

SENATE COMMITTEE ON PUBLIC AFFAIRS

July 9, 1999 Hearing Room B

8:00 a.m. Tapes 90 - 92

MEMBERS PRESENT: Sen. Charles Starr, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Marilyn Shannon

Sen. Veral Tarno

Sen. Thomas Wilde

STAFF PRESENT: Brian Smith, Administrator

Marjorie Taylor, Administrator

Sandy Thiele-Cirka, Administrator

Patrick Brennan, Administrative Support

MEASURES HEARD: SB 1334 Public Hearing and Work Session

HB 2140 Public Hearing and Work Session

HB 2633-A Public Hearing and Work Session

HB 3190 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 90, A		
004	Chair Starr	Calls the meeting to order at 8:04 a.m. Opens a public hearing on SB 1334.
<u>SB 1334 PUBLIC HEARING</u>		

009	Sandy Thiele-Cirka	Committee Administrator. Gives a brief description of the bill.
031	Fred Hansen	General Manager, Tri-Met. Testifies in support of SB 1334 (EXHIBIT A). States the bill will give Tri-Met the authority to access information necessary to perform background checks on employees. Describes the current methods used by Tri-Met to check backgrounds for existing and prospective employees. Acknowledges the responsibility to privacy and appropriate use that accompanies access to the criminal records database.
087	Hansen	Expresses concern with provisions in the bill regarding the use of seat belts by drivers. Asserts that local transit districts should retain internal authority to require operators to use seat belts.
099	Sen. Tarno	Asks if Tri-Met requires periodic drug testing for operators.
101	Hansen	Replies that Tri-Met performs random drug and alcohol testing for all direct hires and lift employees, according to federal guidelines.
109	Jim Markee	Representative, Amalgamated Transit Union (ATU). Provides overview of four sets of submitted amendments (EXHIBITS B-E). Notes opposition to the ñ3 amendments. Explains that section 4 of the bill exempts mass transit drivers from seat belt requirements.
176	Ron Heintzman	President, ATU. Testifies in support of SB 1334. Explains that bus drivers work in small compartments, making it difficult for them to protect themselves and their passengers when wearing seat belts.
195	Sen. Shannon	Questions if seat belts have saved the lives of bus drivers.
207	Heintzman	Replies affirmatively. Notes that there have been instances where seat belts have contributed to operator injuries.
230	Sen. Shannon	Comments that the bill affects other transit districts besides Tri-Met.
244	Hersh Crawford	Director, Office of Medical Assistance Programs (OMAP). Testifies in support for SB 1334 (EXHIBIT F). Says Tri-Met will work with DHR to perform the background checks. Expresses concern that DHR will be required to perform background checks. Says the ñ3 amendments make sections 1 and 2 unnecessary.
270	Sen. Shannon	Questions if Tri-Met supports the ñ3 amendments.
286	Crawford	Confirms that Tri-Met has expressed support for the ñ3 amendments and that there is no known opposition.
289	Charles Williamson	Representative, Commercial Information Systems (CIS). Testifies to a position

		of neutrality on SB 1334. States that CIS has provided background information to Tri-Met in the past and would like to continue to do so. States that the ñ4 amendments allow transit districts to continue to use private record providers such as CIS.
322	Sen. Shannon	Questions if there is conflict between the ñ4 and ñ5 amendments.
325	Williamson	Replies no.
329	Sen. Tarno	Asks if information provided by private companies has been challenged for authenticity.
334	Glenn Jacobs	Executive Vice President, CIS. Replies no and adds that the information comes from public records.
336	Sen. Tarno	Requests clarification as to the differences between the services provided by the State Police and private contractors
339	Williamson	Responds that CIS does not perform nationwide database searches or fingerprint checks.
363	Kristen Mitchell	Representative, Oregon Refuse and Recycling Association (ORRA). Testifies in support of the ñ2 amendments to SB 1334. Explains that the amendments include refuse and recycling drivers in seatbelt exemption.
398	Tom Dixon	Oregon State Police. Indicates that the language in the bill will not allow the State Police to access Federal Bureau of Investigation (FBI) databases to perform background checks. Notes that CIS provides certain information that is not provided by the State Police, which makes access to both systems valuable. Remarks that FBI fingerprint checks require up to six weeks completing.
TAPE 91, A		
027	Sen. Shannon	Suggests changes be made in the House.
032	Dixon	Responds in agreement. Reiterates that the bill will not function as intended in its current form.
047	Sen. Shannon	Questions if taxi drivers are required to undergo background checks if their company contracts with OMAP.
051	Markee	Responds that they would be required to do so by the bill.
057	Crawford	Expresses doubt that the bill currently requires checks on taxi drivers. Reviews

