

HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS

May 18, 1999 Hearing Room D

3:30 P.M. Tapes 64 - 65

MEMBERS PRESENT: Rep. Mark Simmons, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Bruce Starr, Vice-Chair

Rep. Jason Atkinson

Rep. Chris Beck

Rep. Roger Beyer

Rep. Randall Edwards

Rep. Dan Gardner

Rep. Kevin Mannix

Rep. Kitty Piercy

Rep. Jim Welsh

Rep. Max Williams

MEMBER EXCUSED:

STAFF PRESENT: Cletus B. Moore, Jr., Administrator

Kevin E. Wells, Administrative Support

MEASURE/ISSUES HEARD: SB 950A Public Hearing

SB 951A Public Hearing and Work Session

SB 950A Work Session

HB 3015 Public Hearing and Work Session

HB 2007 Work Session

TAPE/#	Speaker	Comments
TAPE 65, A		
004	Vice-Chair Starr	Calls meeting to order at 3:30 p.m. Opens Public Hearing SB 950A.
<u>SB 950A PUBLIC HEARING</u>		
013	Mark Bigger	Legislative Aide, Senator Limis Office. Supports SB 950A.
019	Rep. Beyer	Asks what is the rationale for SB 950A.
021	Bigger	Defers to the Administrator of the Senate Committee on Trade and Economic Development.
025	Carol Rives	Administrator, Senate Committee on Trade and Economic Development. Explains the genesis of SB 950A, particularly to recognize the plentiful contributions of Asian-Americans.
045	Rep. Beck	Asks if there are months designated for other groups of people.
048	Rives	Replies that there are months designated to celebrate other groups of people.
051	Rep. Beck	Asks if there has ever been a problem with a month being set aside for multiple groups of people; can a month have multiple designations.
054	Rives	Replies that she does not know.
056	Rep. Beck	Expresses a concern about placing a proclamation into statute.
062	Rep. Edwards	Asks who is classified as Asian-American according to the Oregon Revised Statutes.
070	Rives	Replies that she does not know.
073	Senator Bill Fischer	District 23. Testifies in support of SB 950A. Explains that the bill offers the Asian community a special opportunity to focus on their interests and concerns. Discusses Asian cultures.

121	Rep. Beyer	States that Oregonians should be color-blind; being American should be celebrated rather than celebrating racial segmentation.
138	Sen. Fischer	Agrees with Rep. Beyer in part, but suggests that it is important for people to respect diverse backgrounds.
170	Rep. Beck	Asks if the Senate discussed doing this as a resolution rather than as a commemorative statute.
181	Sen. Fischer	Replies that he does not recall any such discussion.
187	Vice-Chair Starr	Notes that Legislative Counsel has been called to answer committee questions.
189	Rep. Beck	Restates concern about placing proclamations and celebratory declarations into statute.
192	Vice-Chair Starr	Closes Public Hearing SB 950A. Opens Public Hearing SB 951A.
<u>SB 951A PUBLIC HEARING</u>		
196	Sen. Fischer	Supports SB 951A. Explains why the Commissions on Asian Affairs statutory authorization and regulation needs to be modified. Discusses proposed statutory changes.
230	Vice-Chair Devlin	Asks if there was any opposition to SB 951A in the Senate.
235	Sen. Fischer	States that there was no opposition in the Senate to the amended version of SB 951A.
260	Katy Cota	Governor's Office. Supports SB 951A. Explains that the bill clarifies the mission of the Commission on Asian Affairs. States that there was no opposition to SB 951A in the Senate.
	Bigger	Supports SB 951A.
290	Vice-Chair Starr	Closes Public Hearing SB 951A. Opens Work Session SB 951A.
<u>SB 951A WORK SESSION</u>		
293	Rep. Devlin	MOTION: Moves SB 951A to the floor with a DO PASS recommendation.

