

HOUSE COMMITTEE ON GENERAL GOVERNMENT

April 28, 1999 Hearing Room E

6:00 p.m. Tapes 76 - 77

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 3471 Public Hearing

HB 3623 Public Hearing and Work Session

HB 3502 Work Session

HB 3503 Work Session

HB 2743 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 76, A</b>		
004	Chair Wilson	Opens meeting at 6:05 p.m. and opens public hearing on HB 3471.
<b><u>HB 3471 PUBLIC HEARING</u></b>		
006	Rep. Bruce Starr	Representative, House District 3. Explains HB 3471.
020	Don McIntire	Explains that legislators should not participate in a career government worker retirement program.
053	Rep. Thompson	Asks about the salary rate legislators receive.

058	McIntire	Responds that it amounts to \$36,000.
059	Rep. Thompson	States that he receives \$1,400 per month.
070	McIntire	Clarifies that legislators receive per diem.
074	Rep. Thompson	States that he only receives per diem during the session.
079	McIntire	States that many citizens feel that legislators are not running for office to be elected to a paying job.
083	Rep. Thompson	Asks if he should receive minimum wage for the job.
085	McIntire	Replies yes.
087	Rep. Thompson	States that he would settle for that.
089	McIntire	Asks why Rep. Thompson needs to be in the retirement program.
091	Rep. Bowman	Asks how the bill would impact a legislator who has another job as an employee of a government entity that participates in the P
093	Rep. Starr	Responds that it would be a question for PERS staff who will be testifying during the hearing.
098	Rep. Bowman	Explains that because of term limits, there will be no career legislators. Asks what the savings would be by passage of HB 3471.
103	Rep. Starr	States that the financial savings would be minimal.
112	Rep. Bowman	Asks if legislators should be prohibited from becoming lobbyists.
118	Rep. Starr	Replies yes.
120	Rep. Sunseri	States his support for HB 3471.
123	McIntire	Describes his plan to pay legislators \$120,000 and impose session time limits of 120 days with fines of \$1,000 per day over the t
135	Rep. Deckert	States that the legislature needs good, thoughtful Oregonians in the legislature.
146	McIntire	Replies that he would support an increase in pay for legislators.
162	Rep. Deckert	Asks how many former legislators are lobbyists.
164	Rep. Starr	Replies that he does not have a list of former legislators who have become lobbyists.
170	Rep. Thompson	Describes a lack of personal staff during the interim.
181	Rep. Bowman	States that when she ran for public office she knew she would lose income. Explains when the session is over she has two full-ti
209	Steve Beal	Testifies in support of HB 3471. States that the principle of putting legislators in charge of a retirement program from which they
221	Rep. Thompson	States that he works on a multi-state legislative task force that addresses pay and benefits of legislators.
240	Beal	States that his point is a matter of principle. Expresses his concern about legislators involvement in PERS.

	Fred McDonnal	Director, PERS. Provides information on HB 3471 ( <b>EXHIBIT A</b> ).
265	Chair Wilson	Asks about the history of legislators receiving police and firefighters PERS benefits.
268	McDonnal	Explains the compensation package that legislators receive. States that if a legislator transfers into another government position t
286	Chair Wilson	Asks when a legislator takes a state job if the same classification moves with the legislator.
288	McDonnal	Replies that the time served as a legislator is calculated in one manner and the time served as a government employee would be c
301	Rep. Bowman	Asks how HB 3471 would effect her government job when she takes a leave of absence for six months from her position to com
309	McDonnal	States that she will not accrue service time during that period.
320	Rep. Bowman	Asks if it is a disadvantage for her to have a six months gap in her retirement package.
329	McDonnal	Replies yes.
333	Rep. Bowman	States that if HB 3471 passes, it would cost her more money to serve than it currently does.
338	McDonnal	Replies yes.
340	Chair Wilson	Closes public hearing on HB 3471 and opens public hearing on HB 3623.
<b><u>HB 3623 PUBLIC HEARING</u></b>		
355	Rep. Ron Sunseri	Representative, House District 22. Explains HB 3623. Describes his experiences in Vietnam. Explains that 60 MIAs from Vietna
<b>TAPE 77, A</b>		
011	Rep. Thompson	Asks for clarification of "public bodies."
014	Rep. Sunseri	Points to the definition on line 14.
018	Rep. Thompson	Asks if public bodies include schools.
019	Rep. Sunseri	Replies yes.
020	Filsinger	Administrator. Explains that it does not include schools.
021	Rep. Thompson	Asks about the cost to the state.
022	Filsinger	Describes fiscal impact is less than \$50,000.
025	Rep. Bowman	Asks when public buildings are closed who will put up the flags.
029	Rep. Sunseri	States that the flags will be put up by the staff who put up the other flags.
030	Jon Mangis	Director, Department of Veterans Affairs. Testifies in support of HB 3623. Reads written testimony ( <b>EXHIBIT B</b> ).
064	Ron Harlan	Veterans of Foreign Wars, Purple Heart Coalition for Veterans Issues. Testifies in support of HB 3623.
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	Chair Wilson	Closes public hearing on HB 3623 and opens work session on HB 3623.
<b><u>HB 3623 WORK SESSION</u></b>		
080	Rep. Thompson	<b>MOTION: Moves to ADOPT HB 3623-1 amendments dated 04/28/99.</b>
		<b>VOTE: 9-0</b> <b>AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson</b>
	Chair Wilson	<b>The motion Carries.</b>
082	Rep. Atkinson	<b>MOTION: Moves HB 3623 to the floor with a DO PASS AS AMENDED recommendation.</b>
105	Rep. Thompson	States his approval of HB 3623.
125	Rep. Beck	States his support of HB 3623.
140		<b>VOTE: 9-0</b> <b>AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson</b>
	Chair Wilson	<b>The motion Carries.</b>  <b>REP. HARPER and REP. SUNSERI will lead discussion on the floor.</b>
155	Chair Wilson	Closes work session on HB 3623 and opens work session on HB 3502.
<b><u>HB 3502 WORK SESSION</u></b>		
160	Rep. Tom Butler	Representative, House District 60. Explains HB 3502-1 amendments.
182	Chair Wilson	Asks how HB 3502 and HB 3503 relate to each other.
187	Joe Gilliam	National Federation of Independent Business (NFIB). Gives explanation of HB 3502 and the difference between HB 3502 and H
204	Chair Wilson	Asks for explanation of HB 3502-1 amendments.
211	Gilliam	Explains that HB 3502-1 amendments relate to how the State Accident and Insurance Fund (SAIF) advertises dividends.
236	Chris Davie	SAIF. Testifies in opposition to HB 3502 ( <b>EXHIBIT D</b> ).
275	Chair Wilson	Asks if HB 3502-1 amendments will impose any grievous injury to SAIF.

