

HOUSE COMMITTEE ON GENERAL GOVERNMENT

March 24, 1997 Hearing Room D

1:00 P.M. Tapes 52 - 53

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:

HB 2897 Public Hearing

SB 202-A - Work Session

SB 203 - Work Session

SB 204 - Work Session

HB 2447 - Work Session

SB 205 - Public Hearing and Work Session

SB 206 - 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
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Tape 52, A		
003	Chair Strobeck	Calls meeting to order at 1:06 p.m. and opens public hearing on HB 2897.
<u>HB 2897 - PUBLIC HEARING</u>		
009	Rep. Tim Josi	Introduces Burton Weast and Clark Balfour and testifies in support of HB 2897:
		* bill encourages mergers
		* bill encourages mergers by removing the five percent requirement
		* increases five percent requirement to 20 percent
034	Clark Balfour	Attorney, Cable Huston Benedict & Haagensen, submits written testimony and testifies in support of HB 2897 (EXHIBIT A).
079	Burton Weast	Special District Association of Oregon, testifies in support of HB 2897:
		* bill would remove some of the impediments
		* districts are finding with changes with water law and environmental conditions it would be helpful to be one agency
		* nothing in the bill would allow one district to take over another
		* would allow consolidation
		Issues discussed:
104		* process for merging
		* differences in tax amounts
118		* taxing authorities would be brought to the merger
		* unlike districts could come together
		* entities showing most interest are those providing drinking water and sanitary type districts
141		* implied problem of which district prevails under current law
153		* resolution of conflict between two "principal acts"
173		* voter involvement in merger
184		* process by boards of commissioners
198		* determination of how the new government is structured
212		* whether larger districts would have advantage over smaller district in mergers
226		* Section 3 relates to water districts.
231	Balfour	Reviews Section 3:
		* (1) makes the move from 5 to 20 percent and says if you are under the 20 percent, the existing board members of the larger districts will remain with the same election they have.

		* (2) applies when the 20 percent is exceeded, in increments of one; 20-40 would equal one and if 40 percent is exceeded, the dissolving district would have two representatives; members would serve until the next election date and all would be up for election.
		Issues discussed:
259		* authority of boundary commissions
287	Weast	Explains Section 3 says if there is no boundary commission, it will be through the election process; a boundary commission on its own order can do a merger.
		Issues discussed:
316		* transition period is only for the 20 percent
		* 5 percent was an arbitrary number; the 20 percent was an attempt to match the five person composition of the board * all water districts have five-member boards
		* If a merging district is smaller than 20 percent or one-fifth of the elected directors, then it would not be necessary to have the entire board election immediately; if the electors are larger than 20 percent, then there would be an election.
		* Special districts have no opposition to increasing the five percent to 20 percent.
326		* examples of possible mergers
		* structure of taxing if boundaries are not identical
360		* determination of boundaries in the merger process
387	Chair Strobeck	Questions whether the proposal should provide that the boundaries of the proposed merger be the same in order to merge.
TAPE 53, A		
010	Balfour	Comments the focus of HB 2897 was water-related agencies, and was to deal with water and sanitary only. Adds if the bill were to be limited, then there would not be the tax base issues.
	Weast	Explains that the election is not on the merger; it is the election of the entire board; there is potential of having no continuity.
060	Rep. Schrader	Asks why they would not have the election before the merger.
066	Balfour	Responds that is what the percentages are for.
	Balfour	Explains the process if there is an election on the question of the merger.
095	Weast	Adds the proposal only changes the five percent to 20 percent, not the whole process and to make sure all five members of a small district do not have to stand for election at the next election.
	Rep. Montgomery	Notes there is no provision in the bill for the districts to be contiguous.
		Responds he does not believe this is an isolated case, but cannot

108	Weast	answer the question of being contiguous.
	Balfour	Notes two districts separated by Beaverton did merge in 1991.
140	Chair Strobeck	Notes the approval process by the electors or the boundary commission
145		Discussion continues on when an election must be held.
185	Rep. VanLeeuwen	Asks if they wish to merge to save money.
	Weast	Responds that is correct, and explains the incentives for the districts to merge.
216	Chair Strobeck	Comments he believes this is a positive step toward efficiency and operations, but has some concern over the broad nature of any district, and suggests an amendment to limit the measure to water and sanitary districts.
221	Rep. Montgomery	Suggests an amendment also include the provision there be common boundaries or be contiguous.
245	Chair Strobeck	Advises members two amendments will be requested: one relating to boundaries, and one relating to water and sanitary districts.
251	Chair Strobeck	Closes the public hearing on HB 2897 and opens the work session on SB 202-A.
SB 202-A - WORK SESSION		
	Jeri Chenelle	Administrator, reviews provisions of the bill and testimony provided at the hearing.
255	Rep. Gardner	Reviews amendment proposed by Oregon Newspaper Publishers Association (ONPA).
276	Cleary	Comments they wish the flexibility to publish.
	Rep. Hill	Asks if there was discussion on whether to use the internet.
294	Chair Strobeck	Asks if there would be problem with adding "or by electronic means"
307	Cleary	Responds administrative rules allow the use of other means of notification.
317	Chair Strobeck	Advises members the ONPA's proposed amendments will be requested from Legislative Counsel.
	Chair Strobeck	Closes the work session on SB 202-A and opens the work session on SB 203.
SB 203 - WORK SESSION		
347	Jeri Chenelle	Administrator, reviews provisions of SB 203.

