

HOUSE COMMITTEE ON GENERAL GOVERNMENT

January 22, 1997 Hearing Room D

1:00 P.M. Tapes 4 - 6

MEMBERS PRESENT:

Rep. Ken Strobeck, Chair

Rep. Dan Gardner, Vice-Chair

Rep. Jim Hill

Rep. Bob Montgomery

Rep. Kurt Schrader

Rep. Liz VanLeeuwen

Rep. Tom Whelan

MEMBER EXCUSED:

STAFF PRESENT:

Jeri Chenelle, Administrator

Timaree Whitty, Administrative Support

MEASURE/ISSUES HEARD:

Informational Meeting

Agency Overviews:

Department of Environmental Quality

Oregon Liquor Commission

Department of Consumer & Business Services

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 4, A		
	Chair	

006	Strobeck	Opens meeting at 1:04 pm.
<u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>		
015	Lydia Taylor	<p>Deputy Director of the Department of Environmental Quality (DEQ) gives overview of the DEQ (EXHIBIT A):</p> <ul style="list-style-type: none"> * DEQ History * DEQ Responsibilities * DEQ and Federal Delegation * Environmental Quality Commission * Changing Role * Air Quality Program * Waste Management & Cleanup * Water Quality Program * New Approaches
035	Taylor	Comments on department functions. Explains organizational chart.
049	Chair Strobeck	Asks whether there are any statutory citations for each of these departmental areas.
052	Taylor	Responds that there are citations and can provide the committee with a list of each area's responsibilities at a later date.
058	Rep. VanLeeuwen	Requests a copy of an interagency booklet outlining the rules under DEQ's jurisdiction.
062	Taylor	Responds that a large document is available upon request, or information on specific issues can also be provided.
070	Chair Strobeck	Asks for personnel information regarding number of employees.
074	Taylor	Responds that there are approximately 800 employees with the DEQ, which includes laboratory personnel and regional offices. A breakdown of personnel information can be provided.
077	Chair Strobeck	Asks for budget breakdown

079	Taylor	Responds that the budget is approximately \$250 million. \$120 million is operating budget with the remainder for limitations used in a revolving fund. 70% of the operating budget is funded by dedicated funds, 15% is paid by the Federal Government and 15% is general fund.
097	Rep. Montgomery	Asks where the money goes in regard to funds received from penalty fines on federal regulation citations.
100	Taylor	Responds that the money goes to the State of Oregon's general fund, which is up to the Legislature to disperse.
121	Taylor	Explains DEQ's changing role. Comments on departmental projects.
141	Taylor	Comments on Air Quality Program. Primary objective of program is to protect human health. Emphasizes that small children are highly affected by air quality. Geography plays a major role in air quality.
159	Taylor	Comments on EPA standards.
174	Rep. VanLeeuwen	Asks about particulate problem at Lakeview.
180	Taylor	Explains that the particulate problem at Lakeview is mostly a result of woodstove burning and combustion. Continues that again geographic location plays a role in this matter. More specific information can be provided upon request.
193	Rep. Hill	Asks how the DEQ performs these tests.
195	Taylor	Explains that the DEQ has a monitoring network located throughout the state where filter monitors are used, and then filters are tested.
214	Rep. Hill	Asks if the monitors are located by region.
219	Taylor	Explains that consideration of population protection primarily determines location.
234	Rep. Whelan	Asks how long the DEQ has been tracking air quality and what the trends are.
238	Taylor	Refers to the handout (EXHIBIT A) listing trends. Responds that the state is close to attainment of these trends.
248	Taylor	Points out air monitoring stations listed.
260	Taylor	Comments on vehicle protection program in the Portland area, which is a cost effective way to protect air quality.
267	Chair Strobeck	Asks why there was such a concern recently in the Portland area if the trend is down.
269	Taylor	Responds that the trend is down for the state. Comments that the Portland area's problem is due to growth in number of vehicles. The federal government has certain

		criteria to meet through the Clean Air Act and if the limitations are exceeded this causes concern that the trend will go up.
300	Rep. VanLeeuwen	Asks if the state's rules or laws have not exceeded what the federal government requires.
303	Taylor	Responds there has been no need to be more stringent than the federal government.
327	Rep. VanLeeuwen	Requests information regarding situations when DEQ is more stringent than the federal government.
335	Chair Strobeck	Requests information in regards to the stringency bill heard last session.
340	Taylor	Comments on Hazardous Waste Management & Cleanup Program.
TAPE 5, A		
017	Taylor	Outlines landfill charts (EXHIBIT A, p. 9), explains waste disposed in 1994-95 piechart, and comments on underground storage tanks.
054	Taylor	Comments on budget constraints causing limitations on grants and loans to rural service stations to assist with their compliance costs. DEQ does offer technical assistance to help answer questions on what to do to meet compliance standards.
062	Chair Strobeck	Asks for clarification on words stating a tank "could" leak.
066	Taylor	Explains that every tank will leak after a certain number of years. Most tanks have been underground for a number of years and specific statistics are available. Responds that it is more cost effective to replace one of these tanks before any potential leakage contaminates drinking water or causes some other damage.
082	Rep. Schrader	Asks what the cost benefits are for abandoning one of these tanks.
085	Taylor	Explains that it is a practical problem. If one of these tanks exists on a property it becomes a practical problem for financing and selling. It doesn't take very much leakage to create a great deal of damage and serious problems to neighbors and businesses.
104	Rep. Whelan	Asks whether these were metal tanks put in 60-70 years ago.
106	Taylor	Responds that she does not have the exact answer; they vary.
110	Rep. Whelan	Asks if they are currently putting in vinyl tanks.
		Responds that she doesn't know. Comments on home