		the qualifications and requirements for taxi drivers.
073	Sen. Shannon	Asks if there have been concerns with taxi drivers.
075	Crawford	States that taxi driver regulation is provided by local governments.
085	Chair Starr	Notes concern that the ñ3 amendments eliminate a large portion of the bill.
090	Markee	Acknowledges support for reviewing the bill in the House.
120	Chair Starr	Closes the public hearing on SB 1334 and opens a work session on SB 1334.
<u>SB 1334 WORK SESSION</u>		
123	Sen. Tarno	MOTION: Moves to ADOPT SB 1334-2 amendments dated 7/8/99.
125		VOTE: 3-0-2 EXCUSED: 2 - Dukes, Wilde
	Chair Starr	Hearing no objection, declares the motion CARRIED.
136	Sen. Tarno	MOTION: Moves to ADOPT SB 1334-5 amendments dated 7/9/99.
137		VOTE: 3-0-2 EXCUSED: 2 - Dukes, Wilde
	Chair Starr	Hearing no objection, declares the motion CARRIED.
140	Sen. Tarno	MOTION: Moves SB 1334 to the floor with a DO PASS AS AMENDED recommendation.
142		VOTE: 3-0-2 AYE: In a roll call vote, all members present vote Aye.

		EXCUSED: 2 - Dukes, Wilde
	Chair Starr	<p>The motion CARRIES.</p> <p>SEN. SHANNON will lead discussion on the floor.</p>
143	Chair Starr	Closes the work session on SB 1334 and opens a public hearing on HB 2140-B.
<u>HB 2140-B PUBLIC HEARING</u>		
144	Marjorie Taylor	Committee Administrator. Gives a brief description of the bill. Says the bill would allow the Oregon Liquor Control Commission (OLCC) to increase its civil penalty authority to \$5,000.
157	Bill Perry	Representative, Oregon Restaurant Association (ORA). Testifies in support of HB 2140-B. Says the responsible vendor program is the best way to deal with the problem of alcohol sales to minors.
170	Barb Hutchison	Representative, OLCC. Testifies in support of HB 2140-B. Says the bill is a result of several months of negotiations. States that the increase in civil penalties is important to keeping liquor out of the hands of minors. Asserts that OLCC will retain the ability to cancel liquor licenses if the bill becomes law.
191	Rep. Tom Butler	House District 60. Testifies in support of HB 2140-B. Says that a \$5,000 fine is a significant deterrent to selling alcohol to minors or visibly intoxicated patrons. Comments that the bill gives vendors the opportunity to train clerks how to avoid violations. Discusses previous efforts to create age verification systems. Asserts the bill is "a positive first step" in preventing access to alcohol by minors.
241	Sen. Tarno	Inquires whether a person receiving a temporary permit to serve beer would be required to undergo training.
247	Rep. Butler	Replies that beer garden operators assume responsibility for training when applying for a temporary license.
250	Hutchison	Comments that the training required for a temporary permit is less extensive than that for servers.
255	Chair Starr	Closes the public hearing on HB 2140-B and opens a work session on HB 2140-B.
<u>HB 2140 WORK SESSION</u>		

260	Sen. Tarno	MOTION: Moves HB 2140-B to the floor with a DO PASS recommendation.
263		VOTE: 3-0-2 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Dukes, Wilde
	Chair Starr	The motion CARRIES. SEN. TARNO will lead discussion on the floor.
284	Chair Starr	Closes the work session on HB 2140-B and opens a public hearing on HB 2633-A.
<u>HB 2633-A PUBLIC HEARING</u>		
290	Mark Nichols	Associate Professor, Oregon Health Sciences University (OHSU). Testifies in opposition to HB 2633-A (EXHIBIT G). States that doctors should always encourage pregnant teens to involve their parents, but that many girls fear reproach or abuse. Comments that unintended pregnancies "result from activity which marks the transition to adulthood" and should be treated differently than other types of medical procedures. Argues that sex education has lowered the teen pregnancy rate.
356	Nichols	Expresses concern with the "bypass" approach, which may delay the procedure, thereby increasing the cost and the risk. Asserts that the bill will create barriers to legally obtainable medical procedures.
379	Sen. Shannon	Indicates that there were 38 complications related to abortions in 1998. Recalls a case where a mother's insurance was liable for complications related to an abortion that she was unaware her daughter was to undergo. Inquires how Dr. Nichols would handle such a situation.
398	Nichols	Replies that the law does not require a provider to gain consent from parents.
405	Sen. Shannon	Says the bill only requires notification of liability.
410	Nichols	Indicates that parental notification is required only for major surgical procedures.
TAPE 90, B		

