

SENATE COMMITTEE ON RULES AND ELECTIONS

June 01, 1999 Hearing Room B

8:00 a.m. Tapes 69 - 71

MEMBERS PRESENT: Sen. Charles Starr, Chair

Sen. Randy Miller, Vice-Chair

Sen. Lee Beyer

Sen. Neil Bryant

Sen. Peter Courtney

STAFF PRESENT: Brian Smith, Administrator

Marjorie Taylor, Administrator

Valerie Luhr, Administrative Support

MEASURE/ISSUES HEARD: HB 2757 Public Hearing and Work Session

hjr 28 Public Hearing

HB 3182-A Public Hearing and Work Session

HB 3410-A Public Hearing and Work Session

HB 2005-B Public Hearing and Work Session

HB 3172-A Public Hearing

HB 2658-A Public Hearing

Executive Appointments 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 |
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| TAPE 69, A | | |

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| 004 | Chair Starr | Calls the meeting to order at 8:08 a.m. Opens a public hearing on HB 2757 and HJR 28-A. |
| <u>HB 2757 AND HJR 28-A PUBLIC HEARING</u> | | |
| 014 | Bob Cantine | Association of Oregon Counties (AOC). Testifies in support of HJR 28-A. Supports the tightening of the ability to create new counties from within existing counties. Reviews current provisions to form a county. Comments on reviewing a supermajority requirement in one area and 35 percent in another. |
| 067 | Chair Starr | Comments on the language of 65 percent of registered voters to a majority of all electors. Asks if that means 50 percent of all electors in the new area. |
| 075 | Cantine | Answers affirmatively. Reviews current voting requirements. |
| 095 | Larry Harvey | City of Gresham. Presents introductory remarks. |
| 101 | Judith Ure | City of Gresham. Submits and presents testimony in support of HB 2757 and HJR 28-A (EXHIBIT A) . |
| 153 | Rep. Ron Sunseri | House District 22. Testifies in support of HB 2757 and HJR 8. |
| 163 | Harvey | Explains the only opposition to HB 2757 is an issue whether the people would have the right to self-determination. |
| 179 | Chair Starr | States a separation would affect those left behind in the original county and they have been removed from any consideration or participation in the vote. |
| 185 | Rep. Sunseri | Comments that the impact would be the billion dollar retirement for police and fire in the city of Portland, and the billion dollar sewer project the city still faces. Comments on the east county's right to self-determination. |
| 205 | Chair Starr | Closes the public hearing on HB 2757 and HJR 28-A. Opens a public hearing on HB 3182-A. |
| <u>HB 3182-A PUBLIC HEARING</u> | | |
| 233 | Rep. Bill Morrisette | House District 42. Submits and presents testimony in support of HB 3182-A (EXHIBIT B) . Reviews provisions of the HB 3181-A5 amendments (EXHIBIT C) . |
| 305 | Teresa McHugh | Deputy Director, Department of Administrative Services (DAS.) Comments on the state's experience with pilot programs. States is reviewing the processes in other states. |

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| 332 | John Lattimer | Director, Audits Division. Comments on statutory requirements for budgets. Comments on problems with performance-based budgeting. Comments that the states of Arizona, Florida, and Texas have had a commitment by both their governor and their legislature to make performance-based budgeting work. |
| 380 | Sen. Beyer | Comments on the Legislature's hesitancy to follow up on the benchmarks. Asks how HB 3182 is different. States the bill looks like the Governor's instructions before session began. |
| 400 | McHugh | Comments the state will have to consider its people and technology resources to gather information useful to the decision-making process. Comments on the necessity of commitment to follow through with the process. |
| TAPE 70, A | | |
| 005 | Sen. Beyer | States the Governor has tried to use the benchmarks in preparing his budget during the last two cycles. |
| 007 | McHugh | Answers DAS has been providing analyses to the Governor of how well agencies are linked to benchmarks |
| 015 | Rep. Morrisette | States he looked at Florida's process before working on the bill and would not have continued without encouragement and support. Comments on the pilot project. Speaks to identifying risk factors. States the Secretary of States supported using the Joint Legislative Audit Committee. |
| 043 | Sen. Beyer | States there is not a great overlap between the Joint Legislative Audit Committee and the Ways and Means Committee. Comments on the importance of involving the Ways and Means Committee in the process. |
| 049 | Lattimer | Comments on the chairmanship of the two committees. Comments on the importance of commitment from the Legislature and the Governor for successful performance-based budgeting. Comments on Oregon's modified zero-based budgeting process. |
| 076 | Sen. Beyer | Asks about tying the process together with the benchmarks. |
| 077 | Lattimer | States the benchmarks are very broad and difficult to provide measurable outcomes. |
| 083 | Sen. Beyer | States performance measures are based on how much time is spent at the start tying assumptions to benchmarks. |
| 092 | Lattimer | Comments on not putting resources into the process to make it work. |
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| 104 | Chair Starr | Asks if the pilot project will be absorbed in the budget and not referred to the Ways and Means Committee. |
| 107 | McHugh | States DAS can absorb the process on a pilot basis. |
| 119 | Sen. Beyer | States performance-based budgeting does not make sense for a lot of state programs. |
| 125 | McHugh | Comments on advantages of a pilot project. |
| 132 | Sen. Beyer | Clarifies the Secretary of State's Office and the Executive Department are interested in following through with the pilots. |
| 134 | Lattimer | States the two departments would like to see if the process will work in Oregon. Reiterates the need for a commitment of resources. |
| 155 | Sen. Beyer | States the bill contains what the department is already doing |
| 157 | McHugh | Answers affirmatively. |
| 165 | Chair Starr | Closes the public hearing on 3182-A. Opens a work session on HB 3182-A. |
| <u>HB 3182-A WORK SESSION</u> | | |
| 171 | Sen. Beyer | MOTION: Moves to ADOPT HB 3182A-5 amendments dated 5/24/99. |
| | | VOTE: 3-0 EXCUSED: 2 - Bryant, Miller |
| | Chair Starr | Hearing no objection, declares the motion CARRIED. |
| 175 | Sen. Beyer | MOTION: Moves HB 3182A to the floor with a DO PASS AS AMENDED recommendation. |
| | | VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Bryant, Miller |
| | Chair Starr | The motion CARRIES. |

