

**HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS**

June 17, 1999 Hearing Room D

3:00 P.M. Tapes 102 - 103

**MEMBERS PRESENT:** Rep. Mark Simmons, Chair

Rep. Richard Devlin, Vice-Chair

Rep. Bruce Starr, Vice-Chair

Rep. Roger Beyer

Rep. Randall Edwards

Rep. Dan Gardner

Rep. Kevin Mannix

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

Kevin E. Wells, Administrative Support

**MEASURES HEARD:** SB 722 Public Hearing

SB 1324 Public Hearing and Work Session

SB 238A Work Session

SB 1061A Work Session

HB 3629 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 102, A</b>		
001	Vice-Chair Starr	Calls meeting to order. Opens Public Hearing SB 722.
<b><u>SB 722 PUBLIC HEARING</u></b>		
005	Senator Neil Bryant	District 27. Testifies in support of SB 722A. Reviews SB 722A. Discusses Public Employee Retirement System (PERS). Explains regulations covering

		taxing of state and federal employees' pensions.
060	Sen. Bryant	Outlines issues concerning SB 722A discussed in the Senate. Discusses public employers' costs and possible ways to reduce costs.
110	Sen. Bryant	Continues to discuss ways to reduce PERS costs for public employers. Review ñA8, -A9 and ñA12 amendments ( <b>EXHIBIT A</b> ).
132	Vice-Chair Devlin	Asks if the employer's contribution can be withdrawn only at the employee's retirement.
136	Sen. Bryant	Explains how the employee can withdraw their contribution, and the employer's contribution at retirement.
142	Vice-Chair Devlin	Asks if employers can participate in the variable account only if their employees participate as well.
144	Sen. Bryant	States that Vice-Chair Devlin is correct.
147	Vice-Chair Devlin	Clarifies that the situation could not arise where employers invest funds in variable accounts and employees have not, so the employer cannot cover benefits.
152	Rep. Gardner	Asks if, previously, employers decided against pooling funds for investment.
156	Sen. Bryant	Replies that is correct. Discusses tradeoffs of pooling employee contributions.
181	Vice-Chair Devlin	Asks to speak with a PERS representative. Asks for fund rates for Oregon counties.
193	Fred McDonald	Director, PERS. Offers to provide that information.
195	Vice-Chair Devlin	Asks committee administrator to distribute the information when it is available.
205	Maria Keltner	Explains that her amendments are not yet ready.
208	Chair Simmons	Closes Public Hearing SB 722. Opens Public Hearing SB 1324A.
<b><u>SB 1324A PUBLIC HEARING</u></b>		
216	Janet Adkins	Policy Analyst. Reviews SB 1324A. Explains that it modifies expenditure reporting categories for the state highway fund.

232	Senator Marilyn Shannon	District 15. Testifies in support of SB 1324A ( <b>EXHIBITS B and C</b> ). Explains that the bill requires equitable distribution of Oregon Department of Transportation (ODOT) funds. States that it ensures proper expenditure of ODOT funds. Reviews provisions of SB 1324A.
280	Sen. Shannon	Relates support SB 1324A has among the public and the Legislature.
304	David Barenberg	League of Oregon Cities. Supports SB 1324A. Explains that the bill increases accountability for how ODOT funds are used.
348	Bill Penhollow	Association of Oregon Counties. Supports SB 1324A ( <b>EXHIBIT D</b> ). Discusses current expenditure reporting mechanisms and how SB 1324A improves them. Describes the variety of expenditure categories.
410	Rep. Edwards	Asks what is a "public improvement."
418	Penhollow	Explains what a public improvement is. Points out changes in SB 1324A.
<b>TAPE 103, A</b>		
007	Rep. Edwards	Asks for the rationale of having expenditures reported annually rather than biennially.
009	Sen. Shannon	States it is the right thing to do.
010	Barenberg	Explains that the data has to be reported annually for federal requirements. States that the existing data should be reported to the Legislature as well.
015	Sen. Shannon	Adds that the annual reporting requirement for counties is consistent with the annual reporting requirement for ODOT.
018	Rep. Edwards	Asks about the administration of the reporting standard.
024	Penhollow	Replies that the definition of administration has developed into a precise standard and the requirements will be consistent.
033	Vice-Chair Starr	Asks if the definition of new items exists.
036	Penhollow	Replies that the definitions are in use already.
039	Vice-Chair Starr	Asks how many cities have populations under 5000 and how much fund money would be exempted from the reporting requirement.