007	Sen. Shannon	Asserts that abortions are invasive procedures. Describes the dilation and extraction (D&E) procedure and asks Dr. Nichols if he has performed them.
015	Nichols	Replies that he performs D&Es on a regular basis.
023	Sen. Shannon	Wonders why parental authorization is required for ear piercing but not for abortions. Asserts that it is "arrogant" for doctors to take responsibility for abortions, while absolving themselves of responsibility for the costs associated with complications.
031	Nichols	Responds that the law does not require doctors to notify parents.
035	Sen. Shannon	Asks Dr. Nichols why he is testifying against parental notification.
038	Nichols	Expresses concern that parental notification requirements will cause some girls to delay the procedure, thereby increasing the number of dilation and extractions performed and consequently increase risk.
043	Sen. Shannon	Asserts that pro-choice advocates politicized the issue.
064	Jane Doe	Mother of a 15-year old daughter. Offers a personal testimonial of her daughter's abortion and resultant complications (EXHIBIT H).
103	Gayle Atteberry	Executive Director, Oregon Right-To-Life. Testifies in support of HB 2633-A (EXHIBIT I). Submits testimony of young women who have received abortions (EXHIBIT J) and from a child psychologist (EXHIBIT K). Argues that the requirement will assure that parents will not be left out of an important life decision. Explains that the bill creates a "bypass" for cases where there may be safety concerns related to parents. Mentions that the Supreme Court has upheld parental notification laws in other states.
152	Atteberry	Says that 26 states have some form of parental notification law. Mentions a poll indicating that 72 percent of Oregonians favor parental notification laws. Refutes the assertion that parental notification leads to an increase in late-term abortions. Explains that the bypass mechanism in the bill is non-judicial to insure privacy.
205	Atteberry	Discusses the bypass issue, referring to a letter from Legislative Counsel Greg Chaimov (EXHIBIT L). Refers to statistics from the State of Virginia to demonstrate that most girls do not have a legitimate basis for requesting a bypass.
272	Maura Roche	Representative, Planned Parenthood. Testifies in opposition to HB 2633-A (EXHIBIT M). States that Planned Parenthood has always supported parental involvement regarding teen reproductive issues. Expresses concern with "mandating communication" in cases involving potential abuse. Suggests that the bypass provision constitutes an un-funded mandate, which could be rescinded in the future.

318	Paula Krane	President, League of Women Voters of Oregon. Testifies in opposition to HB 2633-A (EXHIBIT N). Expresses opposition to government intervention in personal health care decisions. Suggests that the bypass will result in an increase in late-term abortions. Mentions that Oregonians have already defeated similar legislation on the ballot.
347	Jill Brunelle	Student, Oregon State University. Testifies in opposition to HB 2633-A (EXHIBIT O). Offers a personal testimonial of her rape and resultant abortion.
TAPE 91, B		
002	Brunelle	Provides examples of several young women whose lives have been disrupted by unplanned pregnancies. Asserts that mandatory parental notification laws will encourage some girls to seek illegal abortions or to commit suicide.
025	Sen. Shannon	Comments that there are girls who are raped that choose to carry their babies to term and put them up for adoption. Asserts that most parents would want to be there for their daughter during such a trying time.
		Additional testimony was submitted for consideration by the committee (EXHIBITS P-R).
048	Chair Starr	Closes the public hearing on HB 2633-A and opens a work session on HB 2633-A.
<u>HB 2633-A WORK SESSION</u>		
050	Sen. Dukes	Requests an explanation of section 7 of the bill.
060	Atteberry	Says that a challenge to the bill, should it become law, would require the Attorney General to appoint a defense attorney. Explains that the intent of section 7 is to allow members of the legislature to appoint their own counsel to represent the legislature alongside the Attorney General in defending the bill in court.
072	Sen. Dukes	Comments that the Attorney General may not wish to have the assistance of an attorney appointed by the legislature.
083	Atteberry	Mentions that it is common for several lawyers to present a case.
100	Greg Chaimov	Legislative Counsel. States that section 7 gives permission to appointed members of the legislature to join in defense of the law, either through obtaining an attorney or requesting assistance from Legislative Counsel.
108	Sen. Dukes	Offers an example of a legislative member requesting the services of a Right-To-