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| | | SEN. BEYER will lead discussion on the floor. |
| 185 | Chair Starr | Closes the work session on HB 3182-A. Opens a public hearing on HB 3410-A. |
| <u>HB 3410-A PUBLIC HEARING</u> | | |
| 195 | Jon Chandler | Director, Governmental Affairs, Oregon Building Industry Association (OBIA). Submits and presents testimony in support of the bill (EXHIBIT D). Comments on the Land Use Board of Appeals (LUBA) actions. |
| 250 | Dave Hunnicutt | Oregonians in Action (OIA). Testifies in support of the bill. Explains the importance of the bill is that it makes it possible for developers to provide needed housing in certain communities. |
| 273 | Sen. Beyer | Asks for an example of a "clear and objective" standard. |
| 276 | Hunnicutt | Discusses on the City of Ashland's Hillside Development Ordinance. |
| 327 | Sen. Beyer | Clarifies the witnesses are not opposed to a community imposing aesthetic standards. |
| 339 | Chandler | States OBIA does not object to aesthetic standards, but object to those standards that are difficult to meet because they are so are vague. Cites an example from 1997. |
| 362 | 1 | Asks if the City of Sisters had a "western flavor" aesthetic standard, would that fit into Mr. Chandler's proposal. |
| 365 | Chandler | States Sisters should be able to define "western flavor," but should not be able to put up standards that are difficult to meet. |
| 394 | Don Miner | Manufactured Housing Association. Testifies in support of the bill. |
| 408 | Chair Starr | Closes the public hearing on HB 3410-A. Opens a work session on HB 3410-A. |
| <u>HB 3410-A WORK SESSION</u> | | |
| 412 | Sen. Beyer | MOTION: Moves HB 3410-A to the floor with a DO PASS recommendation. |
| | | VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. |

