

SENATE COMMITTEE ON RULES AND ELECTIONS

June 9, 1999 Hearing Room B

8:00 a.m. Tapes 82 ñ 84

MEMBERS PRESENT: Sen. Charles Starr, Chair

Sen. Lee Beyer

Sen. Peter Courtney

Sen. Neil Bryant

MEMBER EXCUSED: Sen. Randy Miller, Vice-Chair

STAFF PRESENT: Carol Rives, Administrator

Brian Smith, Administrator

Patrick Brennan, Administrative Support

MEASURE/ISSUES HEARD: HB 2271-A Public Hearing and Work Session

HB 3616 Public Hearing and Work Session

SB 1110 Public Hearing

SB 855 Public Hearing

HB 3455-A Public Hearing and Work Session

HB 2637 Public Hearing and Work Session

HB 3541-A Public Hearing

HB 3241-A 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 82, A		

003	Chair Starr	Calls the meeting to order at 8:10 a.m. Opens a public hearing on HB 2271-A.
<u>HB 2271-A PUBLIC HEARING</u>		
007	Mike Dewey	Representative, Oregon Cable Association. Testifies in support of HB 2271-A. States that the bill represents a compromise between utility pole owners and users. Says that non-investor held utilities would come under the jurisdiction of the Public Utilities Commission (PUC) in the event of a pole usage dispute. States the bill requires unauthorized attachments to be stipulated in contracts, although it does not impact franchises in any way. Mentions that compliance may result in a lower, more equitable rate, one closer to the formula used by the Federal Communications Commission (FCC). Closes by saying the bill provides for the formulation of a task force to consider the various issues of the bill.
045	Brian Boe	Representative, Portland General Electric (PGE). Testifies in support of HB 2271-A. Indicates that PGE would prefer to allow PUC to handle the issue itself, but that they are willing to work through the framework of the bill. Asserts that it is not the intent of the bill to impose new fees on local governments.
059	Sandy Flicker	Representative, Oregon Rural Electric Co-op Association. Testifies in support of HB 2271-A. Concurs with clarifying the issue in statute. Mentions that there has been a high rate of non-compliance. Supports being given the opportunity to participate in the task force. Clarifies that the rental space reduction for safety clearance only applies when there is compliance.
080	Sen. Bryant	Declares a potential conflict of interest, as he represents a cable company in private practice.
085	Sen. Beyer	Wonders if there is any opposition among telecommunications utilities.
087	Flicker	Replies that she knows of no such opposition.
091	Chair Starr	Closes the public hearing on HB 2271-A and opens a work session on HB 2271-A.
<u>HB 2271-A WORK SESSION</u>		
093	Sen. Beyer	MOTION: Moves HB 2271-A to the floor with a DO PASS recommendation.
095		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller

	Chair Starr	<p>The motion CARRIES.</p> <p>SEN. BRYANT will lead discussion on the floor.</p>
105	Chair Starr	Closes the work session on HB 2271-A and opens a public hearing on HB 3616.
<u>HB 3616-A PUBLIC HEARING</u>		
108	Brian Smith	Committee Administrator. Gives a brief description of the bill. Mentions that the primary concern is the "chem-waste" site in Arlington. Indicates that the ñA3 amendments (EXHIBIT A) were considered at the last hearing and would authorize the Department of Environmental Quality (DEQ) to allow recycling at hazardous waste treatment facilities. Indicates that the ñA5 amendments (EXHIBIT B) have been submitted and address the constitutional concern in section 1, but do not address similar concerns in section 4.
125	Sen. Bryant	Informs the committee that Legislative Counsel has determined that the ñA5 amendments address the constitutional issues raised regarding section 1. Adds that Legislative Counsel has also determined that section 4 would not require amending.
145	Dave Barrows	Representative, Chemical Waste Management. Testifies in support of HB 3616-A (EXHIBIT C). Asserts that the ñA3 amendments should be adopted, as the necessary fee was passed by the Senate within HB 2800. Submits that the ñA5 amendments fix the constitutional infirmity of the bill and should also be adopted. Concurs that section 4 would be upheld as constitutional.
175	Jim Whitty	Representative, EnviroSafe Services of Idaho. Testifies in opposition to the ñA3 amendments to HB 3616-A. Submits that adoption of the amendments would be "jumping into a legal morass."
195	Ty Wyman	Legal Counsel, EnviroSafe Services of Idaho. Says the bill has only a minor constitutional flaw, in that the federal Constitution prohibits the state from discriminating against out-of-state businesses, which is the case with section 4. Notes the constitutional rule contains an exception for instances when the state participates as a business entity, which is the interpretation of Legislative Counsel. Asserts that is not the case if non-public money was the source of the contract. Submits suggested language (EXHIBIT D) that would address the issue.
235	Sen. Bryant	Inquires as to the total amount of money involved.
237	Whitty	Replies that the DEQ representative could offer a more precise answer.
244	Wyman	Suggests that the dollar amount is not important.