040	Barenberg	Replies that there are 175 cities with populations under 5000 or 10% of the state's population and funds.
053	Vice-Chair Starr	Asks how many cities are covered by the reporting requirement.
054	Barenberg	Answers that about 65 cities will have to report annually.
055	Sen. Shannon	Conveys the support she has gathered from the City of Eugene.
060	Rep. Edwards	Asks if League of Oregon Cities and Association of Oregon Counties represents all of the governments that are required to report.
063	Penhollow	Agrees that is correct.
069	Rep. Edwards	Asks Sen. Shannon how the Legislature will use the data.
074	Sen. Shannon	Replies that it will provide information on how the funds are being used and can be re-distributed for more efficient use.
087	Chair Simmons	Asks if the practice of commingling state and federal funds is a good business practice.
092	Sen. Shannon	Replies that it is good business, but makes it difficult to track the funds.
095	Chair Simmons	Asks if SB 1324A requires keeping funds separate from one another.
099	Barenberg	Explains that SB 1324A requires reporting of how state funds are used, but not which particular stretch of road is built with which fund; separate checks do not need to be cut.
113	Sen. Shannon	Suggests that it would be useful for ODOT to track funds separately.
117	Chair Simmons	Reviews the fiscal impact.
123	Adkins	Discusses possible changes to the fiscal impact statement, when SB 1324A is amended.
126	Sen. Shannon	States that the impact will be minimal.
129	Chair Simmons	Explains that the decision to commingle funds or not is a policy decision. Asks if the funds will still be commingled.

135	Sen. Shannon	Answers that funds can still be commingled, but how the state funds are used has to be reported to the legislature.
141	Chair Simmons	Closes Public Hearing SB 1324A. Opens Work Session SB 1324A.
<b><u>SB 1324A WORK SESSION</u></b>		
144	Rep. Beyer	<b>MOTION: Moves SB 1324A to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 7-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	Chair Simmons	<b>The motion CARRIES.</b>  <b>REP. STARR will lead discussion on the floor.</b>
156	Chair Simmons	Closes SB 1324A. Open Work Session SB 238A.
<b><u>SB 238A WORK SESSION</u></b>		
167	Rep. Gardner	<b>MOTION: Moves SB 238A to the floor with a DO PASS recommendation.</b>
170	Rep. Starr	<b>MOTION: Moves to AMEND SB 238A delete "Sections 11 and 12".</b>
178	Vice-Chair Starr	Explains the motion. Notes that law enforcement has significant concerns about SB 238A. Adds that professional wrestling associations do not need the bill to come to Oregon.
196	Rep. Gardner	Opposes the motion to amend the previous motion. States without SB 238A the professional wrestling associations will not come to Oregon.
208	Rep. Beyer	Asks a procedural question.
215	Rep. Gardner	States he will not oppose a vote on the motion to amend SB 238A.
225	Vice-Chair Starr	<b>VOTE: 3-4</b>

		<p><b>AYE: 3 - Beyer, Mannix, Starr</b></p> <p><b>NAY: 4 - Devlin, Edwards, Gardner, Simmons</b></p>
	<b>Chair Simmons</b>	<b>The motion FAILS.</b>
332	Chair Simmons	Reviews the previous motion to move SB 238A to the floor with a Do Pass recommendation.
249	Rep. Beyer	Explains he will vote to send SB 238A to the floor, but will vote no on the floor
253	Rep. Edwards	States that wrestling is entertainment not sport.
269	Rep. Mannix	States he will support the bill, but cautions the Legislature to watch what happens.
271	Chair Simmons	Agrees with Rep. Mannix.
<b>280</b>		<p><b>VOTE: 6-1</b></p> <p><b>AYE: 6 - Beyer, Devlin, Edwards, Gardner, Mannix, Simmons</b></p> <p><b>NAY: 1 - Starr</b></p>
	<b>Chair Simmons</b>	<p><b>The motion CARRIES.</b></p> <p><b>REP. GARDNER will lead discussion on the floor.</b></p>
292	Chair Simmons	Close Work Session SB 238A. Opens Work Session SB 1061A.
<b><u>SB 1061A WORK SESSION</u></b>		
298	Pat Zwick	Reviews SB 1061A. Reviews the ñA6 amendments ( <b>EXHIBIT E</b> ).
319	Jon Chandler	Director of Governmental Affairs, Oregon Building Industry Association. Supports SB 1061A. Explains the provisions of the ñA6 amendments.
370	Chandler	Points out the need for further refinement to the amendments.