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| | | EXCUSED: 2 - Bryant, Miller |
| | Chair Starr | The motion CARRIES. SEN. STARR will lead discussion on the floor. |
| 424 | Chair Starr | Closes a work session on HB 3410-A. Opens a public hearing on HB 2005-B. |
| TAPE 69, B | | |
| <u>HB 2005-B PUBLIC HEARING</u> | | |
| 005 | Larry Harvey | Cultural Advocacy Coalition. Presents introductory remarks. |
| 018 | Kathleen Stephenson-Kuhn | Testifies in support of the bill. |
| 037 | Chair Starr | Clarifies the bill does not need to go back to the Committee on Ways and Means. |
| 039 | Harvey | Responds affirmatively. Comments the fiscal impact should be \$200,000. States the bill does not fund the Cultural Trust Investment Account. |
| 052 | Chair Starr | Closes the public hearing on HB 2005-B. Opens a work session on HB 2005-B. |
| <u>HB 2005-B WORK SESSION</u> | | |
| 060 | Sen. Beyer | MOTION: Moves to RESCIND the SUBSEQUENT REFERRAL to the Committee on Ways and Means. |
| | | VOTE: 3-0 EXCUSED: 2 - Bryant, Miller |
| | Chair Starr | Hearing no objection, declares the motion CARRIED. |
| 064 | Sen. Beyer | Requests deferring work on HB 2005-B because he has some amendments. |
| 066 | Chair Starr | Closes the work session on HB 2005-B. Opens a public hearing on HB 3172-A. |
| <u>HB 3172-A PUBLIC HEARING</u> | | |
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| 075 | Stephen Bosak | Tualatin Hills Parks and Recreation District. Testifies on the bill. States the bill does not affect the district's systems development charges (SDC) mechanism. |
| 089 | Sen. Beyer | Asks Bosak if the district is opposed to the bill. |
| 092 | Bosak | States the district is neutral. |
| 093 | Sen. Beyer | States the bill does not have an effect on anyone. |
| 094 | Bosak | States agreement. |
| 109 | | An individual in audience requests an explanation of why the bill is before the committee. |
| 113 | Chair Starr | Recesses the public hearing on HB 3172-A. Opens a public hearing on HB 2658-A. |
| <u>HB 2658-A PUBLIC HEARING</u> | | |
| 128 | Jon Chandler | Director, Governmental Affairs, Oregon Building Industry Association (OBIA). Submits and presents testimony in support of HB 2658-A (EXHIBIT E). Reviews provisions of the HB 2658-A amendment (exhibit F). Discusses "inclusionary zoning." States, on behalf of Metro, the voluntariness of the bill did not restrict the ability of Metro to require governments within its jurisdiction to provide an ordinance allowing voluntary measures. Clarifies the bill is not intended to provide a free pass for state agencies to get around Measure 30 obligations. |
| 225 | Art Schlack | Association of Oregon Counties (AOC). States the counties are concerned with the bill because they have not seen it as a problem. States counties have not adopted any ordinances or rules that would require inclusionary zoning. States the bill might limit a county's ability to provide affordable housing. States housing is being tied, in the land use planning process, with periodic review modifications. States the counties do not want state agencies to require local governments to adopt incentives to meet affordable housing requirements. |
| 264 | Sen. Beyer | Comments on setting a goal across the entire state or impose it upon a single development. States the building community will not pay the cost, but the homebuyers. |
| 281 | Schlack | Comments on density bonuses having inclusionary zoning. States entire communities are affected. |
| 311 | Philip Fell | League of Oregon Cities (LOC). States LOC opposes the bill. States adequate housing is an issue. |
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| 340 | Chair Starr | Closes the public hearing on HB 2658-A. Reopens the public hearing on HB 3172-A. |
| <u>HB 3172-A PUBLIC HEARING</u> | | |
| 355 | Rep. Bill Witt | Submits and reviews provisions of the HB 3172-A2 amendments (EXHIBIT G). |
| 394 | Sen. Beyer | Comments on methods to determine systems development charges. Requests clarification of the bill's intent. |
| 409 | Rep. Witt | States the amendments would incorporate the possibility of having an SDC because it would be a new use of an existing structure. |
| 414 | Sen. Beyer | States a change of use could have a significant impact on transportation. |
| 422 | Rep. Witt | States the bill with the amendments allow for imposing an SDC under the circumstances described by Sen. Beyer. |
| 429 | Sen. Bryant | Asks what special districts were thinking of imposing the system. |
| 432 | Rep. Witt | States the bill originated because of information he received in terms of Tualatin Hills Parks and Recreation. |
| TAPE 70, B | | |
| 010 | Sen. Bryant | Comments on having creative ways for local governments to raise money. States imposing this type of SDC would be within the parameters of Measure 5 or Measures 47 and 50. |
| 017 | Sen. Beyer | Reviews provisions of current SDC law. |
| 023 | Sen. Bryant | States SDCs could not be used for operating expenses. |
| 025 | Sen. Beyer | States the SDCs can be used for expansion of services or paying back for an expansion done in anticipation. |
| 027 | Sen. Miller | Comments on preservation of local control. Asks what the necessity is for the state legislature to intervene. |
