

SENATE COMMITTEE ON GENERAL GOVERNMENT

April 1, 1999 Hearing Room C

3:00 p.m. Tapes 49 - 50

MEMBERS PRESENT: Sen. Verne Duncan, Chair

Sen. Cliff Trow, Vice-Chair

Sen. John Lim

Sen. Marylin Shannon

Sen. Frank Shields

STAFF PRESENT: Marjorie Taylor, Administrator

Patrick Brennan, Administrative Support

MEASURE/ISSUES HEARD: SB 776 Reconsideration and Work Session

SB 198 Public Hearing and Work Session

SB 199 Public Hearing and Work Session

SB 507 Public Hearing

SB 1025 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
TAPE 49, A		
002	Chair Duncan	Calls the meeting to order at 3:07 p.m. Opens a work session for the purposes of reconsidering SB 776.
<u>SB 776 POSSIBLE RECONSIDERATION AND WORK SESSION</u>		
010	Sen. Trow	MOTION: Moves to SUSPEND the rules for the purpose

		of reconsidering the vote by which SB 776 was sent to the floor of the Senate with a DO PASS recommendation.
012	Chair Duncan	Mentions that he has received a letter in which questions were raised regarding the potential impact of the bill (EXHIBIT A). Indicates that the interested parties are discussing the issue and may wish to propose a compromise amendment.
	Chair Duncan	Hearing no objection, declares the motion CARRIED.
022	Sen. Trow	MOTION: Moves to RECONSIDER the vote by which SB 776 was sent to the floor with a DO PASS recommendation.
025		VOTE: 3-0-2 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Lim, Shannon
	Chair Duncan	The motion CARRIES.
044	Chair Duncan	Closes the work session on SB 776 and opens a public hearing on SB 198.
<u>SB 198 PUBLIC HEARING</u>		
047	Marjorie Taylor	Committee administrator. Gives a brief description of the bill. Mentions that the bill was heard by the committee on 2-18-99.
051	Jim Shannon	Chair, Municipal Debt Advisory Commission (MDAC). Testifies in support of SB 198. Says that the questions which arose during the 2-18-99 public hearing have resulted in the ñ1 amendments (EXHIBIT B) and the ñ2 amendments (EXHIBIT C). Indicates that MDAC supports the ñ2 amendments.
105	Sen. Trow	Requests a description of any costs which may be treated as "personal property."
114	J. Shannon	Replies that statute uses the term "real or personal property" without defining it. Explains that there is uncertainty as to whether software would be covered by such a definition. Indicates that "personal property" is defined as property that is acquired which has a useful life of more than one year.
117	Sen. Trow	Comments that the amendmentsí removal of the phrase "but not limited to" on Page 1, line 9 of the bill create ambiguity. Expresses surprise that the amendment has not elicited opposition.

119	J. Shannon	States that the group which developed the amendment felt that the concept is known to those in the accounting profession and that the amended bill would eliminate an existing ambiguity.
124	Chair Duncan	Closes the public hearing on SB 198 and opens a work session on SB 198.
<u>SB 198 WORK SESSION</u>		
127	Sen. Trow	MOTION: Moves to ADOPT SB 198-2 amendments dated 3/17/99.
130	J. Shannon	Explains that the ñ1 amendments are essentially the "rough draft" of what became the ñ2 amendments.
135	Chair Duncan	Clarifies that the ñ1 amendments insert the term "real property" in two places and that the interested parties decided not to include the term in the amended bill.
151	Hasina Squires	Representative, Special Districts Association (SDA). Testifies in support of SB 198 and the ñ2 amendments. Indicates that certain language on Page 4, lines 21-23, relating to the definition of capital projects, could increase the authority of local governments to construct improvements. Explains that the SDA would like to be delegated the authority.
180	Chair Duncan	Asks if the term "real property" would eliminate the delegation of additional authority to local governments.
183	Squires	Replies that the addition of "real property" would make the amendment a purely technical change. Adds that without the addition the amendment would have a potential policy impact.
191	J. Shannon	Clarifies that he was not involved in the development of the ñ1 and ñ2 amendments. Understands that the SDA had requested the ñ1 amendments and later agreed that the ñ2 amendments would be more appropriate. Explains that the term "buildings," as used in the bill includes swimming pools and play structures and would allow SDA to make such improvements.
210	Squires	Responds that she had nothing to do with either the ñ1 or ñ2 amendments but that she brought her concerns to the committee based upon a recommendation by the Treasury Department.
223	Sen. Lim	Asks what the result would be of granting local governments the authority to make such improvements.
229	J. Shannon	Replies that currently a local government which receives money from voters can build a building but not the related improvements. Says that the bill would allow the improvements to be made.

