

HOUSE COMMITTEE ON GENERAL GOVERNMENT

February 19, 1997 Hearing Room D

1:00 P.M. Tapes 24 - 26

**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 2112 Public Hearing

HB 2033 Public Hearing

HB 2108 Public Hearing and Work Session

HB 2075 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 24, A</b>		
007	Chair Strobeck	Opens meeting at 1:06 p.m. Opens public hearing on HB 2112.

<b>HB 2112 - PUBLIC HEARING</b>		
011	Jeri Chenelle	Committee Administrator reviews provisions of the bill.
022	Greg Jeffrey	Finance Manager, Department of Administrative Services gives testimony for HB 2112 ( <b>EXHIBIT A</b> ).
057	Rep. Montgomery	Asks for clarification on the definition of infrastructure. Asks if it includes buildings.
060	Jeffrey	Responds infrastructure does not include buildings.
090	Jeffrey	Continues with testimony. Comments on amendment not affecting legislative or executive branch control over use of certificates of participation. Outlines four steps of control needed to be met before an infrastructure project could be financed with certificates of participation.
138	Rep. Ron Adams	State Representative, District 27, gives testimony in support for HB 2112. Submits proposed amendment to bill ( <b>EXHIBIT B</b> ).
177	Dave Kanner	City of Wilsonville gives testimony in support of HB 2112 with proposed amendment.
198	Gene Reddemann	Wilsonville resident gives testimony in support of HB 2112 with proposed amendment ( <b>EXHIBIT C</b> ).
249	Rep. Montgomery	Asks for their definition of a residential area.
257	Rep. Adams	Responds six residential lots per acre.
265	Rep. Gardner	Asks if the new infrastructure in Washington County that was referred to is within two miles of a residential area or three miles of a school.
268	Rep. Adams	Responds it is adjacent to Sunset Highway and in the middle of an industrial area. He does not know how far away the nearest residential area or school are from this site.
273	Rep. Hill	Comments there are two schools within this three mile radius.
275	Rep. Adams	Comments this is the reason why he is requesting the additional language in the bill. The only recommended site he knows of that is affected is the Wilsonville site.
289	Chair Strobeck	Comments committee not prepared for a work session on this bill.
298	Rep. Montgomery	Referring to line 26 of the bill, asks what is intended by fuel improvement systems.
300	Jeffrey	Responds this would include natural gas lines.
307	Rep. Hill	Referring to lines 25 and 26, asks if infrastructure would include telecommunications services.
309	Jeffrey	Responds affirmatively.
311	Rep. Schrader	Asks if this would create any extra fiscal impact.

320	Jeffrey	Responds if certificates of participation were used to finance an infrastructure that the scope of the project would be limited to the direct needs created by locating the state facility in that area.
326	Rep. Schrader	Asks if historically this is how it usually works.
327	Jeffrey	Responds certificates of participation have not been permitted for this purpose in the past.
330	Chair Strobeck	Asks if every certificates of participation financed project did not need this kind of infrastructure improvements in order to be constructed.
334	Jeffrey	Responds affirmatively.
344	Chair Strobeck	Referring to line 21 of the bill regarding financing of infrastructure not owned by the state, asks if this limits ownership to cities, counties, and local government.
353	Jeffrey	Responds if the infrastructure will be owned and operated by the state then use of certificates of participation would be permitted. If it not intended to be state owned, the director must make the finding that it is required to facilitate the operation.
360	Chair Strobeck	Asks if the language in the bill doesn't disallow private ownership of infrastructure improvements.
370	Jeffrey	Responds affirmatively.
380	Rep. VanLeeuwen	Asks if this would cover a privatized prison.
388	Jeffrey	Responds this would go back to who owned the prison. If it was privately owned it would not qualify.
410	Chair Strobeck	Requests a clearer definition of privately owned.
412	Jeffrey	Responds he will provide one at a later date.
<b>TAPE 25, A</b>		
010	Rep. VanLeeuwen	Asks how these infrastructures will be funded.
020	Jeffrey	Responds the state would be responsible for repaying the cost over time.
034	Rep. VanLeeuwen	Asks if it is general fund dollars that will be used to fund these infrastructure costs.
036	Jeffrey	Responds affirmatively.
039	Rep. Hill	Asks if private infrastructures can be financed with these certificates of participation.
047	Jeffrey	Responds affirmatively.
089	John Ruger	Project Manager, Department of Corrections submits and discusses written testimony from Lisa Strader, Facilities Administrator for the Department of Corrections in support of HB 2112 ( <b>EXHIBIT D</b> ).
	Chair	Asks if additional capacity built beyond infrastructure need is