257	Whitty	Refers to the proposed language as "a simple way to clarify the issue".
269	Bob Danko	Representative, DEQ. Testifies in support of the ñA3 and -A5 amendments to SB 3616-A and in opposition to the ñA4 amendments. Indicates that the declaration that DEQ would not seek cost recovery is contradictory to current practices.
283	Sen. Bryant	Asks for the typical dollar amount of cost recovery.
284	Danko	Replies that the typical fee for cleanup waste is \$20 per ton. Mentions that a few "superfund" cleanups have resulted in substantial fees, in excess of \$5,000, which the bill would have allowed DEQ to recoup.
296	Sen. Bryant	Wonders what currently prevents DEQ from charging such fees.
299	Danko	Replies that state law does not allow it. Acknowledges that the money can be reclaimed eventually, but that the bill would allow the money to be considered as part of the net cost of cleanup operations.
310	Sen. Courtney	Requests clarification as to which amendments are supported by DEQ.
314	Danko	Replies that DEQ supports the ñA3 and ñA5 amendments, but that it opposes the ñA4 amendments.
317	Smith	Clarifies that the suggested language submitted by EnviroSafe (EXHIBIT D) are essentially the same as the ñA4 amendments.
320	Chair Starr	Closes the public hearing on HB 3616-A and opens a work session on HB 3616-A.
<u>HB 3616-A WORK SESSION</u>		
323	Sen. Courtney	MOTION: Moves to ADOPT HB 3616-A3 amendments dated 5/27/99.
		VOTE: 4-0-1 EXCUSED: 1 - Miller
	Chair Starr	Hearing no objection, declares the motion CARRIED.
325	Sen. Courtney	MOTION: Moves to ADOPT HB 3616-A5 amendments dated 6/8/99.

		VOTE: 4-0-1 EXCUSED: 1 - Miller
	Chair Starr	Hearing no objection, declares the motion CARRIED .
330	Sen. Courtney	MOTION: Moves HB 3616-A to the floor with a DO PASS AS AMENDED recommendation.
335		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
	Chair Starr	The motion CARRIES. SEN. COURTNEY will lead discussion on the floor.
342	Chair Starr	Closes the work session on HB 3616-A and opens a public hearing on SB 1110.
<u>SB 1110 PUBLIC HEARING</u>		
349	Chair Starr	Mentions that Sen. Ted Ferrioli has submitted testimony for consideration by the committee (EXHIBIT E) .
360	Al Lightner	Representative, Oregon Department of Transportation (ODOT) (EXHIBIT F) . Explains that the bill would require an agency to notify a property owner of intent to acquire property prior to disclosing intent to any other entity. Adds that any agency acquiring property must also disclose intent to resell the property, as well as the price and terms of the resale. Argues that the bill would create difficulty in determining who would need to be notified.
385	Sen. Courtney	Requests specific information regarding the section of the bill that is being referred to.
401	Lightner	Says that section 2, subsection 2 would be problematic in that the process used by ODOT would notify the public at virtually the same time, making it difficult to notify property owners prior to making an announcement.
408	Sen. Beyer	Asks for an example of a situation in which the state would purchase property with the intent to resell.

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008	Lightner	Replies that he cannot recall any such occasions, although he suspects that there have been joint projects where nonprofit organizations acquired property in irregular ways.
016	Sen. Beyer	Explains that in the case of low-income housing local governments often purchase property with the intent of transferring authority to nonprofit groups. Inquires whether the state is involved in such projects.
021	Lightner	Replies that he is knowledgeable only of public works projects and cannot speak to other types of projects.
024	Sen. Beyer	Suggests that the bill deals less with the condemnation process and more with market sales.
026	Lightner	Concurs with Sen. Beyer.
027	Sen. Bryant	Indicates that both he and Sen. Courtney have posited the same question and that it would be helpful to have input from Sen. Ferrioli.
030	Chair Starr	Indicates that many states, including Oregon, have purchased properties from nonprofit organizations in a "simultaneous transaction." Says the process usually involves projects such as wildlife preserves.
048	Sen. Beyer	Submits that the bill, as written, does not do that.
049	Sen. Bryant	Concurs with Sen. Beyer.
053	Sen. Beyer	Asks Mr. Lightner if ODOT discloses purchase information in a public fashion prior to finalizing a deal.
055	Lightner	Replies that negotiations are not publicly disclosed, other than the fact they are underway.
058	Sen. Beyer	Asks if negotiated sales are subject to public review prior to consummation.
060	Lightner	Replies that they are not.
061	Sen. Bryant	Explains that ODOT sends an offer to a property owner, which may or may not be accepted. Indicates that if the offer is not accepted, the owner can go through a public condemnation trial to determine the value of the property. Confirms that negotiations are private prior to that step.

068	Sen. Beyer	Mentions an occasion when the price of a piece of property was artificially inflated by making negotiations publicly known.
075	Sen. Bryant	Suggests the bill may be directed at the Parks Division. Says that subparagraph 3 of section 2 would accomplish that goal. Argues that there should be clarification within the bill regarding nonprofit negotiations.
086	Sen. Courtney	Asks if ODOT has been in contact with nonprofit organizations.
090	Lightner	Replies that contact is made only when there is a project requiring the acquisition of property owned by such an entity.
092	Sen. Courtney	Requests confirmation that ODOT is not seeking to be a "middle-person" for property transactions.
094	Lightner	Confirms Sen. Courtney's statement.
096	Sen. Courtney	Requests examples of specific situations where such a transaction has taken place.
099	Sen. Bryant	Mentions a large ranch in Eastern Oregon that was to be purchased privately by a non-profit organization and then sold to the Forest Service. Adds that the transaction was halted by then-U.S. Representative Bob Smith. Suggests that subparagraph 2 of section 2 be deleted to clarify that information should be disclosed.
110	Sen. Courtney	Supposes that a nonprofit wants to sell to a state agency a property that it recently acquired. Wonders if such a transaction is currently legal.
114	Sen. Bryant	Responds that such a situation would be complicated by the fact that the property would be taken off the tax roll at the time it was purchased by the agency.
116	Sen. Courtney	Asserts that it would already have been taken off the tax roll at the time it was purchased by the nonprofit organization.
117	Sen. Bryant	Replies that is not necessarily the case with regard to real property tax.
119	Sen. Courtney	Asserts that the state agency should still be able to bid on the property, as it was not involved in the original purchase negotiations.
122	Sen. Bryant	Reiterates that some considerations would have to be made with regard to the effect the purchase has on local government tax rolls.
124	Chair Starr	Restates that the concern addressed by Sen. Ferrioli through SB 1110 is the