242	Sen. Lim	Concludes that the bill would not cost state government.
245	Sen. Shields	Congratulates the SDA for making the disclosure.
	Chair Duncan	Hearing no objection, declares the motion CARRIED.
265	Sen. Trow	MOTION: Moves SB 198 to the floor with a DO PASS AS AMENDED recommendation.
268		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Shannon
	Chair Duncan	The motion CARRIES. SEN. DUNCAN will lead discussion on the floor.
273	Chair Duncan	Closes the work session on SB 198 and opens a public hearing on SB 199.
<u>SB 199 PUBLIC HEARING</u>		
275	Jim Shannon	Chair, MDAC. Testifies in support of SB 199. Declares that the purpose of the bill is to facilitate lower borrowing costs for local governments. Outlines three substantive provisions within the bill: <ul style="list-style-type: none"> • Allows local governments to create an alternative, competitive bidding process for the sale of bonds • Allows municipalities to enter into contracts to refund or refinance their bonds at a later date in order to take advantage of current low interest rates • Permits counties that have the authority to issue bonds to issue limited tax bonds
324	Sen. Trow	Asks if the bill is in need of amending.
325	J. Shannon	Replies that the bill is ready to go as is.
326	Sen. Trow	Asks if there is any known opposition to the bill.
327	J. Shannon	Replies that he knows of no opposition.

335	Sen. Shannon	Wonders if there is any opposition that has not been heard from.
340	Chair Duncan	Closes the public hearing on SB 199 and opens a work session on SB 199.
<u>SB 199 WORK SESSION</u>		
345	Sen. Trow	MOTION: Moves SB 199 to the floor with a DO PASS recommendation.
351		VOTE: 3-1-1 AYE: 3 - Lim, Trow, Duncan NAY: 1 - Shannon EXCUSED: 1 - Shields
	Chair Duncan	The motion CARRIES. SEN. DUNCAN will lead discussion on the floor.
375	Chair Duncan	Closes the work session on SB 199 and opens a public hearing on SB 507.
<u>SB 507 PUBLIC HEARING</u>		
382	Dave Barrows	Representative, Association of O & C Counties. Testifies in support of SB 507. States that many counties in Oregon have suffered dramatic drops in their budgets due to Ballot Measures 5 and 50, and a lagging timber industry.
410	Al Switzer	Commissioner, Klamath County. Testifies in support of the SB 507. Declares that Klamath County has approximately 4 million acres, of which 59 percent is owned by the Federal government. States that there have been 110 search and rescues in Klamath County since 1995, 96 of which were performed on federal lands. Adds that, of the 96 search and rescue operations performed on federal lands, 69 were to rescue mushroom gatherers, who pay fees to the federal government for the right to pick mushrooms in federal forests. Argues that the federal government should reimburse Klamath County for funds spent on search and rescue operations which take place on federal lands.
TAPE 50, A		
028	Sen. Trow	Wonders if the mushroom pickers mentioned by Mr. Switzer are residents of Klamath County.

031	Switzer	Responds that most of those who pick mushrooms migrate from area to area picking matsutake mushrooms for profit.
037	Chair Duncan	Asks if those who pick mushrooms for a living are aware of the dangers involved.
039	Switzer	Describes the cultural background of the mushroom pickers. Explains that matsutake mushrooms are highly prized and are traded "like trading stocks." States that other problems such as gang violence and prostitution have followed the mushroom industry into the federal forests and surrounding areas and that the county has had to deal with them. Says that the last search performed on federal land in Klamath County had a total cost of \$23,000, without considering volunteer efforts. Emphasizes that the county has no money in its budget for search and rescue operations, which means that the cost must come from reserves or other areas of the county budget.
077	Sen. Trow	Asks what prevents counties from charging the federal government at the present time.
080	Switzer	Replies that state statute prevents such activities.
084	Sen. Trow	Indicates that Oregon has no power to force the federal government to pay. Asks why the county cannot just send a bill to the federal government.
088	Barrows	Replies that the county would be more likely to hear a response to its request if the state were to put its weight behind the request.
100	Sen. Trow	Asks what happens in the event that the Federal government refuses to pay. Asks if the county would refuse to perform the rescue operation. Asks if other states receive similar restitution from the Federal government.
108	Barrows	Replies that the Federal government reimburses other states for similar rescue operations.
111	Chair Duncan	Requests information from other states regarding the application for federal funds.
117	Chair Duncan	Closes the public hearing on SB 507 and opens a public hearing on SB 1025.
<u>SB 1025 PUBLIC HEARING</u>		
120	Marjorie Taylor	Committee Administrator. Gives a brief description of the bill. States that the bill merely codifies the current practices of Legislative Fiscal, Legislative Administration, and Legislative Counsel.