**TAPE 102, B**

003	Vice-Chair Devlin	Asks if a small community plans to double in size and wants to double park acreage, which is no improvement in service, can that be charged entirely to System Development Charges (SDC).
015	Chandler	Replies that such development can use SDCs.
019	Vice-Chair Devlin	Asks another hypothetical question regarding use of SDCs.
030	Chandler	Agrees with Vice-Chair Devlin. States that the language of SB 1061 and its amendments have been left ambiguous to allow communities time to make arrangements.
041	Vice-Chair Devlin	Asks if an established city, with some new residential development, that wants to improve parks in new neighborhoods, can SDCs be used for those parks.
051	Chandler	Answers that is correct. Explains that SDCs can be used for new parks, even with an increased service standard.
071	Vice-Chair Devlin	Asks that LC provide a new summary for the bill after it is amended.
077	Rep. Edwards	Asks if "may" in line six of the A6 amendment is necessary.
080	Chandler	Answers that it is necessary to show that local jurisdictions have options.
083	Rep. Mannix	Asks if a community decides to use an improvement fee, then the community may use one method or the other, but does not have to use either.
091	Rep. Edwards	Agrees with Rep. Mannix, that is how SB 1061-A6 reads.
095	Chandler	Agrees with Rep. Mannix and Rep. Edwards that "may" should be changed to "shall".
097	Rep. Mannix	Explains the difference between "may" and "shall." Asks if there are other changes to be made to SB 1061A.
105	Chandler	Proposes another change to the amendment.
117	Rep. Mannix	Suggests that another amendment be crafted by LC before the committee votes on SB 1061A.

120	Chandler	Offers to work on further amendments.
123	Rep. Mannix	States discomfort with adopting these changes as conceptual amendments.
132	Representative Chris Beck	District 12. Opposes SB 1061A. States that the bill will make it difficult for cities to impose SDCís in new developments if existing neighborhoods do not have funds to improve existing parks.
162	Vice-Chair Devlin	Explains that SDCís can be imposed for new parks, but not to develop existing parks.
177	Rep. Beck	Explains that SDCís are limited, geographically, in where they can be used.
188	Vice-Chair Devlin	Explains that SB 1061A clarifies that SDCís cannot be used to develop existing parks or recreational facilities.
194	Betsy Belshaw	Vice-President, Salem Parks and Recreation Advisory Board. Opposes SB 1061A. States that SB 1061A, with the amendments, deteriorates Salemís master plan for parks.
206	Vice-Chair Devlin	Explains that SB 1061A does not allow SDCís to improve existing parks without a plan for additional funding of the project.
225	Belshaw	Points out areas of concern in SB 1061A.
239	Rep. Mannix	Draws an illustration of SB 1061A as regards use of SDCís. Points out differences between the amended bill and the original bill.
292	Rep. Beck	Expresses concern about the definition of what is an acceptable plan to improve existing park facilities.
311	Rep. Mannix	Disagrees with Rep. Beckís assessment of SB 1061A. Clarifies that SDCís cannot be relied upon, solely, to improve existing parks.
333	Chandler	States that Rep. Mannixís interpretation of SB 1061A with the amendments is correct. Explains that improvement of existing parks cannot be solely financed by new developments. States that SB 1061A does not address what happens if the communities plan to improve existing parks does not work. Suggests further language.
392	Rep. Edwards	Asks for clarification of application of SDCís to existing parks under certain circumstances.
403	Chandler	Explains when SDCís can be charged to improve existing parks. States that the