120	Strobeck	included in local government participation in terms of construction.
125	Ruger	Responds the state does not want to pay for more than their fair share and no more.
143	Rep. Schrader	Requests further review from the committee on this legislation prior to work session to determine whether they want to restrict certificates of participation to the state's fair share or extend it to include smaller jurisdictions that need assistance as well.
153	Chair Strobeck	Comments this makes sense.
159	Sarah Hackett	League of Oregon Cities gives testimony in support of HB 2112.
196	Chair Strobeck	Asks if the cost for infrastructure improvements is included.
200	Hackett	Responds it is her understanding this would be one package.
220	Chair Strobeck	Closes public hearing on HB 2112. Opens public hearing on HB 2033.
<b><u>HB 2033 - PUBLIC HEARING</u></b>		
224	Jeri Chenelle	Committee Administrator reviews provisions of the bill.
249	Fred McDonnal	Executive Director of Public Employees' Retirement System (PERS) gives testimony in support of HB 2033. Gives explanation of what HB 2033 would accomplish for the PERS Board ( <b>EXHIBIT E</b> ).
294	McDonnal	Continues with explanation.
350	McDonnal	Continues with explanation.
382	Chair Strobeck	Asks what section of the bill contains the language concerning the retiring members of the system.
384	McDonnal	Responds section one, top of page two.
<b>TAPE 24, B</b>		
000	Rep. VanLeeuwen	Asks for clarification on private sector employees that receive benefits from PERS.
004	McDonnal	Responds inactive members are former state employees that have left their retirement funds in PERS after they terminated employment. A private sector member of the board could not be a participant in PERS within the two years immediately preceding appointment to the board.
012	Rep. VanLeeuwen	Asks where this language is in the bill.
020	McDonnal	Reads section of the bill stating the existing statute.
027	McDonnal	Continues with testimony. Emphasizes that this position has to be filled with a PERS retiree.
053	Pat Riggs-	Chair, Public Employee's Retirement System Board gives testimony supporting HB 2033. Discusses importance of diversifying and

	Henson	opening up more options for the PERS Board.
108	Chair Strobeck	Referring to chart ( <b>EXHIBIT E</b> ), asks if the retiree position could go into any one of the eight positions listed.
112	McDonnal	Responds this is correct with the exception of either position three or four, which must be filled by an elected official.
116	Rep. VanLeeuwen	Asks why it is only a two year separation.
149	McDonnal	Responds the two year separation is the way it has always been.
161	Chair Strobeck	Comments on private sector employee influence in PERS.
174	Sen. Randy Leonard	Oregon State Senator, District 9 gives testimony in support of HB 2033.
200	Chair Strobeck	Asks if he recalls who sponsored the bill last session.
204	Sen. Leonard	Responds it was sponsored by the Senate Labor Committee.
209	Chair Strobeck	Comments he was just informed it was actually sponsored by Rep. Tiernan.
229	Maria Keltner	Director of Development, Local Government Personnel Institute discusses HB 2033. Comments on history of PERS board membership.
<b>TAPE 25, B</b>		
000	Mary Botkin	Representative of AFSCME Council 75 gives testimony supporting HB 2033.
028	Chair Strobeck	Comments on language redundancy in the bill. Suggests the committee review the bill prior to scheduling a work session.
061	Chair Strobeck	Closes public hearing on HB 2033. Opens public hearing on HB 2108.
<b><u>HB 2108</u></b> <b><u>PUBLIC</u></b> <b><u>HEARING</u></b>		
067	Jeri Chenelle	Committee Administrator reviews provisions of the bill.
073	John Radford	Administrator, Department of Administrative Services, State Controller's Division gives testimony in support of HB 2108.
121	Chair Strobeck	Asks if the intent is not to stay with the 1987 decennial census forever.
124	Radford	Responds affirmatively.
130	Rep. Montgomery	Asks if the cities are ok with this change, and whether this will affect the counties.
133	Radford	Responds the cities are ok with this change and it will not affect the counties.
140	Rep.	Asks what caused Harrisburg's drop in revenue based on this formula.