		inflation of price between the original purchase of property by a nonprofit and the subsequent purchase by a state agency.
131	Sen. Beyer	Indicates that he is clear as to how the process works with regard to condemnation. Asserts that it standard policy that a state agency is not allowed to purchase property for a price substantially higher than its appraised value.
138	Lightner	Says that he is not aware that is the case.
140	Chair Starr	States that Sen. Ferrioli will need to ask Legislative Counsel to clarify the bill's intent. Closes the public hearing on SB 1110 and opens a public hearing on SB 855.
<u>SB 855 PUBLIC HEARING</u>		
155	Dave Barrows	Representative, AK Media. Testifies in support of SB 855. Recalls that the committee has previously considered the potential constitutional problems related to the bill, prompting suggested changes. Indicates those changes have been brought forth in both the ñ5 amendments (EXHIBIT G) and the ñ6 amendments (EXHIBIT H). Says the industry has agreed to remove all definitional issues related to visibility and spacing. Indicates that the only difference between the two sets of amendments is that the ñ6 amendments permit "tri-vision" signs. Mentions that 35 states already allow such signs and that the amendments stipulate they would have to meet federal regulatory approval.
195	Sen. Courtney	Asks whether a tri-vision sign would require three sign permits.
200	Barrows	Replies that erection of a tri-vision sign would reduce the available number of permits by three.
208	Al Lightner	Representative, ODOT. Indicates that he would agree to that interpretation if the bill were to stipulate that tri-vision signs were subject to multiple permits and multiple fee assessments. Submits for the record a letter from the Federal Highway Administration (EXHIBIT I) that indicates that some federal/state agreements, including Oregon's, prohibit signs with moving parts, which would preclude tri-vision. Says he would be willing to support a decision to include the signs if their legality was clarified.
236	Sen. Courtney	Restates that his primary concern is whether tri-vision signs would occupy three permit slots.
250	Lightner	Submits that the law must be amended to reflect that assumption.
255	Chair Starr	States that the committee does not have the necessary time to make alterations in the bill. Suggests the bill be moved and amended in the House.
258	Sen. Beyer	Suggests the language be added to the bill.

259	Chair Starr	Replies that the committee does not have the prerogative to do so.
260	Sen. Beyer	Submits that similar actions have been taken by other committees
265	Sen. Bryant	Reminds the committee that the bill must still be passed by a House committee. Mentions that the federal government would be required to approve the signs.
273	Chair Starr	Reiterates that the only real sticking point is whether tri-vision signs would require three sign permits.
278	Lightner	Indicates that the language would be added to subsection 37 of section 2 in the ñ6 amendments.
281	Chair Starr	Asks if all parties can agree to make the changes in the House, allowing the committee to send the bill to the floor of the Senate with the ñ6 amendments.
286	Barrows	States that language could be crafted to satisfy all parties. Concurs that the bill should be amended in the House.
303	Sen. Beyer	Suggests that the bill be carried over until the 5:00 p.m. meeting of the Rules and Elections Committee, at which time the changes could be made.
335	Chair Starr	Recesses the public hearing on SB 855 until 5:00 p.m. Opens a public hearing on HB 3455-A.
<u>HB 3455-A PUBLIC HEARING</u>		
361	Greg Green	Air Quality Administrator, DEQ. Testifies to a position of neutrality on HB 3455-A. States that DEQ does not oppose improving customer service, mentioning that the department offers appointments, advice, directions, lists of certified mechanics, and multiple testing bays to the public. Says DEQ stations are now open 9-10 hours a day, six days a week. Expresses willingness to shift operating hours on at least one day each week to accommodate those with inflexible schedules. Mentions that DEQ is concerned that the bill does not offer the flexibility to make additional adjustments.
413	Rep. Jane Lokan	House District 26. Testifies in support of HB 3455-A. States that the program should be given time to work and that a review should be conducted in 18 months.
430	Chair Starr	Closes the public hearing on HB 3455-A and opens a work session on HB 3455-A.
<u>HB 3455-A WORK SESSION</u>		

TAPE 82, B

010	Sen. Courtney	MOTION: Moves HB 3455-A to the floor with a DO PASS recommendation.
013	Sen. Courtney	Mentions that the bill has an emergency clause that stipulates it will go into effect immediately.
016		VOTE: 3-0-2 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Bryant, Miller
	Chair Starr	The motion CARRIES. SEN. STARR will lead discussion on the floor.
019	Chair Starr	Closes the work session on HB 3455-A and opens a public hearing on HB 2637.
<u>HB 2637 PUBLIC HEARING</u>		
030	Greg Green	Air Quality Administrator, DEQ. Testifies in opposition to HB 2637. Indicates that during the late 1980s and early 1990s, the Portland region violated federal air quality standards once every 4 days, on average. Explains that the region was given a "non-attainment status" designation, imposing pollution control requirements on both new and existing industries. States that DEQ brought the region back into compliance in part through the vehicle inspection program, as part of its 10-year air quality maintenance plan. Says the bill would weaken enforcement mechanisms for determining who is commuting to the Portland airshed, jeopardizing the region's attainment status. Indicates that efforts to develop enforcement mechanisms to add to the bill have so far been unsuccessful.
083	Chair Starr	Wonders why vehicles that do not travel into Portland would be considered as having "any part in the pollution load" of the airshed.
088	Green	Responds that vehicles that do not travel to Portland do not contribute to the pollution problem. Reiterates that the problem is that the bill does not allow DEQ to determine which vehicles make such a commute and which do not.
090	Chair Starr	Notes that the bill offers a mechanism.