		issue is not the location of park facilities.
424	Vice-Chair Devlin	Asks what the implication of SB 1061A is for SDCs already in place.
<b>TAPE 103, B</b>		
004	Chandler	Replies that SB 1061A applies prospectively, so existing plans continue.
016	Vice-Chair Devlin	States that he lobbied for the first SDC to develop a park in Tualatin.
019	Vice-Chair Starr	Asks how important is SB 1061A; how big is the problem.
021	Chandler	Replies that the issue is very important. Explains it is so important because who uses park is ambiguous; SB 1061A creates fairness.
045	Chair Simmons	Asks Chandler to bring forward the ñA7 amendments.
<b><u>HB 3629 WORK SESSION</u></b>		
055	Cletus Moore	Committee Administrator. Reviews the ñ6 and ñ7 amendments to HB 3629 <b>(EXHIBIT F and G)</b> .
090	Vice-Chair Starr	Explains the ñ6 amendments and its sunset clause.
095	Rep. Beyer	Adds that this is a normal method of sun-setting workers' compensation laws.
100	Vice-Chair Starr	States that in a few years the Legislature needs to review how these provisions work.
107	Rep. Mannix	Explains the ñ7 amendments. Clarifies the rebuttable presumption clause.
129	Moore	Notes that the fiscal impact statement is based on the ñ4 amendments. States that Legislative Fiscal Office does not anticipate any changes.
<b>144</b>	<b>Rep. Starr</b>	<b>MOTION: Moves to ADOPT HB 3629 amendments dated 6/16/99.</b>
150	Rep. Beyer	Asks what the ñ6 amendments do besides sunset the law.
153	Vice-Chair Starr	States that the ñ6 amendments are intended to only sunset the law.

156	Chair Simmons	Notes that the ñ6 amendments do delete some language.
165	Rep. Mannix	Explains the language of the ñ6 amendments.
170	Vice-Chair Starr	Notes that the language ensures that previous language is enacted when the law sunsets.
175	Rep. Mannix	Discusses compensible injury claims.
180	Rep. Beyer	Asks for clarification about the ñ6 amendments; do they supersede all other amendments.
190	Vice-Chair Starr	Replies that subsequent adoption of amendments will amend the original bill.
194	Moore	Points out that the ñ7 amendments creates a new section to HB 3629.
200	Rep. Mannix	Explains that LC can blend amendments that the committee adopts.
216	Rep. Edwards	Asks why the sunset clause was included.
218	Rep. Mannix	Explains that the sunset clause is needed to assess whether the bill accomplishes what is intended or if it creates problems.
230	Rep. Beyer	States that a sunset clause makes HB 3629 more acceptable, but does nor resolve his concerns.
243		<b>VOTE: 7-0</b>
	<b>Chair Simmons</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
247	<b>Rep. Mannix</b>	<b>MOTION: Moves to ADOPT HB 3629 amendments dated 6/17/99.</b>
252	Rep. Beyer	Expresses concern about HB 3629.
276		<b>VOTE: 6-1</b> <b>AYE: 6 - Devlin, Edwards, Gardner, Mannix, Starr, Simmons</b> <b>NAY: 1 - Beyer</b>

	<b>Chair Simmons</b>	<b>The motion CARRIES.</b>
<b>280</b>	<b>Rep. Mannix</b>	<b>MOTION: Moves HB 3629 to the floor with a DO PASS AS AMENDED recommendation.</b>
286	Rep. Beyer	Expresses concern about the fiscal impact. Discusses implications of the fiscal impact on local jurisdictions and the state budget. States that HB 3629 should be referred to Ways and Means.
307	Vice-Chair Starr	States that HB 3629 does not need to be referred to Ways and Means if the impact statement is indeterminate.
310	Chair Simmons	Agrees with Vice-Chair Starr. Explains that the Ways and Means Co-Chair believes HB 3629 should go to the floor.
<b>320</b>		<b>VOTE: 6-1</b> <b>AYE: 6 - Devlin, Edwards, Gardner, Mannix, Starr, Simmons</b> <b>NAY: 1 - Beyer</b>
	<b>Chair Simmons</b>	<b>The motion CARRIES.</b>  <b>REP. MINNIS will lead discussion on the floor.</b>
338	Vice-Chair Devlin	Notes that PERS has provided information to him regarding unfunded liabilities. Offers to make the report available.
355	Chair Simmons	Closes Work Session HB 3629. Adjourns meeting at 5:05 p.m.

Submitted By, Reviewed By,

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

**EXHIBIT SUMMARY**

**A ñ SB 722A, LC amendments ñA12 (6/17/99), staff, 2 pp**

**B ñ SB 1324, written testimony, Senator Shannon, 1 p**

**C ñ SB 1324, written testimony, Senator Shannon, 2 pp**

**D ñ SB 1324, information packet, Bill Penhollow, 4 pp**

**E ñ SB 1061A, LC amendments ñA6 (6/17/99), staff, 2 pp**

**F ñ HB 3629, LC amendments ñ6 (6/16/99), staff, 9 pp**

**G ñ HB 3629, LC amendments ñ7 (6/17/99), staff, 2 pp**