		Life attorney. Inquires as to the source of the funds that would be used to hire private attorneys.
113	Chaimov	Says that the Attorney General would pay the fee for the private attorney.
115	Sen. Shannon	Asks whether other states have similar provisions.
120	Chaimov	Replies that he does not know.
121	Sen. Shannon	MOTION: Moves HB 2633-A to the floor with a DO PASS recommendation.
123		VOTE: 4-1 AYE: 4 - Dukes, Shannon, Tarno, Starr NAY: 1 - Wilde
	Chair Starr	The motion CARRIES. SEN. SHANNON will lead discussion on the floor.
124	Chair Starr	Closes the work session on HB 2633-A and opens a public hearing on HB 3190-B.
<u>HB 3190-B PUBLIC HEARING</u>		
125	Rep Floyd Prozanski	House District 40. Testifies in support of HB 3190-B. Refers to a photograph of an explosion of 250 lbs. of high explosives that occurred in the Mosier area in 1996. Describes the illegal storage of high explosives in the case, which endangered the lives of rescue workers and neighborhood residents. Gives an overview of the activities of an advisory group appointed to oversee the transportation and storage of explosives.
180	Rep. Prozanski	Recalls an incident in October 1997 in which an explosives expert was killed while dealing with illegally stored explosives. Says the bill has been amended to the satisfaction of all interested parties. States that the bill requires individuals transporting or storing explosives to demonstrate a minimum level of competence. Asserts that knowledge of the location of explosives is vital for the protection of emergency response personnel and the general public. Mentions that bomb technicians have disposed of over 14,000 pounds of explosives during the past five years.
230	Rep. Prozanski	Argues that the ñB5 amendments (EXHIBIT S), which deal with fireworks, are

		not germane to the bill and could jeopardize its passage if adopted. States that the bill will give emergency personnel the knowledge they need to properly handle situations involving high explosives.
257	Sen. Dukes	Asks whether the vehicles that transport high explosives are required to bear markings identifying their cargo.
265	Rep. Prozanski	Replies that there are federal requirements for such markings. Clarifies that the bill addresses concerns that vehicle operators may not have knowledge of how to properly transport explosives.
273	Sen. Dukes	Recalls that the enhanced 9-1-1 service had originally intended to include explosives information.
284	Sen. Shannon	Recalls that the officer who died in Rep. Prozanski's example was following protocol.
287	Rep. Prozanski	Clarifies that preventative measures should be taken to insure that explosives are properly stored, so as to reduce the number of incidents requiring the dispatch of explosives experts.
297	Sen. Shannon	Inquires whether the bill would affect the storage of ammunition.
307	Rep. Prozanski	Replies that the bill exempts several categories of explosive material, including black powder, smokeless powder, small arms ammunition and primer, fertilizer, and fireworks.
326	Sen. Tarno	Asks whether "magazine" is defined in statute.
329	Rep. Prozanski	Replies affirmatively.
365	Chuck Norris	Fire Marshal Division Chief, Mid-Columbia Fire and Rescue. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments. Mentions that the rescue personnel who responded to the Mosier incident were unaware of the existence of high explosives on the premises. Reiterates that the bill will protect both the public and emergency response personnel. Asserts that the fireworks provisions in the amendments present a potential danger to public safety.
403	Teri Glocar	Representative, State Fire Marshal. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments (EXHIBIT T). Submits testimony from Oregon fireworks vendors in opposition to the amendments.
TAPE 92, A		
009	Dave Rasmussen	Representative, Portland Fire Bureau. Testifies in support of HB 3190-B and in

