

HOUSE COMMITTEE ON GENERAL GOVERNMENT

March 14, 1997 Hearing Room D

1:00 P.M. Tapes 44 - 45

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

STAFF PRESENT:

Jeri Chenelle, Administrator

Annetta Mullins, Administrative Support

MEASURE/ISSUES HEARD:

SB 103-A - Public Hearing

SB 104 - Public Hearing and Work Session

HB 2081 - Work Session

HB 2269 - 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 44, A		
003	Chair Strobeck	Calls meeting to order at 1:06 p.m. and opens public hearing on SB 103
<u>SB 103-A - PUBLIC</u>		

HEARING		
	Chenelle	Reviews provisions of SB 103-A.
008	Frank Wallace	Assistant Director, Department of Veterans Affairs, testifies in support of SB 103-A (EXHIBIT A).
035	Wallace	Notes amendments have been proposed (EXHIBIT B).
048		Issues discussed:
		* amortization of loans
		* number of cases affected if the department were able to foreclose
070		* number of foreclosures
		* how the department disposes of foreclosed properties
081	Craig Chisholm	Oregon Land Title Association and Oregon State Bar Land Use Section, explains amendments are technical concerns (EXHIBIT B).
		* SB 103-A limits the statute of limitations against the state; there is no problem
		* In case of State of Oregon, title companies are not worried because someone will always answer the phone many years hence and the title could be cleared up.
		* Without the "of record" in the amendments, title examiners may not know about a mortgage that is alive.
102		* The state could buy property, and the mortgage which everyone thought had expired, could come to life; without the language, for a mortgage that is not enforceable by the transferor, the statute could be interpreted to say that might happen.
111	Chisholm	Suggest Legislative Counsel insert the remainder of the language as appropriate in the bill.
		Issues discussed:
114		* meaning of "of record"
		* whether the amendments were discussed on the Senate side
		* how a mortgage can be "held in secret"
147		* structure of language of amendments
150	Wallace	Gives example "of record".
		Discussion continues on structure of language.
174	Chair Strobeck	Advises that the amendments will be submitted to Legislative Counsel for drafting, that the committee will consider the bill at a later date, closes the public hearing on SB 103-A, and opens the public hearing on SB 104.
SB 104 - PUBLIC HEARING		
187	Chenelle	Reviews provisions of SB 104.

191	Frank Wallace	Deputy Director, Department of Veterans Affairs, testifies in support of SB 104 (EXHIBIT C).
212		Issues discussed:
		* reference to laws relating to financial institutions
224		* even though some loans are written with the 16th-day late fee, the department would not be able to collect it
245		* would begin enforcing late fees on loans made since 1992
260	Jon Mangis	Director, Department of Veterans Affairs, explains the department will not change the loans which do not have the late clause.
269	Chair Strobeck	Closes public hearing on SB 104 and opens work session on SB 104
<u>SB 104 - WORK SESSION</u>		
284	Rep. Gardner	MOTION: Moves SB 104 to the floor with a DO PASS recommendation.
285		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. MONTGOMERY will lead discussion on the floor.
296	Chair Strobeck	Closes work session on SB 104 and opens work session on HB 2081.
<u>HB 2081 - WORK SESSION</u>		
293	Chenelle	Reviews provisions of HB 2081 with the -2 amendments (EXHIBIT D).
336	Chenelle	Advises members the Legislative Fiscal Analysis is before them (EXHIBIT E).
341	Rep. Hill	MOTION: Moves to ADOPT HB 2081-2 amendments dated 02/21/97.
345	Rep. Montgomery	Comments he believes the PERS board does a good job, but will be voting no solely because of adding three-fourths an employee.
351	Rep. Schrader	Comments he has concerns about the fiscal statement and asks the time frame covered by the statement. Suggests years from now it will cost the State of Oregon more money than currently due to higher salaries.
343	Fred McDonnal	Director, Public Employee Retirement System (PERS), explains the figures in the statement are biennial, and explains if more individuals