093	Green	Replies that the mechanism is unenforceable. Asserts that the bill does not offer either the funds or the means of determining who commutes, other than taking people's word that they do not make the commute.
098	Chair Starr	Submits that a person's word should be sufficient.
099	Sen. Beyer	Wonders if there is a mechanism that could make the bill work.
103	Green	States that DEQ has proposed a number of mechanisms over the years, including a sticker that would identify cars that do not belong in the airshed. Indicates that the bill does not provide the necessary funds to implement such a program.
105	Sen. Bryant	Mentions that a bill similar to HB 2637 was passed in 1997 and vetoed by the Governor, who then directed DEQ to perform a "hardship" study of outlying areas. Recalls that previous testimony by the Mayor of Scappoose detailed hardship incurred by residents of his city.
111	Green	Indicates that a hardship study was performed. Says the law allows DEQ to exempt classes of vehicles but not classes of people. States that a hardship program was established for low-income drivers. Mentions that other strategies, such as the sticker identification program mentioned previously, were rejected due to lack of funding.
122	Sen. Bryant	Requests a definition of "commuting." Assumes that the term should refer to those who come into an area several times each week. Wonders if the term is defined in statute.
127	Green	Confirms Sen. Bryant's definition. Mentions that statute exempts farm vehicles. Says that the commuting requirements for an area to be considered for testing was set at 40 percent, adding that the percentage is concerned primarily with those who work within the airshed.
135	Sen. Beyer	Asks if DEQ would be comfortable with a program that would allow non-commuters to certify their status and receive a sticker for their vehicle.
140	Green	Replies that DEQ would be open to such a program if resources necessary to implement and enforce it were allocated. Indicates that an additional option would be to offer alternative methods of receiving pollution credits, such as tightening restrictions on industrial pollution.
145	Sen. Beyer	Inquires as to the cost for a sticker program.
151	Green	Replies that he is unsure of the total cost for such a program, but that it would involve administration and enforcement as well as the cost of the stickers themselves.
156	Sen. Beyer	Submits that the cost of implementing the program would be minimal.

178	Rep. Leslie Lewis	House District 29. Testifies in support of HB 2637. Mentions that there is currently a mechanism in Yamhill County for citizens to certify they do not commute. Comments on the proposed compromise for check mark and sticker identification, saying it could be done fairly easily.
210	Sen. Beyer	Says the necessary authority to institute such a program is not in the bill. Suggests that an amendment may be necessary.
214	Chair Starr	Mentions the bill authorizes rules to be established, which could provide the necessary authority.
219	Rep. Lewis	Points out that the checkmark box was put on the registration form without any legislative authority. Describes the problems that her constituents have had with the testing requirements. Argues that DEQ has made more intrusive changes to the program without legislative approval. Recalls that DEQ supported the bill's previous incarnation during the 1997 legislative session.
250	Green	Indicates that DEQ's reluctance is related to the fact that the Portland airshed violated air quality standards four times in 1998. Says there is a danger that the EPA could impose restrictions on the region, which would have serious economic repercussions. Asserts that DEQ would be "taking a chance" by allowing commuters to enter the airshed in untested vehicles.
265	Sen. Beyer	Agrees that commuters should indeed be tested, adding that non-commuters should not. Reiterates that Rep. Lewis feels the sticker program could be implemented by administrative rule. Inquires what else would be necessary for implementing the program.
279	Green	Replies that additional funds would be necessary for implementation and enforcement.
285	Sen. Beyer	Requests confirmation that there is sufficient language within the bill for implementing the proposed program and that all that would be necessary is an appropriation.
288	Green	Confirms Sen. Beyer's statement.
291	Rep. Lewis	Suggests the issue could be addressed when the Ways and Means Committee considers the budget for DEQ.
299	Sen. Beyer	Expresses concern for altering the fiscal impact of the bill, which currently would provide a reduction from current spending levels.
309	Chair Starr	Mentions that the fiscal impact involves a reduction in inspection fees.
311	Sen. Beyer	Adds that the change is slightly less than \$250,000.

312	Chair Starr	Explains that fees are not collected if inspections are not performed.
313	Sen. Beyer	Interjects that the cost of the bill would be higher "in another way."
314	Chair Starr	Says the change would not "materially affect" DEQ.
315	Sen. Beyer	Reiterates that DEQ has indicated that it would materially affect the department.
317	Rep. Lewis	Suggests the bill could be moved to the Ways and Means Committee, where the necessary appropriations could be made.
334	Jeff Watkins	Representative, Sierra Club. Testifies in opposition to HB 2637 (EXHIBIT J). Argues that the proposed sticker program would be expensive and would not reduce the pollution problem. Asserts that cars in Yamhill and Columbia County contribute to air pollution in the Willamette Valley.
361	Hillary Abraham	Representative, Oregon Environmental Council (OEC). Testifies in opposition to HB 2637. Submits the testimony of Chris Hagerbaumer, Air and Transportation Program Director for OEC (EXHIBIT K). Emphasizes the need to insure that air quality standards remain compliant with federal requirements. Asserts that pollution and ozone from vehicles outside the Portland airshed travels into the airshed. Acknowledges that the impact of those vehicles is less than that of vehicles residing within or commuting to the area.
381	Chair Starr	Explains that pollution problems are primarily related to air stagnation, making the assertion that pollutants move "disingenuous."
400	Abraham	Indicates there is scientific evidence that suggests ozone, smog, and particulate travel from one region to another.
413	Chair Starr	Closes the public hearing on HB 2637 and opens a work session on HB 2637.
<u>HB 2637 WORK SESSION</u>		
417	Sen. Beyer	MOTION: Moves HB 2637 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the Committee on Ways and Means.
TAPE 83, B		
004	Sen. Bryant	Expresses support for the motion, adding that he would also have supported a do pass recommendation.
005	Sen. Beyer	Says the Rules and Elections Committee cannot deal with the financing issue.