114	Taylor	heating disclosure clauses in regards to real estate transactions.
141	Taylor	Comments on environmental cleanup acts (EXHIBIT A). Comments on voluntary cleanup program.
160	Rep. VanLeeuwen	Comments on abandoned drycleaners and ramifications involved.
205	Rep. VanLeeuwen	Continues with comments regarding DEQ actions in Sweet Home.
217	Taylor	Responds on the Sweet Home case scenario. Cleanup is a dilemma.
237	Rep. Montgomery	Reminds that this meeting is an agency overview and requests we continue with agenda.
248	Chair Strobeck	Requests Taylor to proceed with her presentation.
250	Taylor	Comments on spills reported to DEQ and response procedures.
255	Rep. Schrader	Asks about growth in number of spills increasing rapidly.
259	Taylor	Comments that growth in spills is not necessarily a population growth issue, but could be related to a healthy economy and more movement of product. There is no specific reason for the growth increase.
267	Rep. Whelan	Asks if it could be related to the broadening of types of spills the DEQ now requires reporting on.
269	Taylor	Responds that the reporting requirements have not been modified.
272	Taylor	Comments on waste cleanup program. Reports will be available by the end of this week upon request.
289	Taylor	Comments on water quality program. Department's responsibility is to monitor state's water quality.
309	Taylor	Responds that the DEQ has different strategies for monitoring water quality.
324	Taylor	Comments on federal grant program.
342	Taylor	Comments on water quality control lists.
359	Rep. VanLeeuwen	Comments that this is one area previously mentioned where the DEQ exceeds Federal standards.
TAPE 4, B		
002	Taylor	Explains that the DEQ has criteria to follow in setting standards which must be met and approved by the EPA. Standards do vary from state to state depending on

		beneficial use. Standards are not developed nationwide.
037	Rep. Schrader	Asks whether temperature standards would be higher for rural areas.
041	Taylor	Explains incidents where standards would need to be different based on beneficial use.
058	Chair Strobeck	Asks for identification of DEQ staff present.
060	Taylor	Identifies Carolyn Young, Government Affairs Director, and Bruce Danko, Waste Management & Cleanup.
<u>OREGON LIQUOR CONTROL COMMISSION (OLCC)</u>		
069	Pamela Erickson	Administrator of the Oregon Liquor Control Commission gives a brief overview of agency. Explains agency's responsibilities and process (EXHIBIT B), reads mission statement, discusses agency goals, and explains organizational chart.
146	Erickson	Discusses agency's proactive educational program.
157	Erickson	States that most prevalent problem faced is increased alcohol use among young people. This is OLCC's primary focus through licensing and education programs.
180	Chair Strobeck	Asks about licensing period of time for bars, taverns, etc.
182	Erickson	Explains that the OLCC annually licenses everyone.
184	Chair Strobeck	Asks if the criteria for granting a license is statutory.
186	Erickson	Responds that it is statutory and by rule, but varies from category to category.
188	Rep. Hill	Asks how many infractions incurred before a license is revoked.
190	Erickson	Explains the responsibility of the licensee. Responds that there is a penalty schedule.
214	Rep. Whelan	Asks what the penalty is for a first time infraction.
220	Erickson	Responds that she does not know the exact penalty for a first time infraction, but can provide the committee with a penalty schedule.
222	Rep. Montgomery	Comments that it seems like everyone is interested in privatizing. Asks if privatization is an issue this session.
225	Erickson	Responds that she feels this is not much of an issue this session. Addressing the youth consumption issue is in the forefront.
230	Rep.	Asks how revenue is affected in privatization.

	Schrader	
233	Erickson	Explains that if you privatize, you share the profits.
253	Rep. VanLeeuwen	Asks about tax on beer and wine.
256	Erickson	Explains the state has a high markup on distilled spirits and a relatively low tax on beer and wine. Points out pie chart outlining revenue (EXHIBIT B, p. 6).
288	Barbara Hutchinson	Director of Public Affairs discusses agency's legislative bills (EXHIBIT B, p. 7): * HB 2074 * HB 2075 * HB 2076
330	Hutchinson	Continues discussion on bills.
340	Hutchinson	Discusses various issues to be addressed this legislative session.
TAPE 5, B		
000	Hutchinson	Discussion continues.
009	Erickson	Discusses issue regarding the ban on advertising of distilled spirits.
021	Rep. Hill	Asks if OLCC has received any advice from the Attorney General regarding constitutionality for continuing this advertising ban.
028	Erickson	Responds that the ban is likely unconstitutional.
031	Chair Strobeck	Asks about the concern of nude dancing being allowed to continue for a considerable length of time following a complaint being filed. Asks whether shortening this timeline is being considered.
038	Erickson	Explains OLCC has put together a group of people and hired a consultant to work to shorten that time frame and clean up our backlog of cases over a year old. The agency is continuing to work on this problem.
048	Chair Strobeck	States he is interested to see what kind of progress could be made on this during this session that we could actually have in the form of a bill.
<u>DEPARTMENT OF CONSUMER AND BUSINESS SERVICES (DCBS)</u>		
		Director of the Department of Consumer and Business Services (DCBS) gives a highlighted overview of the