		<p>VOTE: 8-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 4 - Atkinson, Piercy, Welsh, Simmons</p>
	Vice-Chair Starr	<p>The motion CARRIES.</p> <p>REP. DEVLIN will lead discussion on the floor.</p>
316	Vice-Chair Starr	Recesses the meeting for five minutes.
336	Chair Simmons	Reconvenes meeting. Closes Work Session SB 951A. Opens Work Session SB 950A.
<u>SB 950A WORK SESSION</u>		
342	Rep. Devlin	MOTION: Moves SB 950A to the floor with a DO PASS recommendation.
348	Vice-Chair Starr	Suggests a conceptual amendment to reduce the length of the celebration from one month to one week.
354	Rep. Mannix	States that they should repeal all statutes that establish commemorative months etceteras; will vote yes as a courtesy.
365	Rep. Beyer	Agrees with Rep. Mannix; will vote no.
374	Rep. Beck	Replies that Vice-Chair Starr's conceptual amendment is a good step, but this should not be a statutory change.
392	Vice-Chair Devlin	Supports SB 950A; will support the proposed conceptual amendment.
421	Vice-Chair Devlin	Withdraws motion to move SB 950A with a do pass recommendation.
427	Rep. Starr	MOTION: Moves to AMEND SB 950A, change "Month" to "Week," and on page 1, in line 5, after "(1)(a)," insert "The third week of".
TAPE 65, A		

020	Rep. Mannix	Discusses the variable saliency of ethnic identity. Expresses concern about grouping too many people within an ethnic heritage. Stresses the need to proceed cautiously when creating a program to celebrate ethnicity.
037	Rep. Beyer	Supports the conceptual amendment as an improvement to SB 950A.
044	Chair Simmons	Suggests that SB 950A be set over until there is consensus.
049	Vice-Chair Starr	Withdraws the motion to conceptually amend SB 950A.
051	Rep. Edwards	Discusses the legal definition of Asian-American.
056	Chair Simmons	Closes Work Session SB 950A. Opens Public Hearing HB 3015. Asks for staff summary.
<u>HB 3015 PUBLIC HEARING</u>		
065	Cletus Moore	Administrator. Reviews HB 3015 with the ñ1 amendments, which assigns responsibilities for issuing fiscal and explanatory statements on ballot measures to the Legislative Administration Committee (EXHIBIT A). Notes that the original sponsor of HB 3015 supports the ñ1 amendment (EXHIBIT B) and that the Secretary of State supports them as well (EXHIBIT C).
080	Chair Simmons	Notes that the Secretary of State supports the ñ1 amendments.
108	Rep. Mannix	Opposes public financing of campaigns as detrimental to democracy.
118	Vice-Chair Devlin	Restates that the Secretary of State supports HB 3015 with the ñ1 amendments.
126	Chair Simmons	Closes Public Hearing HB 3015. Opens Work Session HB 3015.
<u>HB 3015 WORK SESSION</u>		
128	Rep. Beck	MOTION: Moves HB 3015 to the floor with a DO PASS recommendation.
155		VOTE: 2-8 AYE: 2 - Beck, Devlin NAY: 8 - Beyer, Edwards, Gardner, Mannix, Starr, Welsh, Williams, Simmons EXCUSED: 2 - Atkinson, Piercy

	Chair Simmons	The motion FAILS.
170	Rep. Mannix	MOTION: Moves to ADOPT HB 3015-1 amendments dated 5/18/99.
		VOTE: 10-0-2 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Atkinson, Piercy
	Chair Simmons	The motion CARRIES.
185	Rep. Mannix	MOTION: Moves HB 3015 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
		VOTE: 10-0 EXCUSED: 2 - Atkinson, Piercy
	Chair Simmons	Hearing no objection, declares the motion CARRIED. REP. DEVLIN will lead discussion on the floor.
192	Chair Simmons	Close Work Session HB 3015. Open Work Session HB 2007.
<u>HB 2007 WORK SESSION</u>		
206	Moore	Discusses the ñ15 and ñ19 amendments (EXHIBITS D & E).
220	Chair Simmons	States that the ñ8 amendments are the revised economic indicator amendments. Explains the ñ15 amendments establishes the Oregon Health Science University Intellectual Capital Fund.
232	Vice-Chair Devlin	Asks if each amendment is distinct.

