

HOUSE COMMITTEE ON GENERAL GOVERNMENT

January 29, 1997 Hearing Room D

1:00 P.M. Tapes 7 - 8

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:

HB 2184 Public Hearing

HB 2185 Public Hearing

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 7, A		
000	Chair Strobeck	Opens meeting at 1:07 p.m.
<u>HB 2184 - PUBLIC HEARING</u>		
	Chair	

005	Strobeck	Opens public hearing on HB 2184.
014	Jeri Chenelle	Committee Administrator gives an overview on HB 2184. Could save \$24,000 per year.
021	Chuck Smith	Director of the Debt Management Division in the Oregon State Treasury. Introduces Bill Nessly, Department of Justice. Describes what HB 2184 would do if approved. This bill will save the state money (EXHIBIT A).
042	Rep. Montgomery	Asks what newspaper is printed and published in the city of Portland.
047	Smith	Answers the Oregonian or the Daily Journal of Commerce.
051	Rep. Montgomery	Shouldn't specify the city of publication in the law.
057	Smith	Explains answer and explains bond sales.
075	Rep. VanLeeuwen	Asks about downsides to changing to the simpler form.
079	Smith	Explains state's securities and investments. Sees no downsides. People do have access to lists of upcoming bond sales. Also available on the internet page. Investment companies want public to know when an issue is coming.
115	Rep. Hill	Asks about choice of terms in HB 2184. Requests clarification on the word "except."
136	Nessly	Explains. Discussion of the terminology compared to the true intention of the line. Willing to do a redraft.
153	Rep. VanLeeuwen	Agrees with Rep. Hill. Would like to see reconstruction of wording of HB 2184.
168	Smith	Explains sealed bids.
183	Chenelle	Asks if the state ever does negotiated sales.
188	Smith	Responds the state does, as well as competitive bid sales.
197	Nessly	Explains that the statute doesn't show the context where this appears.
203	Rep. Schrader	Asks for further clarification on wording of HB 2184.
215	Rep. Hill	Doesn't like the language of this bill.
235	Rep. VanLeeuwen	Suggests striking part of a sentence.
247	Chair Strobeck	Requests redrafting bill.
255	Smith	Responds they will proceed with the redrafting.
258	Chair Strobeck	Asks about general public and how many would actually use the information.
261	Smith	Suspects very few of the general public would really notice. There are channels for the professionals in the field to hear of the notices.

287	Chair Strobeck	Closes public hearing on HB 2184. Opens public hearing on HB 2185.
<u>HB 2185 - PUBLIC HEARING</u>		
292	Chenelle	Gives overview of HB 2185.
308	Chuck Smith	Director of the Debt Management Division in the Oregon State Treasury. States that HB 2185 does not give any agency or local government body authority to issue any financing instruments that it doesn't already have. Gives prepared testimony on HB 2185. Urges committee's approval of HB 2185 (EXHIBIT A).
340	Rep. VanLeeuwen	Asks what the proposed amendment changes are.
349	Bill Nessly	Department of Justice. Explains amendments to HB 2185.
TAPE 8, A		
000	Nessly	Continues explaining the amendments.
020	Hasina Cassim	Special District's Association. Introduces herself.
026	Rep. Montgomery	Asks if we are fixing something that is broken. Requests clarification.
029	Smith	We are fixing something which has changed over time.
032	Nessly	Explains advanced refunding and trying to achieve uniformity.
045	Rep. Whelan	Asks about refinancing and locks.
050	Smith	Explains refinancing and advanced refunding.
067	Rep. VanLeeuwen	Asks for clarification on this new form of financing.
080	Nessly	Explains that the State Treasurer is to receive a state funding plan by any state agency or local government body.
099	Chair Strobeck	Asks if local governments have the ability to refund certificates of participation without the oversight of the Treasurer's office.
106	Nessly	Answers affirmatively.
106	Chair Strobeck	Asks if it's an additional oversight into that office.
111	Smith	Responds. Discussion on the refunding.
125	Rep. Hill	Asks to review numbers and reasons behind this bill.
136	Smith	Explains the difference between advanced refunding and current refunding. Explains the Treasurer's role in refinancings and advanced refundings.
169	Rep. Hill	Asks whether there has been a case where a city has entered into an advanced refunding when it wasn't economically feasible.
174	Smith	Answers no because they would not have approved it.

176	Rep. Hill	Expresses curiosity to the reasons why there is this bill.
183	Smith	Debt outstanding is increasing, so they see plans submitted which don't make economic sense.
195	Rep. Hill	Asks if there is any role for the Treasury on the front side of this.
199	Smith	Answers that they provide an educational role, but not an approval role.
221	Rep. Whelan	Asks if the state has an interest in this return of refunds.
225	Smith	Responds that the state always has an interest in state and local government financing.
240	Rep. VanLeeuwen	Asks how many more staff is the Treasury going to request if this bill is approved.
245	Smith	Responds that no more staff will be needed.
247	Rep. VanLeeuwen	Asks about some of the affects of certificates of participation and if the moneys become the taxpayers.
250	Nessly	Explains that bonds means certificates of participation.
284	Rep. VanLeeuwen	Further questions on the certificates of participation.
287	Nessly	Explains the intent of the section.
294	Rep. VanLeeuwen	Requests changes in the language of this section.
302	Nessly	Comments on the language of the amendments.
313	Chair Strobeck	Requests amendments be drafted before bill comes before committee again. Discussion of using definitions consistently throughout a bill.
326	Rep. Montgomery	Asks about pre-session file procedures.
355	Chair Strobeck	Adjourns meeting at 1:58 p.m.

Submitted By, Reviewed By,

Timaree Whitty, Jeri Chenelle,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2184 & HB 2185, State Treasury's Summary, Chuck Smith, 3 pp.