| 036 | Rep. Witt | States the legislature has the responsibility to preserve a uniform economic climate in the state. Comments on the importance of a logical nexus between imposition of charges and the purpose for which they are used. |
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| 057 | Chair Starr | Closes public hearing and opens work session on the Energy Facility Siting Council. |
| <u>EXECUTIVE APPOINTMENTS n ENERGY FACILITY SITING COUNCIL</u> | | |
| 082 | | Staff presents (EXHIBIT H). |
| 083 | David Tegart | Explains why he would like to be one the board and what background he brings to the appointment. |
| 109 | Bryant | moves Tegart |
| 125 | Chair Starr | Closes work session and opens work session on the Fair Dismissal Appeals Board. |
| <u>eEXECUTIVE APPOINTMENTS n Fair Dismissal Appeals Board</u> | | |
| 128 | | Staff presents (EXHIBIT I). |
| 129 | | Davalos not present. Closes work session and opens work session for the Trustees of the State Library. |
| <u>EXECUTIVE APPOINTMENTS n TRUSTEES OF THE STATE LIBRARY</u> | | |
| 129 | | Staff presents (EXHIBIT J). |
| 130 | Freda Vars | Explains why she would like to be one the board and what background she brings to the appointment. |
| 153 | Bryant | moves Vars |
| 165 | Chair | Closes work session and opens work session for the Board of Commissioners of the Port of Portland. |
| <u>EXECUTIVE APPOINTMENTS n Board of Commissioners of the Port of Portland</u> | | |
| 162 | | Staff presents (EXHIBIT K). |
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| 163 | Gerry Drummond | Explains why he would like to be one the board and what background he brings to the appointment. |
| 189 | Sen. Miller | Asks Drummond about his definition of "term." Asks if he would expect to be renominated at the end of four years or nominate someone else. |
| | Drummond | States he would expect to be renominated or someone else would be appointed. States he does not know how the port's rule differ from |
| | Sen. Miller | Asks about appropriate timeframe for reappointment |
| | Drummond | Does not know |
| | Sen. Miller | Is it problematic that an appointment expired over a year ago. |
| | Drummond | States he does not have an opinion. |
| 229 | Sen. Miller | States he thinks the nominee should have an opinion |
| | Drummond | |
| | Sen. Miller | States he is trying to understand how someone coming before the committee in this process. |
| | Drummond | |
| | Sen. Miller | What if the senate did not confirm his appointment, would you still serve on the Board. |
| | Drummond | States he would probably resign if he was not reappointed. |
| 257 | Sen. Miller | Asks if he can offers advice. |
| | Sen. Courtney | States he does not understand why the nominee is being questioned on an issue that involves another member of the board of the Port of Portland. |
| 278 | Sen. Miller | Explains why he is asking questions of the nominee. |
| 288 | Sen. Courtney | Questions why the questions are asked of this particular witness and not the other witnesses. |
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| | Sen. Miller | Responds about questioning other witnesses. |
| 306 | Chair Starr | Explains other appointee to other position on Port is not here today |
| | Sen. Miller | Requests the other witness appear before the committee. |
| 325 | Katy Coba | Governor's office. Explains why Perrin is unable to appear before the committee. |
| 337 | Sen. Miller | |
| 346 | Sen. Courtney | What does waive mean? |
| 351 | Sen. Miller | Given permission by the chair. |
| 362 | Sen. Bryant | Asks what the chair's intention |
| 395 | Sen. Miller | Confirmations: 98.5 percent of appointments. 38 appointees serving well past their appointment. Lack of respect of the process. |
| 413 | Sen. Courtney | As I understand |
| TAPE 71, A | | |
| 010 | Sen. Bryant | |
| 012 | Coba | Discusses the appointment to Water Resources Commission. |
| 021 | Bryant | Confirm appoint to water resources so he was part of the process. Holdover with consent of the Senate. |
| 028 | Chair Starr | Is there a way to avoid a holdover. |
| 029 | Sen. Bryant | Political compromise. |
| 033 | Chair Starr | Closes the Executive Appointments work session. Opens a work session on HB 2757. |
| <u>HB 2757 WORK SESSION</u> | | |
| 044 | Sen. Bryant | States he would like to know about the cost of the bill before he votes on it. |

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| 055 | Sen. Beyer | Comments on having an impact on the losing county and the county that was gaining. |
| 061 | Marjorie Taylor | Marjorie Taylor. States the bill has not gone to the Legislative Fiscal Office. Reviews the intent of HB 2757 and HJR 28-A. |
| 067 | Chair Starr | States the committee will make an inquiry. Adjourns the meeting at 10:03 a.m. |

Submitted By, Reviewed By,

Valerie Luhr, Brian Smith,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2757 and HJR 28-A, written testimony, Judith Ure, 2 pp

B ñ HB 3182, written testimony, Rep. Bill Morrisette, 2 pp

C ñ 3182, -A5 amendments, staff, 2 pp

D ñ HB 3410-A, written testimony, Jon Chandler, 1 p

E ñ HB 2658-A, written testimony, Jon Chandler, 1 p

F ñ HB 2658, -A4 amendments, staff, 1 p

G ñ HB 3712, -2 amendments, Rep. Bill Witt, 1 p

H ñ Executive Appointments, interest form, David Tegart, 3 pp

I ñ Executive Appointments, interest form, staff, 23 pp

J ñ Executive Appointments, interest form, staff, 3 pp

K- Executive Appointments, interest form, staff, 8 pp