		Indicates that Rep. Lewis, a co-chair of the Ways and Means Committee, has stated the bill will be finalized there.
010		VOTE: 4-0-1 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
	Chair Starr	The motion CARRIES.
015	Chair Starr	Closes the work session on HB 2637 and opens a work session on HB 3541-A.
<u>HB 3541-A PUBLIC HEARING</u>		
023	Rep. Jim Welsh	House District 43. Testifies in support of HB 3541-A. States that the bill addresses concerns that the EPA could pressure states to adopt provisions of the Kyoto Protocol (EXHIBIT L). Asserts there should be no such action taken until the U.S. Senate ratifies it. Expresses concern regarding the potential for state agencies to adopt regulations related to the Kyoto Protocol that would affect various sectors of the Oregon economy. Asserts that Oregon has always taken environmental protection seriously.
077	Sen. Bryant	Mentions that he received mail regarding a House minority report submitted for HB 3541. Requests information regarding the intent of the minority report.
082	Rep. Welch	Replies that the minority report instructed the Office of Energy to direct a study regarding strategies to offset the emission of greenhouse gases in Oregon.
100	Tom Novick	Representative, National Environmental Trust (NET); Renewable Northwest Project (RNP). Testifies in opposition to HB 3541-A (EXHIBIT M). Says NET and RNP oppose the bill for three reasons: <ul style="list-style-type: none"> • Global warming is a considered a major problem by "over 1,500 senior scientists" including 102 Nobel Prize winners." Adds that many economists believe it has the potential for economic and social risks, as do corporations such as Boeing, DuPont, Weyerhaeuser, and Whirlpool. Mentions that the United States Department of Agriculture (USDA) disputes the findings of many studies of the Kyoto Protocol, including the one submitted by Rep. Welsh. Says the USDA considers the conclusions of such reports to be "flawed" and "leading to alarmist conclusions."
130	Novick	Describes the second reason NET and RNP oppose HB 3541-A: <ul style="list-style-type: none"> • Oregon's ability to take the initiative on global warming would be ceded to the federal government through passage of the bill. Asserts this is "diametrically opposed" to the strategy the state has taken over the past few decades, mentioning the business tax credit as an example. Discusses

		the institution of the carbon dioxide (CO2) standards in Oregon.
150	Novick	<p>Describes the third reason NET and RNP oppose HB 3541-A:</p> <ul style="list-style-type: none"> • The implications of the bill are unclear and unnecessary. Says it is difficult to understand how state agencies would implement strategies of an international treaty that has not yet been signed. Wonders if legislative proposals that resemble tenets of the Kyoto Protocol would be invalidated.
191	Sen. Bryant	Mentions that the beneficial programs cited by Mr. Novick were all passed by the legislature, while the bill deals specifically with actions taken by state agencies. Argues that agencies would still be able to bring proposals to the legislature, and that doing so would be the proper course of action. Concludes that the bill would not adversely affect such efforts.
210	Novick	Reiterates that it is not clear as to what impact the bill would have. Says their research has indicated there have never been instances of Oregon state agencies implementing un-ratified treaties.
224	Jeff Watkins	Representative, Sierra Club. Testifies in opposition to HB 3541-A (EXHIBIT N). Says that global warming would have a significant negative impact on Oregon, given its long coastline and reliance upon agriculture. Disputes the argument that adoption of the Kyoto Protocol would put the United States at a competitive disadvantage. Asserts that Oregon can reduce CO2 emissions without "breaking the bank."
274	Hillary Abraham	Representative, OEC. Testifies in opposition to HB 3541-A. Submits the testimony of Chris Hagerbaumer, Air and Transportation Program Director for OEC (EXHIBIT O). Echoes the comments of Mr. Novick and Mr. Watkins. Asserts that global warming is being driven by human action. Argues that the bill exaggerates the cost of reducing emissions. Says the bill will prevent implementation of common sense measures to reduce emissions.
300	Chair Starr	Comments that there is disagreement within the scientific community regarding the Kyoto Protocol. Submits that CO2 increases crop production and is important to agriculture. Takes exception to the "certainty" of global warming, and suggests the debate be left to the scientific community.
<u>HB 3241-A PUBLIC HEARING</u>		
345	Roger Hamilton	<p>Representative, PUC. Testifies in opposition to HB 3241-A. Offers a conceptual amendment that streamlines the annual reporting requirement (EXHIBIT P). Concedes that it may be appropriate to raise the prior approval requirement limit to \$100,000. Says the conceptual amendment would require an annual report containing the following information:</p> <ul style="list-style-type: none"> • Names of the parties to the contracts • Amounts of the contracts • Dates of execution of the contracts • Pricing methods utilized • The nature of goods provided

		Mentions that for some companies, such as GTE, affiliate expenses constitute a significant portion of total operating expenses.
377	Chair Starr	Requests clarification as to which amendments Mr. Hamilton is speaking.
378	Hamilton	Clarifies that the amendments are conceptual.
394	Shelley Jensen	Regulatory and Legislative Affairs Manager, GTE. Testifies in support of HB 3241-A. Indicates that GTE has proposed the ñA3 amendments (EXHIBIT Q), which are similar to the conceptual amendments, save for the pricing requirements. Says PUC would already have information regarding all contracts over \$100,000 and that an annual report would therefore be superfluous. Says that the deletion of lines 6-8 on page 3 is unacceptable, as that section has no effect on the ability of PUC to consider rate cases. Requests that the committee adopt the ñA2 (EXHIBIT R) and ñA3 amendments to HB 3241-A.
431	Sen. Beyer	Requests clarification as to the position of GTE regarding the proposed PUC amendments.
TAPE 84, A		
015	Jensen	Expresses preference for the ñA2 and ñA3 amendments, as the purpose of the bill is to reduce the paperwork that must be filed. Reiterates that PUC receives copies of all contracts over \$100,000 and could analyze them on their own.
027	Sen. Beyer	Asks Mr. Hamilton for the precise difference between the ñA3 amendments and the conceptual amendments proposed by PUC.
030	Hamilton	Replies that there would merely be a minor additional report required and that doing so would not be burdensome.
034	Sen. Beyer	Says the primary difference would seem to be merely the requirement of a report on the pricing methods.
043	Mike Myers	Representative, PUC. Explains that the proposal allows the commission to consider whether contracts have been split up to avoid the \$100,000 threshold. Reiterates that the requirement would be inconsequential with regards to workload.
058	Chair Starr	Suggests that the differences are sufficiently minor so as to make the ñA3 amendments acceptable. Closes the public hearing on HB 3241-A and opens a work session on HB 3241-A.
<u>HB 3241-A WORK SESSION</u>		