		opposition to the ñB5 amendments (EXHIBIT U). States that tracking the location of explosives is vital to public safety.
017	John Wolff	Representative, Tualatin Valley Fire and Rescue. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments.
020	Lt. Jeff Howard	Commander, Oregon State Police. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments (EXHIBIT V). Says the provisions of the bill dealing with inspection of magazines are especially important to the State Police.
027	Ken Armstrong	Representative, Oregon Fire Chiefs Association. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments.
040	Jerry Wallace	Owner, Wallace Technical Blasting. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments (EXHIBIT W). Mentions that he was a member of the explosives advisory group referred to by Rep. Prozanski. Says the bill requires individuals who store and transport explosives to receive training. Says that magazines are specified according to standards set by the Federal Bureau of Alcohol, Tobacco, and Firearms (BATF), although the state currently has no vehicle for intrastate inspection. Reiterates that small arms, farm fertilizers, and fireworks are excluded from the bill.
070	Robert Brown	Representative, Pyrodyne American. Testifies in opposition to the ñB5 amendments to HB 3190 (EXHIBIT X). Indicates that his organization has worked for the safe use of fireworks in Oregon and says the amendments may increase instances of unsafe usage.
082	Ken Warner	Representative, Alaska Pacific Powder Co. Testifies in support of HB 3190-B and in opposition to the ñB5 amendments. Says that entertainment devices should not be considered together with commercial explosives.
090	Wallace	Clarifies that vehicle-marking requirements also require drivers holding commercial licenses with the proper endorsement.
103	Sen. Gary George	Senate District 2. Testifies in support of the ñB5 amendments to HB 3190. Submits that the current ban on certain fireworks has resulted in "rampant civil disobedience," as many Oregonians travel to Washington to purchase them and bring them back to Oregon. Asserts that such devices should be regulated, rather than outlawed, to allow the state a greater degree of control over them. Argues that the relating clause makes the amendments germane.
135	Sen. Dukes	Mentions that Washington retailers have begun to check identification to avoid selling illegal fireworks to Oregonians.
141	Sen. George	Responds that Native American tribes also sell fireworks to Oregonians.
143	Sen. Dukes	Comments that the trip to Native American reservations is longer, making it more difficult to purchase fireworks there.

146	Sen. George	Submits that the added distance has not deterred many Oregonians from purchasing fireworks in Washington and returning to Oregon to set them off.
151	Sen. Shannon	Indicates that she saw many illegal fireworks being set off in Oregon during the Independence Day holiday. Asserts that such devices should be legalized.
155	Sen. George	Submits that outlawing certain fireworks is an unnecessary protection of individuals. Says that it is impossible for most jurisdictions to enforce the bans, as there are so many violations. Asserts that education and training as to the use of fireworks is preferable to reinforcing "an attitude towards lawbreaking."
180	Dwight Slade	Talk Radio Host, KXL Radio. Testifies in support of the ñB5 amendments to HB 3190. Submits testimony sent to him in support of overturning the ban on fireworks in Oregon (EXHIBIT Z). States that fireworks are an expression of patriotism. Argues that Oregon's restrictions should be on par with those of Washington and California.
		Additional testimony was submitted to the committee, for consideration by the members (EXHIBITS AA, BB).
197	Chair Starr	Expresses sympathy for the amendments but says that he will not support adopting them into the bill. Closes the public hearing on HB 3190-B and opens a work session on HB 3190-B.
<u>HB 3190-B WORK SESSION</u>		
210	Sen. Dukes	MOTION: Moves HB 3190-B to the floor with a DO PASS recommendation.
212	Sen. Dukes	Mentions that she observed unlawful and unsafe use of fireworks in her district during the Independence Day holiday. Says she cannot support allowing illegal fireworks to be used in Oregon.
222	Sen. Shannon	Asserts that the ban on fireworks is "ridiculous" and should be repealed. Argues that it is impossible to outlaw every dangerous thing. Submits that alcohol is often the cause of accidents related to fireworks.
241	Sen. Tarno	Says that the amendments should be discussed on the Senate floor.
255		VOTE: 1-4 AYE: 1 - Dukes NAY: 4 - Shannon, Tarno, Wilde, Starr

	Chair Starr	The motion FAILS.
272	Sen. Shannon	MOTION: Moves to RECONSIDER the vote by which HB 3190-B was to be sent to the floor with a DO PASS recommendation.
274		VOTE: 4-1 AYE: 4 - Shannon, Tarno, Wilde, Starr NAY: 1 - Dukes
	Chair Starr	The motion CARRIES.
286	Sen. Shannon	MOTION: Moves to ADOPT HB 3190-B5 amendments dated 7/7/99.
291		VOTE: 3-2 AYE: 3 - Shannon, Tarno, Wilde NAY: 2 - Dukes, Starr
	Chair Starr	The motion CARRIES.
295	Sen. Shannon	MOTION: Moves HB 3190-B to the floor with a DO PASS AS AMENDED recommendation.
298		VOTE: 4-1 AYE: 4 - Shannon, Tarno, Wilde, Starr NAY: 1 - Dukes
	Chair George	The motion CARRIES. SEN. GEORGE will lead discussion on the floor.
305	Chair Starr	Closes the work session on HB 3190-B and adjourns the meeting at 10:12 a.m.