135	Dave Henderson	Legislative Administrator. Testifies in support of SB 1025. Indicates that there is currently no statutory authority for the Legislative Counsel, Legislative Administrator, or the Legislative Fiscal Officer to enter into contracts. Clarifies that the ability to do so has been implied in the past. Explains that the bill would put the three officers on par with the Legislative Revenue Officer, whose authority to enter into contracts is already set in statute.
145	Sen. Trow	Asks if there would be a review of such contracts by a person or body which had "final authority."
147	Henderson	Replies that the final authority would rest with the appointing authority for the particular officer entering into the contract. Adds that the process for doing so could be codified by any committee wishing to do so.
150	Sen. Trow	Wonders what would happen in the event that an inappropriate contract was entered into by one of the four statutory officers. Says that such a contract would be binding once it were finalized and that there should be a process of review before such contracts were finalized.
158	Henderson	Explains that, were the Legislative Counsel to enter into a contract, the contract would be reviewed by the Legislative Counsel Committee.
159	Sen. Trow	Mentions that the Legislative Counsel Committee rarely convenes meetings.
163	Greg Chaimov	Legislative Counsel. Testifies in support of SB 1025 (EXHIBIT D). States that his office has the resources for reviewing contracts into which the Legislative Counsel has plans to enter and that such inquiries are made as a matter of course.
169	Sen. Trow	Wonders who it is that reviews contracts agreed upon by the Legislative Revenue Officer.
171	Henderson	Replies that the Revenue Committee would review such contracts.
174	Sen. Lim	Indicates that the bill does not clarify that the bill refers only to the Legislative Counsel, as opposed to other individuals within the Legislative Counsel office.
181	Chaimov	Explains that statute refers to Legislative Counsel as a single individual.
184	Sen. Trow	Requests confirmation that the Legislative Revenue Officer already has the authority to enter into contracts.
188	Henderson	Confirms Sen. Trow's statement.
193	Chair Duncan	Closes the public hearing on SB 1025 and opens a work session on SB 1025.

SB 1025 WORK SESSION

198	Sen. Lim	MOTION: Moves SB 1025 to the floor with a DO PASS recommendation.
201		VOTE: 3-0-2 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Shannon, Shields
	Chair Duncan	The motion CARRIES. SEN. LIM will lead discussion on the floor.
207	Chair Duncan	Closes the work session on SB 1025 and reopens the public hearing on SB 507.

SB 507 PUBLIC HEARING

210	Al Switzer	Commissioner, Klamath County. Comments on the federal forest issue. Indicates that he has discussed the issue of billing federal forests with Congressmen Walden and Smith. States that, if Congress were to set up profit centers for federal forests, the county would be able to bill that profit center for the cost of search and rescue operations.
224	Sen. Trow	Asks if the fees paid to pick mushrooms are sufficient to pay for the cost of rescue operations.
227	Switzer	Estimates that the fees would be sufficient, not only for rescue operations but also for policing the camps occupied by the mushroom pickers.
238	Sen. Trow	Wonders how many people participate in mushroom picking.
240	Switzer	Indicates that there are several hundred pickers. Explains that matsutake mushrooms are sold for about \$40 per pound and flown to Japan, where they are considered a delicacy.
252	Chair Duncan	Asks when most of the picking occurs.
255	Switzer	Describes the process by which matsutake mushrooms are harvested.