		exceed the limit, the administrative costs could go up.
375	McDonnal	Reminds members the agency does not anticipate having a large number of people, but it will take a partial FTE to administer.
386	Schrader	Comments his concern is that 20 years from now more people will be earning over \$125,000 and can see where the employer contribution to the system could be significant.
409	Chenelle	Notes the \$125,000 is indexed and is a different amount every year.
	McDonnal	Agrees and adds it is indexed annually by the Consumer Price Index (CPI).
TAPE 45, A		
001	Chair Strobeck	Notes the purpose of the measure was to take care of those who were highly paid but were a small percentage, and that the federal legislation requires the equalization fund must be established.
006	McDonnal	Agrees.
010		Issues discussed:
		* the number of people needed to cause the need for the additional FTE
		* projected figures include some start-up costs and are for the first biennium
034		* agency does not know uncertainties, i.e. administrative fees
043		VOTE: 7-0
	Chair	Hearing no objection, declares the motion CARRIED.
045		Issues discussed:
		* PERS employs 170 FTE.
		* whether Oregon could use what has been done in other systems
069		* Bill does not authorize additional FTE.
	McDonnal	Explains the agency process in meeting FTE requirements.
	Rep. Hill	Asks if they do not get the FTE, whether the program is at risk of working.
	McDonnal	Responds the agency would have to look at whether they could establish the fund without the FTE.
102	Rep. Hill	Notes the bill says "shall" and asks if the agency does not get the FTE, whether they will be able to figure out how to administer the fund.
109	McDonnal	Responds if the bill passes, they will do it, possibly at the expense of something else.
115	Chair Strobeck	Notes HB 2081 does not have a subsequent referral to Ways and Means, and asks if they are requesting the additional staff.
117	Rep. Schrader	Comments on the procedures for funding when the bill does not provide funding for the FTE.

124	McDonnal	Responds they have included in their budget request additional FTEs.
131	Rep. VanLeeuwen	Comments on requests for additional FTE and funding.
154		Discussion continues on budget requests.
165	Rep. Hill	Asks if the chair would entertain a motion to send the bill to Ways and Means.
	Chair Strobeck	Announces the committee will reschedule a work session after staff has received information on the threshold of bills requiring a referral to Ways and Means Committee.
189	Chair Strobeck	Closes work session on HB 2081 and opens the work session on HB 2269.
<u>HB 2269 - WORK SESSION</u>		
204	Chenelle	Reviews provisions of HB 2269, and the HB 2269-1 (EXHIBIT F) and the HB 2269-2 (EXHIBIT G) proposed amendments.
	Chenelle	Distributes Legislative Fiscal Statements on the HB 2269-1 (EXHIBIT H) and the HB 2269-2 amendments (EXHIBIT I).
239	Chair Strobeck	Asks if there would be an additional cost to the system with the amendments.
2	Brian Harrington	Public Employees Retirement System, explains there is no impact because they are set up to do the conversion; there would be \$150,000 spread among all employers which would be covered by the employer contribution rates.
256	Rep. Montgomery	Asks Mr. Harrington if he has a recommendation on either of the proposed amendments.
2588	Harrington	Recommends the -2 amendments.
268	Rep. Montgomery	MOTION: Moves to ADOPT HB 2269-2 amendments dated 02/26/97.
270		VOTE: 7-0
	Chair	Hearing no objection, declares the motion CARRIED.
272	Rep. Montgomery	MOTION: Moves HB 2269 to the floor with a DO PASS AS AMENDED recommendation.
273		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. ROSS will lead discussion on the floor.
276	Chair Strobeck	Adjourns meeting at 2:53 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jeri Chenelle,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 103, prepared statement, Frank Wallace, 3 pp

B - SB 103, proposed amendments, Craig Chisholm, 1 p

C - SB 104, prepared statement, Frank Wallace, 2 pp

D - HB 2081, HB 2081-2 amendments, staff, 2 pp

E - HB 2081, HB 2081-2 Fiscal Statement, staff, 1 p

F - HB 2269, HB 2269-1 amendments, staff, 1 p

G - HB 2269, HB 2269-2 amendments, staff, 2 pp

H - HB 2269, HB 2269-1 Fiscal Statement, staff, 1 p

I - HB 2269, HB 2269-2 Fiscal Statement, staff, 1 p