065	Sen. Bryant	MOTION: Moves to ADOPT HB 3241-A2 amendments dated 5/26/99.
070	Sen. Courtney	Objects to the motion.
075	Sen. Beyer	Inquires as to why PUC is opposed to the ñA2 amendments.
080	Hamilton	Replies that the ñA2 amendments delete the annual reporting requirement.
087	Sen. Beyer	Mentions that both the ñA3 amendments and the conceptual amendments proposed by PUC would reinstate an annual report.
091	Hamilton	Indicates that PUC will support the ñA2 amendments.
092	Sen. Courtney	Withdraws his objection to the motion.
094		VOTE: 4-0-1 EXCUSED: 1 - Miller
	Chair Starr	Hearing no objection, declares the motion CARRIED.
095	Sen. Bryant	MOTION: Moves to ADOPT HB 3241-A3 amendments dated 6/8/99.
096		VOTE: 4-0-1 EXCUSED: 1 - Miller
	Chair Starr	Hearing no objection, declares the motion CARRIED.
098	Sen. Bryant	MOTION: Moves HB 3241-A to the floor with a DO PASS AS AMENDED recommendation.
100		VOTE: 3-1-1 AYE: 3 - Beyer, Bryant, Starr NAY: 1 - Courtney

		EXCUSED: 1 - Miller
	Chair Starr	The motion CARRIES. SEN. STARR will lead discussion on the floor.
103	Sen. Beyer	Clarifies that he did not see a significant difference between the ñA3 amendments and the PUC proposal. Reiterates that his primary concern was that PUC gets an annual report.
109	Chair Starr	Closes the work session on HB 3241 and adjourns the meeting at 10:05 a.m.

Submitted By, Reviewed By,

Patrick Brennan, Carol Rives,

Administrative Support Administrator

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EXHIBIT SUMMARY

A ñ HB 3616, -A3 amendments, staff, 2 pp.

B ñ HB 3616, -A5 amendments, staff, 1 p.

C ñ HB 3616-A, testimony, Dave Barrows, 4 pp.

D ñ HB 3616-A, proposed amendments, Ty Wyman, 1 p.

E ñ SB 1110, testimony, Sen. Ted Ferrioli, 1 p.

F ñ SB 1110, testimony, Al Lightner, 1 p.

G ñ SB 855, -5 amendments, staff, 10 pp.

H ñ SB 855, -6 amendments, staff, 11 pp.

I ñ SB 855, memorandum, Al Lightner, 1 p.

J ñ HB 2637, testimony, Jeff Watkins, 2 pp.

K ñ HB 2637, testimony, Hillary Abraham, 2 pp.

L ñ HB 3541-A, informational materials, Rep. Jim Welsh, 44 pp.

M ñ HB 3541-A, testimony, Tom Novick, 4 pp.

N ñ HB 3541-A, testimony and informational materials, Jeff Watkins, 13 pp.

O ñ HB 3541-A, testimony, Hillary Abraham, 2 pp.

P ñ HB 3241-A, proposed amendments, Roger Hamilton, 1 p.

Q ñ HB 3241, -A3 amendments, Shelley Jensen, 1 p.

R ñ HB 3241, -A2 amendments, staff, 1 p.

SENATE COMMITTEE ON RULES AND ELECTIONS

June 9, 1999 Hearing Room B

5:00 p.m. Tapes 85-86

MEMBERS PRESENT: Sen. Charles Starr, Chair

Sen. Lee Beyer

Sen. Peter Courtney

Sen. Neil Bryant

Sen. Brady Adams

MEMBER EXCUSED: Sen. Randy Miller

STAFF PRESENT: Sandy Thiele-Cirka, Administrator

Brian E. Smith, Administrator

Carol Rives, Administrator

Susan M. Pettey, Administrative Support

MEASURES HEARD: SB 1329 Public Hearing and Work Session

SB 1328 Public Hearing and Work Session

SB 855 Work Session

HB 3516A Public Hearing and Work Session

HB 3015A Public Hearing and Work Session

HJM 14A Public Hearing and Work Session

HB 3345A 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 85, A		

004	Chair Starr	Opens meeting at 5:06 p.m., and opens public hearing on SB 1329.
<u>SB 1329 PUBLIC HEARING</u>		
011	Sen. Adams	District 25. Explains the provisions of SB 1329. Indicates that SB 1329 directs the Superintendent of Public Instruction to produce school district performance reports that include information in three general areas: student performance, student behavior, and school characteristics.
047	Sen. Beyer	Asks about letter grade assignment.
052	Sen. Adams	Supports including grades in performance reports.
065	Sen. Beyer	Summarizes McMinnville School District analysis. Discusses test standards.
075	Sen. Adams	Expresses that SB 1329 is a tool to open dialogue.
078	Joanne Flint	Associate Superintendent, Office of Curriculum, Instruction, and Field Services. Speaks in support of SB 1329. Submits and summarizes written testimony (EXHIBIT A) . Supports performance reports. Expresses concern regarding the assignment of letter grades to each school and district.
113	Flint	Offers options to the assignment of letter grades.
140	Sen. Beyer	Indicates that existing statutes require school districts to perform annual assessments. Asks if this process is in place.
155	Flint	Discusses the development of a new model for assessing district effectiveness that includes student performance. Indicates the new model has been under development with local districts for over a year. Adds that a pilot will be established next year with a move to a formal system. Wants to assure that good-quality data is included.
164	Sen. Beyer	Asks what information is included.
166	Flint	Answers, statewide assessment data, dropout and attendance rates.
169	Sen. Beyer	Asks if the data will be a comparison with state benchmarks.
175	Flint	Responds that the data will be averages.
204	Chair Starr	Asks if there will be an understanding of how the information relates to other schools.