Submitted By, Reviewed By,

Patrick Brennan, Brian Smith,

Administrative Support Administrator

Reviewed By, Reviewed By,

Sandy Thiele-Cirka, Marjorie Taylor,

Administrator Administrator

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EXHIBIT SUMMARY

A ñ SB 1334, testimony, Fred Hansen, 3 pp.

B ñ SB 1334, -2 amendments, Kristen Mitchell, 1 p.

C ñ SB 1334, -3 amendments, Hersh Crawford, 1 p.

D ñ SB 1334, -4 amendments, Charles Williamson, 1 p.

E ñ SB 1334, -5 amendments, Jim Markee, 1 p.

F ñ SB 1334, testimony, Hersh Crawford, 2 pp.

G ñ HB 2633-A, testimony, Mark Nichols, 1 p.

H ñ HB 2633-A, testimony, Jane Doe, 2 pp.

I ñ HB 2633-A, testimony, Gayle Atteberry, 7 pp.

J ñ HB 2633-A, assorted testimony, Gayle Atteberry, 8 pp.

K ñ HB 2633-A, testimony of Dr. Leon Harrington, Gayle Atteberry, 5 pp.

L ñ HB 2633-A, testimony, Greg Chaimov, 1 p.

M ñ HB 2633-A, testimony, Maura Roche, 1 p.

N ñ HB 2633-A, testimony, Paula Krane, 1 p.

O ñ HB 2633-A, testimony, Jill Brunelle, 1 p.

P ñ HB 2633-A, testimony, Lynn Partin, 4 pp.

Q ñ HB 2633-A, testimony, Alice Bartelt, 2 pp.

R ñ HB 2633-A, testimony, Lauren Winters, 2 pp.

S ñ HB 3190, -B5 amendments, Sen. Gary George, 3 pp.

T ñ HB 3190-B, testimony, Teri Glocar, 12 pp.

U ñ HB 3190-B, testimony, Dave Rasmussen, 2 pp.

V ñ HB 3190-B, testimony, Jeff Howard, 4 pp.

W ñ HB 3190-B, testimony, Jerry Wallace, 1 p.

X ñ HB 3190-B, testimony, Robert Brown, 1 p.

Y ñ HB 3190-B, testimony, Ken Warner, 1 p.

Z ñ HB 3190-B, assorted testimony, Dwight Slade, 25 pp.

AA ñ HB 3190-B, testimony, Tony DiMare, 1 p.

BB ñ HB 3190-B, testimony, various, 18 pp.

SENATE COMMITTEE ON PUBLIC AFFAIRS

July 9, 1999 Hearing Room B

3:00 p.m. Tape 93

MEMBERS PRESENT: Sen. Charles Starr, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Marylin Shannon

Sen. Veral Tarno

Sen. Thomas Wilde

STAFF PRESENT: Brian Smith, Administrator

Patrick Brennan, Administrative Support

MEASURES HEARD: HJR 17-A Public Hearing and Work Session

HB 3190 Reconsideration 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 93, A		
004	Chair Starr	Calls the meeting to order at 3:11 p.m. Opens a public hearing on HJR 17-A.
<u>HJR 17 PUBLIC HEARING</u>		
008	Tim Nesbitt	Executive Director, Oregon State Council of Service Employees International Union. Testifies in opposition to HJR 17-A. Says the resolution would destabilize the general fund by making it difficult to set aside money for dealing with shortfalls. Indicates that Oregon is the only state with an income tax "kicker" and one of only five states without a stabilization fund. Asserts that the 2/3 super-majority requirement necessary for retaining the kicker makes it unlikely it would ever happen. Comments that the kicker is "fraught with inequities" that unfairly benefit corporations at the expense of individuals and