239	Moore	Replies that each amendment is distinct.
240	Chair Simmons	Explains that existing amendments are being refined.
245	Rep. Edwards	States that he will bring two amendments forward when they are ready.
269	Chair Simmons	Offers to let the Treasurer's Office discuss the 15 and 19 amendments.
275	Chuck Smith	Director of Debt Management, Oregon State Treasurer's Office. Offers to answer questions.
286	Rep. Edwards	Asks for a broad outline of the policy choice of using the funds as they come in or selling a portion of it.
291	Mari Anne Gest	Oregon State Treasurer's Office. Stresses that securitization increases the return on the fund and reduces risk.
324	Rep. Edwards	Asks why legislation is needed to securitize the funds.
326	Gest	Answers that the State Treasurer does not have the authority to securitize the funds without an act of the Legislature.
329	Rep. Beyer	Asks how much the state would receive by selling a portion of the settlement.
344	Smith	Explains the cost of accelerating the payments of the settlement.
373	Rep. Beyer	Asks if the state has to sell \$850 million in future money to receive \$400 million today.
381	Gest	Stresses that securitization produces money today that will be worth more than future money.
385	Vice-Chair Devlin	Asks what the interest rate is for standard state bonds.
396	Smith	Answers 5.1%.
402	Vice-Chair Devlin	Asks what the difference is over 20 years.
404	Smith	Replies that the difference is a 10% reduction in interest rate.
411	Vice-Chair Devlin	States that purchasers of these bonds do not perceive them as high risk. Asks

		how the market perceives these bonds and the Tobacco Settlement.
TAPE 64, B		
012	Smith	Explains that the risks depend on who is making the decision. Discusses the risks involved and the tradeoffs.
025	Vice-Chair Devlin	Asks if purchasers of these bonds take the full risk.
032	Smith	States that Oregon has no obligation to repay these bonds.
036	Rep. Beyer	Asks if the State Treasurer can set the interest rate at which the bonds are sold.
041	Smith	Explains that the market place sets the interest rate for bonds.
045	Rep. Beyer	Asks if these figures are guesses.
047	Smith	Indicates they are best guesses.
049	Rep. Edwards	Asks what other states are doing in regards to securitization.
050	Smith	Indicates that many other states are considering this option; markets for these bonds already exist.
062	Rep. Edwards	States that this option is important to consider.
077	Rep. Beck	Asks if the bond money will be used.
082	Rep. Edwards	Explains that the discussion is about how to fund the Health Security fund.
090	Rep. Beck	States that it is important to know how the money is going to be used before the decision to borrow money can be made.
099	Rep. Edwards	Explains that selling bonds establishes a long-term fund.
108	Vice-Chair Starr	Asks how the money is invested once the fund is established.
110	Gest	Explains that a constitutional amendment is needed to invest the funds in stocks; the fund will be invested in the bond market.

117	Vice-Chair Starr	Asks if that is true regardless of when the money comes in to the fund.
122	Vice-Chair Devlin	Asks if there has been an analysis to determine the overall cost of securitization of the settlement funds.
145	Gest	States that securitization is more productive for the state's goals. Discusses the idea of using securitized tobacco payments for the proposed budget stabilization fund and educational programs.
179	Vice-Chair Starr	States that it is important to remember that smoking prevention, education and cessation programs need to be funded, as well as affordable housing and senior transportation.
198	Chair Simmons	Discusses the amendments. Closes Work Session HB 2007. Adjourns the meeting at 5:00 p.m.

Submitted By, Reviewed By,

Kevin E. Wells, Cletus B. Moore, Jr.,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 3015, LC ñ1 amendments (5/18/99), staff, 3 pp.

B ñ HB 3015, written testimony, Rep. Diane Rosenbaum, 1 p.

C ñ HB 3015, written testimony, Sec. State Phil Keisling, 1 p.

D ñ HB 2007, LC ñ15 amendments (3/11/99), staff, 2 pp.

E ñ HB 2007, LC ñ19 amendments (5/13/99), staff, 2 pp.