	VanLeeuwen	
160	Jana Tindall	Responds the intent of this formula is to level with per capita.
181	Chair Strobeck	Asks if this formula includes cigarette tax.
184	Tindall	Responds this does not.
188	Rep. Hill	Asks whether Portland State University can provide a per capita income study with information received from the Employment Department.
192	Radford	Responds it is their belief that Portland State University does not provide this type of information and they have not requested it.
207	Rep. Hill	Expresses concern with use of formula.
225	Radford	Responds they could investigate with the Employment Department to obtain the appropriate information.
244	Rep. Montgomery	Comments if the cities were in opposition, they would definitely voice their position before the committee.
249	Rep. VanLeeuwen	Asks for further clarification of revenue percentages.
263	Radford	Responds he can't explain the numbers the formula reveals.
275	Rep. Hill	Comments he is prepared to move forward on this bill.
286	Chair Strobeck	Closes public hearing on HB 2108. Opens work session on HB 2108.
290	<b>Rep. Gardner</b>	<b>MOTION: Moves HB 2108 to the floor with a DO PASS recommendation.</b>
292		<b>VOTE: 6-0</b> <b>EXCUSED: 1 - Rep. Schrader</b>
	<b>Chair</b>	<b>Hearing no objection, declares the motion CARRIED.</b> <b>REP. HILL will lead discussion on the floor.</b>
332	Chair Strobeck	Opens work session on HB 2075.
<b>HB 2075 - PUBLIC HEARING</b>		
353	Rep. VanLeeuwen	Asks for clarification if retail means selling by the bottle or by the glass.
371	Barbara Hutchinson	Representative of Oregon Liquor Control Commission responds this refers to sales by the bottle.
384	Rep. Whelan	Asks if this permits sales by the glass.
<b>TAPE 26, A</b>		
001	Chair	Asks for definition of a winery's retail sales. Asks if this pertains to

	Strobeck	bottles only, or includes by the glass sales.
006	Hutchinson	Comments this language is what was left out of the statute last session. Will get correct answer on this for the committee.
010	Rep. VanLeeuwen	Asks why a winery salesperson is not required to obtain a server's license.
046	Chenelle	Comments they are not exempt from the alcohol server education program. Asks if this is correct.
048	Hutchinson	Responds this is correct. Explains they are not required to hold a server's permit, but they are required to take the alcohol server education program.
051	Rep. Gardner	<b>MOTION: Moves HB 2075 to the floor with a DO PASS recommendation.</b>
053		<b>VOTE: 5-1</b> <b>AYE: 5 - Rep. Gardner, Rep. Hill, Rep. Montgomery, Rep. Whelan, Chair Strobeck</b> <b>NAY: 1 - Rep. VanLeeuwen</b> <b>EXCUSED: 1 - Rep. Schrader</b>
	Chair	<b>The motion Carries.</b> <b>REP. STROBECK will lead discussion on the floor.</b>
056	Chair Strobeck	Adjourns meeting at 2:09 p.m.

Submitted By, Reviewed By,

Timaree Whitty, Jeri Chenelle,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - HB 2112, written testimony, Greg Jeffrey, 2 pp.**

**B - HB 2112, proposed amendments, Rep. Ron Adams, 1 p.**

**C - HB 2112, written testimony, Gene Reddemann, 1 p.**

**D - HB 2112, written testimony of Lisa B. Strader, John Ruger, 1 p.**

**E - HB 2033, written testimony, Fred McDonnal, 4 pp.**

**F - HB 2108, written testimony, John Radford, 10 pp.**