356	Rep. Montgomery	MOTION: Moves SB 203 to the floor with a DO PASS recommendation.
359		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. GARDNER will lead discussion on the floor.
364	Chair Strobeck	Closes the work session on SB 203 and opens the work session on SB 204.
<u>SB 204 - WORK SESSION</u>		
	Jeri Chenelle	Administrator, reviews provisions of SB 204.
390	Rep. Hill	Asks why there should be a 24 month exemption from public disclosure.
394	Cleary	Explains the 24 months would make the time period the same as the division provides for private entities dealing with stale dated checks, and that researchers are going to state agencies to get the list of uncashed checks and charging a finders fee.
409	Rep. HILL:	MOTION: Moves SB 204 be sent to the floor with a DO PASS recommendation.
416		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. HILL will lead discussion on the floor.
421	Chair Strobeck	Closes work session on SB 204 and opens work session on HB 2447.
<u>TAPE 52, B</u>		
<u>HB 2447 - WORK SESSION</u>		
009	Jeri Chenelle	Administrator, explains provisions of HB 2447 and advises members the Revenue Impact Statement has been received (EXHIBIT B).
013	Rep. Gardner	MOTION: Moves HB 2447 to the floor with a DO PASS recommendation.
016		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Rep. Montgomery

		(NOTE: REP. MONTGOMERY VOTES AYE. SEE TAPE 52B AT 199.)
	Chair	The motion CARRIES. REP. RASMUSSEN will lead discussion on the floor.
025	Chair Strobeck	Closes work session on HB 2447 and opens public hearing on SB 205.
<u>SB 205 - PUBLIC HEARING</u>		
027	Jeri Chenelle	Administrtor, reviews provisions of SB 205 and advises members have been given copies of the statutes being repealed by the bill.
035	Cleary	Director, Division of State Lands, submits prepared statement on SB 205 and SB 206, and testifies in support of SB 205 (EXHIBIT C).
		Issues discussed:
055		* duplicate reports are provided under two separate provisions of law
		* prisoners would have to file evidence of their identity to claim property
063		* contents of bank safety deposit boxes
077		* provisions covered under laws being repealed are covered under the escheat laws
088	Chair Strobeck	Closes public hearing and opens work session on SB 205.
<u>SB 205 - WORK SESSION</u>		
089	Rep. Hill	MOTION: Moves SB 205 to the floor with a DO PASS recommendation.
091		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. WHELAN will lead discussion on the floor.
102	Rep. VanLeeuwen	Asks that members look at ORS 179.550 which is being repealed by SB 205, and asks Mr. Cleary if the heirs are being cut out if they turn up within a 10-year period of time.
109	Cleary	Responds that by putting them under the unclaimed property provisions, those properties will be held in perpetuity for potential claim by heir, as opposed to eschewing to the state in 10 years; it actually gives the heirs more protection.
116	Chair Strobeck	Closes the work session on SB 205 and opens the public hearing on SB 206.

<u>SB 206 - PUBLIC HEARING</u>		
112	Cleary	Director, Division of State Lands, testifies in support of SB 206 (EXHIBIT B) .
141	Chair Strobeck	Clarifies intent of legislation is not to cut out someone who has a legitimate claim.
146	Rep. Schrader	Asks how the Division of State Lands is involved as opposed to probate court.
149	Cleary	Explains the Division of State Lands steps in as a representative of the potential heirs of the estate; if there is no heir, the director signs and administers the estate and holds it for a 10-year period for potential heirs to come forward.
155	Chair Strobeck	Asks what the statutory authorization is for the director to step in.
156	Cleary	Explains it is under ORS 114.505.
165	Rep. Gardner	Asks who has authority for estates over \$140,000.
166	Cleary	Responds if there are no heirs, it is the responsibility of the Division of State Lands.
170	Rep. Gardner	Asks if other states do the same thing.
170	Cleary	Responds that if estates are not claimed within a 10-year period, they eschew to the Common School Fund, and the Division of State Lands is the administrator of the Common School Fund, and believes that is why it was assigned to the Division of State Lands, much like the unclaimed property programs.
180	Chair Strobeck	Closes public hearing and opens work session on SB 206.
<u>SB 206 - WORK SESSION</u>		
181	Rep. Gardner	MOTION: Moves SB 206 to the floor with a DO PASS recommendation.
183		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
	Chair	The motion CARRIES. REP. STROBECK will lead discussion on the floor.
190	Chair Strobeck	Thanks Mr. Cleary for having well prepared testimony on measures before the committee and for being prepared to answer questions.
199	Rep. Strobeck	MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. MONTGOMERY to BE RECORDED as voting AYE on the motion to move HB 2447 to

		the floor with a DO PASS recommendation.
199		VOTE: 7-0
	Chair	Hearing no objection, declares the motion CARRIED.
202	Rep. Montgomery	VOTES AYE.
205	Chair Strobeck	Closes the work session on SB 206, announces that the committee will hear HB 3169 on Wednesday in hearing room 50 and asks they clear their schedules until 4:00 p.m., if possible
213	Chair Strobeck	Adjourns meeting at 2:17 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jeri Chenelle,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2897, prepared statement, Clark Balfour, 3 pp

B - HB 2447, Revenue Impact Statement, staff, 1 p

C - SB 205, SB 206, prepared statement, Paul Cleary, 6 pp