277	Davie	States that the requirement of SAIF to limit references to past dividends and future expectations of what dividends might be crea
317	Rep. Bowman	Explains current insurance program for workers' compensation and asks if it is working for the people who have chosen SAIF as
342	Davie	Replies that employers are not complaining about SAIF. States that if the committee needs information about SAIF's dividend p
360	Rep. Atkinson	Asks if there has been a year when a dividend was not paid.
371	Davie	Replies that in 1990 there was no dividend.
372	Brian Steffel	SAIF. Testifies in opposition to HB 3502. Explains that because of financial trouble in the 1980s that SAIF did not pay dividend
379	Rep. Atkinson	Asks if there will be a dividend next year.
383	Steffel	Replies yes.
385	Rep. Atkinson	Asks if a suggestion of a dividend would be an unfair advantage in competing for new business.
390	Steffel	Responds that he does not see it as an unfair advantage and states that other companies use dividends.
394	Rep. Atkinson	Asks if under current rules for private enterprise, if it would be a good idea for SAIF to report their dividend payments to the leg
<b>TAPE 76, B</b>		
002	Davie	Replies it would not be a problem for SAIF and that the information is readily available.
007	Rep. Atkinson	Asks about Davie's opinion of HB 3503.
018	Chair Wilson	Asks about the cost of insurance going up if HB 3502-1 amendments are adopted.
025	Davie	Replies that the cost of the independent audit report will impact costs.
037	Chair Wilson	Asks if HB 3502-1 amendments would prohibit SAIF from any mention of dividends.
048	Gilliam	States that it would prohibit them from suggesting a price based on dividends.
065	Chair Wilson	Asks if insurance companies project potential net cost based on dividend history.
068	Gilliam	Explains that a 3-way system is a delicate balance with strengths and weaknesses.
078	Rep. Starr	Points to HB 3502-1 amendments, line 6 and asks who would be the independent auditor.
087	Rep. Butler	States that the Oregon Department of Consumer and Business Services (DCBS) conducts audits on a number of agencies.
099	Rep. Starr	Asks for clarification.
101	Rep. Butler	Replies that DCBS conducts audits on a number of state agencies.
104	Rep. Starr	States his confusion about what agency would be conducting the audit.
108	Rep. Butler	Replies that the DCBS contracts with the Secretary of State.
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	Rep. Bowman	Asks how business owners will benefit with changes in SAIF. Asks if SAIF-insured businesses will pay less than premium costs
118	Rep. Butler	Explains that SAIF has money which is not being taxed and earns profits which are tax-free. States that by distributing tax-free d
134	Rep. Bowman	Asks who will benefit by making changes in SAIF.
154	Rep. Butler	States that SAIF holds 70% of the market and explains that low premiums keep other companies from competing.
180	Rep. Bowman	Explains that 85% of the businesses in Oregon have 100 or less employees. States that 78% have ten or less employees.
193	Rep. Butler	States that when SAIF could not earn enough money and was unable to pay their overhead they took all of their small policies ar
200	Chair Wilson	Recesses meeting at 7:13 p.m. and reconvenes meeting at 7:30 p.m.
205	Rep. Atkinson	<b>MOTION: Moves to ADOPT HB 3502-1 amendments dated 04/28/99.</b>
		<b>VOTE: 5-4</b> <b>AYE: 5 - Atkinson, Harper, Starr, Sunseri, Wilson</b> <b>NAY: 4 - Beck, Bowman, Deckert, Thompson</b>
	Chair Wilson	<b>The motion Carries.</b>
210	Rep. Atkinson	<b>MOTION: Moves HB 3502 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 5-4</b> <b>AYE: 5 - Atkinson, Harper, Starr, Sunseri, Wilson</b> <b>NAY: 4 - Beck, Bowman, Deckert, Thompson</b>
212	Rep. Beck	Serves notice of possible minority report.
213	Rep. Bowman	Serves notice of possible minority report.
	Chair Wilson	<b>The motion Carries.</b>  <b>REP. BUTLER will lead discussion on the floor.</b>
215	Chair Wilson	Closes work session on HB 3502 and opens work session on HB 3503.
<b><u>HB 3503 WORK SESSION</u></b>		
225	Rep. Atkinson	<b>MOTION: Moves HB 3503 to the floor with a DO PASS recommendation.</b>