261	Chair Duncan	Inquires as to why the Sheriffs Association has withdrawn its support for SB 507.
267	Barrows	Explains that the representative for the Sheriffs Association has stated that the initial support was not an official position of the association, but rather the opinion of select members of the association.
297	Ellen Martin	Volunteer, Marion County Search and Rescue. Testifies in opposition to SB 507. Asserts that the option to bill the Federal government already exists and that the bill would appear instead to require that counties seek such reimbursement. Wonders how the prices could be assessed for volunteers, vehicles, and other donated materials. Mentions an internet search and rescue discussion group [http://www.sar.island.net] in which a great deal of nationwide opposition to SB 507 has been expressed. Indicates that no federal agencies are charged for such services.
370	Martin	Offers an account of her past experiences as a search and rescue volunteer. Describes a vast array of materials and equipment donated by the Federal government to search and rescue volunteers. Argues that billing the Federal government for rescue operations may jeopardize the continued provision of donated materials and the good working relationship that volunteers currently have with them. Recounts occasions where Federal resources have been called in to assist in rescues on state lands. States that search and rescue should be a joint venture. Says that the Marion County Sheriff has a \$2500 search and rescue budget and that the only reimbursement to volunteers is for mileage.
TAPE 49, B		
016	Martin	Says that search and rescue is a complex process which requires a great deal of training on the part of the volunteers who perform such duties. Asserts that the Federal government is an integral part of the process.
027	Sen. Trow	Says that the bill applies to all counties within the state, rather than just to mushroom pickers within Klamath County. Asks if Ms. Martin would support the bill were it to be directed solely to Klamath County.
038	Martin	Replies that a bill directed specifically at Klamath County would still be "a mistake." Mentions two recent tragedies which occurred in Klamath County and indicates that volunteers from Marion County have participated in those operations. States that Klamath County's cost issue could be alleviated by developing a better relationship with federal personnel in the area. Expresses concern that billing the Federal government for rescue operations could result in the Federal government reciprocating by charging counties when it offers assistance to them.
058	Chair Duncan	Asks Ms. Martin how she became aware of SB 507.
063	Martin	Replies that she heard about the bill while working with the Marion County Sheriffs Office, which follows all bills pertaining to sheriffs offices statewide.

071	Chair Duncan	Inquires as to what the Sheriffs position is with regards to SB 507.
073	Martin	Indicates that the Marion County Sheriff shares her concerns.
080	Sen. Trow	Speculates that there may be a great number of volunteers statewide who also share Ms. Martin's concerns. Requests an estimate of the numbers of search and rescue volunteers statewide.
085	Martin	Replies that Marion County has 170 volunteers, not including certain groups which assist operations from time to time. Says that she does not know how many volunteers there are in the state as a whole.
090	Chair Duncan	Asks Mr. Switzer for information regarding volunteers in Klamath County.
099	Switzer	Replies that a recent operation required over 11,000 person hours. Indicates that Klamath County has a good relationship with federal personnel. Clarifies that fire fighters can charge the Federal government for fighting fires on federal lands. States that Klamath County has no money budgeted for search and rescue and that money to perform such operations comes out of other parts of the budget.
121	Chair Duncan	Asks for the position of the Klamath County Sheriff on SB 507.
124	Switzer	Replies that the Sheriff in his county shares the views of the Sheriffs Association. Says that opportunity to cover costs should always be considered, since the county does not have the ability to fund rescue operations.
135	Sen. Trow	Asks Mr. Switzer if he believes that the bill would be good for the entire state.
148	Switzer	Indicates that his testimony relates only to Klamath County because his knowledge of the issue comes solely from his experience as a Klamath County Commissioner.
149	Sen. Trow	Indicates that the bill may not be good policy for all counties in Oregon.
152	Switzer	Asserts that the impact of the bill on a county would be proportional to the amount of federal lands in the county.
164	Martin	Suggests that Mr. Martin could strive to fund a search and rescue budget.
172	Switzer	Comments that he has made such efforts and will continue to do so in the future.
174	Chair Duncan	Closes the public hearing on SB 507 and adjourns the meeting at 4:15 p.m.

Submitted By, Reviewed By,

Patrick Brennan, Marjorie Taylor,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 776, testimony, B.J. Smith, 2 pp.

B ñ SB 198, -1 amendments, staff, 1 p.

C ñ SB 198, -2 amendments, staff, 1 p.

D ñ SB 1025, testimony, Greg Chaimov, 1 p.