		small businesses. Mentions that individuals and small businesses received a 6 percent return, compared to a 50 percent return for corporations.
032	Sen. Shannon	Wonders why the imbalance occurs.
033	Nesbitt	Replies that the two sources are collected and calculated separately.
035	Sen. Shannon	Asks if corporations had over-paid.
036	Nesbitt	Replies affirmatively. Says the state took in more than expected, meaning that the estimate was miscalculated.
038	Sen. Shannon	Opines that corporations would have been forced to pay more, had revenues been lower than expected, as was the case in the early 1980s.
040	Nesbitt	Suggests that had some kicker funds been put into a stabilization fund, there would be a taxpayer protection program that would prevent surcharges in lean times.
045	Sen. Shannon	Compares retaining excess taxes in a stabilization fund to grocery stores retaining over-payments and applying them against future purchases.
050	Nesbitt	Comments that it is the duty of the state economist to estimate aggregate tax revenues. Says that other mechanisms, such as a stabilization fund, would protect future taxpayers from surcharges. Describes inequities among individual taxpayers.
070	Chair Starr	Closes the public hearing on HJR 17-A. Declares the meeting to be in recess at 3:23 p.m.
-----RECESS-----		
083	Chair Starr	Reconvenes the meeting at 3:30 p.m. Reopens the public hearing on HJR 17-A.
<u>HJR 17-A PUBLIC HEARING</u>		
084	Rep. Tim Knopp	House District 54. Testifies in support of HJR 17-A. Says HJR 17-A would incorporate the kicker law into the Oregon constitution. Says that the resolution raises the requirement for retaining the kicker from a 3/5 majority to a 2/3 majority. Argues that excess taxpayer money should be returned to Oregonians. Indicates that \$1.2 billion has been refunded to individuals and \$436 million has been returned to corporations. Mentions that some have chosen to sign their refunds to schools, churches, or charities. Submits that the legislature will retain

		its ability to use the kicker in emergencies while restraining growth of government.
123	Chair Starr	Inquires what the level of funding would be had past kickers not been sent back to taxpayers.
127	Knopp	Responds that a conservative estimate is a rollover of \$1.6 billion. Asserts that no one is suffering for a lack of spending in Oregon. Asserts that there are endless needs within the budget, from which taxpayers should be protected.
142	Sen. Dukes	Comments that the kicker is not "over-collected taxes," but rather unanticipated revenues gathered through the normal tax revenue system. States disagreement with the assertion that all of the excess revenue would have been spent, adding that there have been opportunities for the creation of a rainy day fund.
156	Chair Starr	States that evidence indicates that excess revenues would have been spent rather than saved. Asserts that "the only restraint on the growth of government is restraint on available revenue."
163	Sen. Dukes	Recalls that there has been a strong push to establish a rainy day fund on at least two past occasions.
174	Chair Starr	Closes the public hearing on HJR 17-A and opens a work session on HJR 17-A.
<u>HJR 17-A WORK SESSION</u>		
183	Sen. Shannon	MOTION: Moves HJR 17-A be sent to the floor with a BE ADOPTED recommendation.
187		VOTE: 4-1 AYE: 4 - Shannon, Tarno, Wilde, Starr NAY: 1 - Dukes
	Chair Starr	The motion CARRIES. SEN. STARR will lead discussion on the floor.
196	Chair Starr	Closes the work session on HJR 17-A and opens a work session on HB 31909-A.
<u>HB 3190 WORK SESSION</u>		

202	Sen. Shannon	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote by which HB 3190-A was sent to the floor with a DO PASS AS AMENDED recommendation.
207		VOTE: 4-1 AYE: 4 - Dukes, Shannon, Tarno, Starr NAY: 1 - Wilde
	Chair Starr	The motion CARRIES.
214	Sen. Shannon	MOTION: Moves to RECONSIDER the vote by which HB 3190-A was sent to the floor with a DO PASS AS AMENDED recommendation.
217		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.
	Chair Starr	The motion CARRIES.
323	Sen. Tarno	MOTION: Moves to DELETE HB 3190-B5 amendments dated 7/7/99.
235	Sen. Tarno	States that he had made a prior commitment to vote for the bill in its A-engrossed form.
240		VOTE: 5-0
	Chair Starr	Hearing no objection, declares the motion CARRIED.
245	Sen. Tarno	MOTION: Moves HB 3190-A to the floor with a DO PASS recommendation.
250		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.

	Chair Starr	The motion CARRIES. SEN. TARNO will lead discussion on the floor.
260	Chair Starr	Closes the work session on HB 3190-A and adjourns the meeting at 3:40 p.m.

Submitted By, Reviewed By,

Patrick Brennan, Brian Smith,

Administrative Support Administrator

EXHIBIT SUMMARY

No exhibits submitted.