230	Rep. Deckert	Says that he will vote for this bill, but expresses concerns that he does not have adequate time to read the reports.
<b>240</b>		<b>VOTE: 7-2</b> <b>AYE: 7 - Atkinson, Deckert, Harper, Starr, Sunseri, Thompson, Wilson</b> <b>NAY: 2 - Beck, Bowman</b>
	<b>Chair Wilson</b>	<b>The motion Carries.</b>  <b>REP. BUTLER will lead discussion on the floor.</b>
245	Chair Wilson	Closes work session on HB 3503 and opens work session on HB 2743.
<b><u>HB 2743 WORK SESSION</u></b>		
273	Filsinger	Explains HB 2743-2 amendments.
289	Rep. Starr	Asks if HB 2743 will be referred to the committee on Ways and Means.
290	Filsinger	States that the committee can choose not to refer HB 2743 to Ways and Means.
292	Rep. Bowman	Asks for the major differences with the HB 2743-2 amendments.
296	Carl Myers	Capitol Planning Commission. Testifies in support of HB 2743. Gives history of commission. Explains HB 2743-2 amendments.
339	Rep. Bowman	Asks who sits on the commission.
361	Myers	States that the Capitol Planning Commission is a statutory commission which has three public members appointed by the Govern appointed by the Speaker of the House and the President of the Senate.
384	Rep. Bowman	Asks why members are chosen from other communities when only Marion and Polk Counties are within the boundaries of the pl
<b>TAPE 77, B</b>		
001	Myers	Replies that they did not want the City of Salem to dominate the issues that pertain to the city.
007	Rep. Bowman	Asks when a public body is making a land use decision if they need the Capitol Planning Commission approval before they can
015	Myers	Replies yes.
024	Rep. Bowman	Asks what the duties of the Capitol Planning Commission will be if HB 2743 passes.
028	Myers	Describes the uncertainty of their authority because the current statute does not define their duties relating to disposition of land.
042	Rep. Beck	Asks when the state decides to dispose of a piece of property, when they would need to approach the Capitol Planning Commiss

047	Myers	Replies that upon passage of HB 2743 agencies will know they must come to the Capitol Planning Commission.
060	Rep. Beck	Asks if the Capitol Planning Commission has legal authority to prevent the sale of state-owned land.
062	Myers	Replies that it is unclear by the current statute.
064	Rep. Beck	Asks if the Capitol Planning Commission would have legal authority under HB 2743 to restrict a sale.
066	Myers	Responds to question.
077	Rep. Beck	Asks if the Capitol Planning Commission will be involved in negotiations of real estate sales.
088	Myers	Replies that they would not be involved in the financial aspect of the negotiations.
<b>104</b>	<b>Rep. Starr</b>	<b>MOTION: Moves to ADOPT HB 2743-2 amendments dated 04/28/99.</b>
114	Rep. Beck	States that he does not support the bill at this time. Asks for more information about veto authority over any purchase or sale of s
125	Rep. Bowman	States that she is concerned and needs more clarification of the commissionis authority.
142	Rep. Starr	Withdraws the motion for adoption of the HB 2743-2 amendments
149	Chair Wilson	Closes work session on HB 2743 and closes meeting at 7:38 p.m.

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 3471, written testimony, Fred McDonnal, 1 p.**

**B ñ HB 3623, written testimony, Jon Mangis, 2 pp.**

**C ñ HB 3502, written testimony, Joe Gilliam, 19 pp.**

**D ñ HB 3502 and HB 3503, written testimony, Chris Davie, 3 pp.**