070	Kerry Barnett	<p>department. Explains organizational chart (EXHIBIT C):</p> <ul style="list-style-type: none"> * Insurance Division * OSHA * Workers' Compensation Division * Workers' Compensation Board * Division of Finance & Corporate Securities * Building Codes Division * Business Administration Division * Information Management Division * Oregon Medical Insurance Pool Board * Office of Minority, Women & Emerging Small Business * Appraiser Certification & Licensure Board * Office of Energy
168	Barnett	Continues with organizational chart explanation.
223	Rep. VanLeeuwen	Asks whether inspections differ depending on building size.
225	Deborah Lincoln	Deputy Director, DCBS, explains that cities can pick and choose between which inspection programs they want to do. Those inspections they do not do are then bumped from city to county to state. The building size is not a factor for local inspection programs; however, there are some state inspections that cover elevators, escalators, boilers, etc. that are too expensive for local government to pick up.
243	Rep. Schrader	Asks about a crossover in services.
246	Barnett	Explains that local government has become more interested in running their own inspection programs, which does cause some duplication.
260	Barnett	Continues with organizational chart explanation.
315	Rep. VanLeeuwen	Asks whether reference is being made to individuals or groups in regards to the Oregon Medical Insurance Pool Board.

320	Barnett	Responds this is in reference to individuals.
327	Chair Strobeck	Explains that these are individuals that have been refused insurance coverage by a traditional insurance company and are not covered by the Oregon Health Plan, so they apply to OMIP.
360	Barnett	Proceeds with organizational overview.
TAPE 6, A		
000	Rep. Schrader	Asks about fee-based commissions.
005	Barnett	Responds that their entire organization of approximately 1,200 staff is fee based. They receive some federal funds, but no general funds.
010	Rep. Whelan	Asks what is set aside for women and minorities.
015	Lincoln	Indicates that their Office of Minority, Women & Emerging Small Business receives funds generated by a fee from the Transportation Department. This office certifies businesses as women or minority owned businesses to enable them to get credit for that when they apply for public works projects.
020	Barnett	Responds that there are a number of federally funded projects to support this office.
033	Rep. Whelan	Asks when real estate appraiser licensing enforcement discontinued and where the Real Estate Division is these days.
036	Barnett	Responds that the Real Estate Division continues to be separate and the state does have some criteria for real estate appraiser certification; however, this is not a responsibility of the DCBS.
048	Barnett	Continues with organizational chart
057	Barnett	States department's mission is protecting the state's workers.
071	Barnett	Highlights DCBS history (EXHIBIT C, p. 3).
081	Lincoln	Highlights DCBS initiatives (EXHIBIT C, p. 4): * customer service * regulatory reform * public information * workforce * technology
115	Lincoln	Continues explanation of DCBS initiatives.

141	Lincoln	Responds the department has no general fund. The department is funded entirely by fees and assessments.
150	Rep. Gardner	Asks how much information put on the worldwide web is included in general information for appraisers.
152	Lincoln	Explains that they only put what is considered public information: name, business address, telephone number, licenser number and certification status.
155	Rep. Schrader	Asks whether there are plans to elaborate this information.
160	Lincoln	Responds that they are working on this and it is one of their definite goals.
168	Rep. Whelan	Asks whether their fee-paid staff have had their salaries frozen for the past four years.
171	Lincoln	Responds that salaries have been frozen, except for certain cases where a differential has been given.
185	Rep. Whelan	Asks for explanation of the 10% differential.
188	Lincoln	Explains that if they can prove a difficulty in both retention and recruitment due to pay differential, a 10% pay increase may be given which would bump an individual into the next salary range.
194	Rep. VanLeeuwen	Asks about licensing of contractors.
199	Lincoln	Responds that this is not their department's jurisdiction, but under the Building Contractor's Board.
248	Chair Strobeck	Asks whether the department is responsible for licensing home inspectors for real estate transactions.
260	Barnett	Responds that this was not their responsibility and questions whether these inspectors are in fact licensed at all.
270	Chair Strobeck	Reminds the committee will not meet on Friday, January 24, 1997.
272	Chair Strobeck	Adjourns meeting at 3:10 p.m.

Submitted By, Reviewed By,

Timaree Whitty, Jeri Chenelle,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Department of Environmental Quality Agency Overview, Lydia Taylor, 14 pp

B - Oregon Liquor Control Commission Report, Pamela Erickson, 7 pp

C - Department of Consumer and Business Services Report, Kerry Barnett, 20 pp