that county fair board members do their job. |
| 038 | Chair Wilson | States that HB 2766 will help members better understand their roles. |
| 041 | Corr | Says that the proposed language was changed to require the two bodies to meet on an annual basis and agree on policies which would reduce contract liability. States that contracts, which are being signed by the county fair board, would be reviewed. |
| 055 | John McCulley | Oregon Fairs Association (OFA). Testifies in opposition to HB 2766. Gives history of HB 2766. Asks if legislation is necessary. States that the county commissioner appoints fair board members. |
| 100 | McCulley | Questions issuing a ruling that applies to all counties. States that HB 2766 takes away some authority from the county fair board and transfers it to the county board of commissioners. |
| 124 | Bob Traverso | President, OFA. Testifies in opposition to HB 2766. Explains that if statutes change healthy fairs will be in demise. Cites Multnomah County Fair as an example. States county board of commissioners should not worry about the everyday workings of the county fairs. |
| 178 | Chair Wilson | Asks if HB 2766 is a mechanism for removing recalcitrant fair board members. Asks Traverso's opinion on a fair district. |
| 199 | Traverso | Explains the three parts of HB 2766. Speaks about privatization. |

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| 224 | Rep. Harper | Asks about dissolution compared to unilateral decision from Multnomah County. |
| 231 | Traverso | States that HB 2766 addresses the privatization issue. |
| 242 | Rep. Harper | Disagrees with Traverso. |
| 248 | McCulley | Replies that Washington County Fair and Clatsop County Fair asked for the privatization issue in HB 2766. States it takes the concurrence of the county board of commissioners and the county fair board to accomplish privatization of county fairs. |
| 254 | Rep. Harper | Comments that it is protection. |
| 260 | McCulley | Replies yes. |
| 263 | Rep. Bowman | Discusses the issue of Multnomah County Fair privatization. |
| 279 | Traverso | Responds that Multnomah County Fair was relocated to the Exposition Center in Portland. |
| 317 | Rep. Bowman | States that Multnomah County was not derelict in their duty. |
| 321 | Traverso | Agrees. |
| 323 | Rep. Bowman | Asks if Traverso is in Clackamas County. |
| 324 | Traverso | Replies yes. |
| 326 | Rep. Bowman | Asks if the Clackamas County Board provides all funds for the county fair. |
| 334 | Traverso | Replies that the Clackamas County Board only approves their budget. States that the county fair is self-sufficient and receives no General Fund dollars. |
| 340 | Rep. Bowman | Asks about the liability issues. |
| 343 | Traverso | Responds that Clackamas County Fair carries their own liability insurance. States that public bidding procedures are followed. States that policy is set by the fair board and implemented by the fair manager. |
| 384 | Clifton McMillan | Former Member, Klamath County Board of Commissioners. Testifies in support of HB 2766. Describes a recent confrontation between the Klamath County Board of Commissioners and the Klamath County Fair Board (EXHIBIT C) . |

TAPE 51, B

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| 034 | McMillan | Details a recall of two members of the Klamath County Board of Commissioners. |
| 084 | McMillan | States that the Klamath County Fair Board keeps questionable records. Describes a lack of clarity between the two boards. |
| 134 | McMillan | States that the base budget of the Klamath County Fair Board comes from hotel/motel tax. |
| 170 | Dennis Mulvihill | Washington County Government Affairs. Testifies in support of HB 2766. Comments that Washington County is considering privatization. States that counties are asking for authority to require county fairs to follow county and state guidelines. |
| 225 | Chair Wilson | Closes public hearing on HB 2766 and opens public hearing on HB 2831. |

HB 2831 PUBLIC HEARING

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| 239 | Filsinger | Explains HB 2831. |
| 246 | Nikki Whitty | Commissioner, Coos County. Describes the history of HB 2831. Testifies in support of HB 2831. |
| 253 | Rep. Atkinson | Asks if Coos County gained or lost land. |
| 257 | Whitty | Replies no. |
| 259 | Rep. Atkinson | Comments on Oregon boundary legal description. |
| 263 | Whitty | States that Coos County did not try to correct that error. |
| 273 | Rep. Bowman | Asks why the legislators who proposed HB 2831 were not at the public hearing. |
| 278 | Chair Wilson | Responds that the sponsors were unavailable for the public hearing. |
| 279 | Chair Wilson | Closes public hearing on HB 2831 and opens work session on HB 2831. |