214	Flint	Answers that the current status of an individual school is compared with the district and state averages. Notes that the information will be accessible on the Department of Education Website. Provides a brochure entitled School Performance Report (EXHIBIT B) .
232	Sen. Beyer	Comments on the importance of academic standards. Indicates reasons that letter grades have no significance.
250	Ozzie Rose	Confederation of Oregon School Administrators (COSA). Speaks in support of the "report card concept." Discusses performance, cost, and expenditure data development.
289	Rose	Discusses the Department of Education report card, which does not contain letter grades. Requests the elimination of the letter-grade requirement.
321	Sen. Adams	Refers to (EXHIBIT B) . Discusses letter grades. Addresses school performance reports.
357	Rose	Comments that if schools are to be successful, more than the parents need to be supported. Discusses school performance reports.
416	Sen. Adams	Asks if Rose supports the Oregon benchmarks.
420	Rose	Reiterates that letter grades are meaningless and subjective.
425	Sen. Adams	Asks if Rose supports the elimination of letter grades from the Oregon benchmarks.
427	Rose	Replies that his interest lies in communicating to the public school performance.
463	Lauri Weber	Oregon Education Association. Speaks in support of SB 1329. States that letter grades are open to interpretation. Discusses the unintended consequences of SB 1329.
492	Weber	Supports the current Department of Education school performance assessment.
TAPE 86, A		
063	John Marshall	Oregon School Boards Association. Speaks in support of SB 1329. Indicates that school performance assessments are valuable for decision-making. Discusses letter grades relative to a bell-curve. Comments that letter grades are irrelevant.
082	Marshall	Supports the current Department of Education school performance assessment. Notes concerns with the assigning of letter grades.

128	Chair Starr	Expresses concern regarding accountability. Supports the option of performance assessment to compare schools. Indicates support of letter grades.
179	Chair Starr	Closes the public hearing on SB 1329, and opens work session on SB 1329.
<u>SB 1329 WORK SESSION</u>		
192	Sen. Adams	MOTION: Moves SB 1329 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways & Means.
		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
212	Chair Starr	The motion CARRIES.
221	Chair Starr	Closes work session on SB 1329, and opens public hearing on SB 1328.
<u>SB 1328 PUBLIC HEARING</u>		
230	Sen. Frank Shields	District 9. Speaks in support of SB 1328. Submits and summarizes written testimony (EXHIBIT C) . Provides document entitled <u>Car Title Loan Industry</u> (EXHIBIT D) . Explains that (EXHIBIT D) is a study of the growth and impact of the car title loan industry in Oregon.
273	Sen. Shields	Describes the primary problems with car title loan companies as the high interest rate and the required collateral.
291	Sen. Shields	Continues presentation.
327	Sen. Beyer	Asks if interest rates are the primary concern.
331	Sen. Shields	Answers affirmatively.
370	Rep. Vicki Walker	House District 41. Testifies in support of SB 1329. Submits a summary of car-title transactions (EXHIBIT E) provided by Department of Consumer & Business Services (DCBS). Addresses the fact that the industry does not consider the creditworthiness of borrowers.

416	Rep. Walker	Continues testimony.
TAPE 85, B		
024	Rep. Walker	Refers members to (EXHIBIT E) . Discusses past-due loans.
038	Sen. Shields	Comments that Oregon is the only state on the West Coast that permits car title loans.
045	John Valley	Consumer Advocate, Oregon State Public Interest Research Group (OSPRIG). Speaks in support of SB 1329. Submits and summarizes written testimony (EXHIBIT F) . Indicates that with fees, the interest rate on car title loans can exceed 500 percent.
068	Valley	Highlights provisions of SB 1328 that will protect consumers: <ul style="list-style-type: none"> • 30-day waiting period before loan proceeds are paid out • Car title cannot be pawned • After repossession, any excess sale proceeds return to the borrower • Provides DCBS with guidelines for licensing car title lenders
096	Chair Starr	Closes SB 1328 public hearing, and opens work session on SB 1328.
<u>SB 1328 WORK SESSION</u>		
112	Sen. Beyer	Points out that any financial institution doing less than 50% of its business in title loans can operate without regulation.
129	Sen. Shields	Responds that the industry is fast moving.
149	Chair Starr	Asks for further questions.
156	Sen. Adams	MOTION: Moves SB 1328 to the floor with a DO PASS recommendation.
		VOTE: 4-0 AYE: 4 ñ Adams, Beyer, Courtney, Starr EXCUSED: 2 - Bryant, Miller
157	Chair Starr	The motion CARRIES.

		SEN. SHIELDS will lead discussion on the floor.
159	Chair Starr	Closes work session on SB 1328, and opens work session on SB 855.
<u>SB 855 WORK SESSION</u>		
167	Sen. Beyer	MOTION: Moves to ADOPT SB 855-7 amendments dated 6/9/99.
		VOTE: 4-0 EXCUSED: 1 - Miller
175	Chair Starr	Hearing no objection, declares the motion CARRIED.
179	Sen. Beyer	MOTION: Moves SB 855 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
185	Chair Starr	The motion CARRIES. SEN. COURTNEY will lead discussion on the floor.
190	Chair Starr	Closes SB 855 work session, and opens public hearing on SB 3516A.
<u>SB 3516A PUBLIC HEARING</u>		
195	Brian Smith	Committee Administrator. Summarizes provisions of SB 3516A. Indicates that this bill requires a person registering to vote to furnish date of birth.
214	Rep. Devlin	Addresses changes made to SB 3516A in committee and the House Chamber.