HB 2831 WORK SESSION

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| 281 | Rep. Atkinson | MOTION: Moves HB 2831 to the floor with a DO PASS recommendation. |
| | | VOTE: 5-0 AYE: 5 - Atkinson, Beck, Bowman, Sunseri, Wilson EXCUSED: 4 - Deckert, Harper, Starr, Thompson |
| 285 | Chair Wilson | The motion Carries. REP. MESSERLE will lead discussion on the floor. |
| 286 | Chair Wilson | Closes work session on HB 2831 and opens public hearing on HB 2709. |
| <u>HB 2709 PUBLIC HEARING</u> | | |
| 290 | Rep. Chris Beck | Representative, House District 12. Explains and supports HB 2709. Reads written testimony (EXHIBIT D). |
| 340 | Rep. Beck | Continues to read written testimony. |
| 370 | Jane Kromland | Three Rivers Land Conservancy. Explains history of organization and its mission to preserve and protect land in metropolitan Portland. Describes conservation easements. States that HB 2709 would allow the owner to ask the assessor for impact on the effect of the easement. |
| TAPE 52, B | | |
| 006 | Rep. Sunseri | Asks for examples of the types of properties. |
| 018 | Kromland | Replies that it varies. |
| 025 | Rep. Beck | Gives an example of five acres along a stream with a riparian area. |
| 043 | Rep. Atkinson | Asks if the land owner would technically own the land. |
| 045 | Rep. Beck | Replies yes. |
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| 047 | Rep. Atkinson | Asks if the easement defines who can use the property. |
| 048 | Rep. Beck | States that it is defined in the easement when it is drafted. |
| 049 | Rep. Atkinson | Gives an example of a scenic nature trail on a hill. Asks how HB 2709 effects it. |
| 057 | Rep. Beck | States that Rep. Atkinson is describing an access easement. |
| 066 | Rep. Atkinson | States that easements can be removed. |
| 072 | Rep. Beck | Comments that HB 2709 easements would be irrevocable. |
| 073 | Rep. Atkinson | States that this easement is more of a covenant and is not revocable. |
| 074 | Rep. Beck | States that these easements can only be granted to a public agency or a third party land trust to hold in perpetuity. |
| 075 | Rep. Atkinson | Asks if they can be purchased from the land trust. |
| 077 | Kromland | Replies yes. States that the land trust is formed with a 501 (c)(3) with the main purpose being conservation. |
| 083 | Rep. Beck | States that someone could donate an easement to the land trust who might intend to sell that property. |
| 086 | Chair Wilson | Asks how long the law has been in effect. |
| 088 | Rep. Beck | States that the statutes have been in effect since the early 1980s. |
| 092 | Chair Wilson | States that HB 2709 gives potential donors the opportunity to better understand what they are attempting to accomplish. |
| 094 | Rep. Atkinson | Asks if the traditional practice of the Nature Conservancy is to post the kind of easement which is on that piece of land. |
| 106 | Rep. Beck | Replies that Nature Conservancy is a private group and no conservation easements are placed on the land. |
| 112 | Rep. Atkinson | Asks if Nature Conservancy owns the land. |
| 113 | Rep. Beck | Replies yes. |

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| 114 | Rep. Atkinson | Asks if Three Rivers Land Conservancy has a standard practice to post the kind of easement on various properties. |
| 115 | Rep. Beck | States that they do not typically buy conservation easements. |
| 116 | Kromland | States that properties are purchased for various reasons. Explains the types of properties. |
| 128 | Rep. Beck | Explains there are standards for what is a public benefit. |
| 132 | Kromland | States that the Internal Revenue Code sets forth five categories. |
| 137 | Rep. Beck | Describes the property across the river from the Vista House in the Columbia River Gorge. |
| 149 | Rep. Bowman | Asks if property owners have an assessment done prior to deeding the property. |
| 158 | Kromland | States that an assessment is part of the process. |
| 159 | Rep. Bowman | Asks if any additional steps are required of the land owner. |
| 160 | Rep. Beck | States that some county assessors will not review the property before restriction is in place. |
| 166 | Rep. Bowman | Asks if any appeals by surviving children have occurred after parents placed a portion of their property in restriction prior to their death. |
| 173 | Kromland | Responds that she is not aware of any appeals. |
| 180 | Rep. Beck | Replies that this is used by many to protect their property in an inheritance issue. |
| 185 | Rep. Bowman | States that it would need to be specified in the agreement for easement. |
| 188 | Rep. Sunseri | Asks if people can do this with a life estate rather than a deed restriction. |
| 194 | Kromland | Replies that they want their survivors to have the property. |
| 200 | Rep. Beck | Explains life estates. |
| 207 | Chair Wilson | Asks for clarification of HB 2709-1 amendments. |
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| 214 | Rep. Beck | Explains HB 2709-1 amendments. |
| 220 | Chair Wilson | Closes public hearing on HB 2709 and opens work session on HB 2709. |
| <u>HB 2709 WORK SESSION</u> | | |
| 223 | Rep. Bowman | MOTION: Moves to ADOPT HB 2709-1 amendments dated 03/29/99. |
| | | VOTE: 5-1 AYE: 5 - Atkinson, Beck, Bowman, Starr, Wilson NAY: 1 - Sunseri EXCUSED: 3 - Deckert, Harper, Thompson |
| | Chair Wilson | The motion Carries. |
| 224 | Rep. Bowman | MOTION: Moves HB 2709 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on REVENUE by prior reference. |
| 226 | | VOTE: 5-1 AYE: 5 - Atkinson, Beck, Bowman, Starr, Wilson NAY: 1 - Sunseri EXCUSED: 3 - Deckert, Harper, Thompson |
| | Chair Wilson | The motion Carries. |
| 235 | Chair Wilson | Closes work session on HB 2709 and adjourns at 2:59 p.m. |

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2766, written testimony, Harold Haugen, 1 p.

B ñ HB 2766, written testimony, Frank Knapp, 1 p.

C ñ HB 2766, written testimony, Clifton McMillan, 190 pp.

D ñ HB 2709, written testimony, Rep. Chris Beck, 1 p.