242	Charles Stern	Yamhill County Clerk. Urges members to pass SB 3516A.
251	Colleen Sealock	Director of Elections, Secretary of State. Testifies in support of SB 3516A.
278	Chair Starr	Indicates support of SB 3516A.
290	Rep. Beyer	Asks if it is the intent of the Secretary of State's office to buy software.
295	Sealock	Discusses the purchase of software containing personal campaign information.
321	Rep. Devlin	Characterizes this system as a vast improvement.
337	Chair Starr	Closes SB 3516A public hearing, and opens work session.
<u>SB 3516A WORK SESSION</u>		
344	Sen. Bryant	MOTION: Moves SB 3516A to the floor with a DO PASS recommendation.
		VOTE: 4 - 0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
362	Chair Starr	The motion CARRIES. SEN. STARR will lead discussion on the floor.
370	Chair Starr	Closes SB 3516A work session, and opens public hearing on HB 3015A.
<u>HB 3015A PUBLIC HEARING</u>		
379	Smith	Summarizes provisions of HB 3015A. Explains that this bill directs the Legislative Administration Committee to provide staff for the preparation of explanatory and financial impact statements on state ballot measures.
398	Dave Henderson	Legislative Administrator. Speaks in support of HB 3015A. Expresses concern regarding HB 3015A, page 2, Section 1 (5). Suggests inserting "administrative." Refers to Section 2 (8) regarding the same change.

421	Rick Hansen	Executive Assistant to the Secretary of State. Indicates that the director of the Department of General Services (DAS) is on the committee. Adds that DAS analysts perform research subject to approval. Discusses other participants involved in this process.
448	Chair Starr	Closes public hearing on HB 3015A, and opens work session.
<u>HB 3015A WORK SESSION</u>		
TAPE 86, B		
032	Sen. Bryant	MOTION: Moves to CONCEPTUALLY AMEND HB 3015A on page 2, in line 3, after "any," inserting "administrative," and on page 2, in line 38, after "any," inserting "administrative".
		VOTE: 4-0 EXCUSED: 1 - Miller
Chair Starr		Hearing no objection, declares the motion CARRIED .
042	Rep. Bryant	MOTION: Moves to ADOPT HB 3015A CONCEPTUAL AMENDMENT.
		VOTE: 4-0 EXCUSED: 1 - Miller
Chair Starr		Hearing no objection, declares the motion CARRIED .
045	Sen. Bryant	MOTION: Moves HB 3015A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller

	Chair Starr	<p>The motion CARRIES.</p> <p>SEN. BEYER will lead discussion on the floor.</p>
053	Chair Starr	Closes work session on HB 3015A, and opens public hearing on HJM 14A.
<u>HJM 14A PUBLIC HEARING</u>		
058	Glen Stonebrink	Oregon Cattlemen's Association. Testifies in support of HJM 14A. Submits and summarizes written testimony (EXHIBIT H). States that this bill urges Congress to require country-of-origin labeling for meat and meat products.
070	Chair Starr	Closes the public hearing on HJM 14A, and opens work session on HJM 14A.
<u>HJM 14A WORK SESSION</u>		
073	Sen. Beyer	MOTION: Moves HJM 14A be sent to the floor with a BE ADOPTED recommendation.
		<p>VOTE: 4-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Miller</p>
	Chair Starr	<p>The motion CARRIES.</p> <p>SEN. COURTNEY will lead discussion on the floor.</p>
084	Chair Starr	Closes work session on HJM 14A, and opens public hearing on HB 3345A.
<u>HB 3345A PUBLIC HEARING</u>		
091	Dave Fiskum	Electric Light Wave. Speaks in support of HB 3345A.
098	Beth Vargas Duncan	League of Oregon Cities. Speaks in support of HB 3345A. Addresses the selection process of the task force. Recommends that any expenditures or acceptance of funds be a unified agreement among the task force members.

111	Fiskum	States that HB 3345A represents a consensus among the industry perspective of telecommunications providers.
121	Gary Bauer	Oregon Telecommunications Association. Speaks in support of HB 3345A.
132	Chair Starr	Closes public hearing on HB 3345A, and opens work session on HB 3345A.
<u>HB 3345A WORK SESSION</u>		
135	Sen. Courtney	MOTION: Moves HB 3345A to the floor with a DO PASS recommendation.
		VOTE: 4-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Miller
	Chair Starr	The motion CARRIES. SEN. BRYANT will lead discussion on the floor.
148	Chair Starr	Closes work session on HB 3345A. Adjourns the meeting at 7:10 p.m.

Submitted By, Reviewed By,

Susan M. Pettey, Sandy Thiele-Cirka
Administrative Support Administrator

Reviewed By, Reviewed By,

Carol Rives, Brian E. Smith,

Administrator Administrator

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EXHIBIT SUMMARY

A ñ SB 1329, written testimony, Joanne Flint, 1 pg.

B ñ SB 1329, brochure, Joanne Flint, 2 pp.

C ñ SB 1328, written testimony, Sen. Frank Shields, 2 pp.

D - SB 1328, document entitled Car Title Loan Industry, 41 pp.

E ñ SB 1328, chart, Rep. Vicki Walker, 1 p.

F ñ SB 1328, written testimony, John Valley, 2 pp.

G ñ SB 855A, -7 amendments, Staff, 16 pp.

H ñ HJM 14A, written testimony, Glen Stonebrink, 1 p.