

HOUSE COMMITTEE ON GENERAL GOVERNMENT

April 18, 1997 Hearing Room D

1:00 P.M. Tapes 79 - 81

**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 2363 - Work Session

HB 3680 - Public Hearing

HB 3681 - Public Hearing

HB 2758 - 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>Tape 79, A</b>		
003	Chair Strobeck	Calls meeting to order at 1:04 p.m. and opens the work session on HB 2363.
<b><u>HB 2363 - WORK</u></b>		

SESSION		
011	Jeri Chenelle	Administrator, reviews provisions of HB 2363.
016	Rep. Gardner	<b>MOTION: Moves HB 2363 to the floor with a DO PASS recommendation.</b>
018		<b>VOTE: 5-0</b> <b>EXCUSED: 2 - Hill, VanLeeuwen</b>
	Chair Strobeck	<b>Hearing no objection, declares the motion CARRIED.</b> <b>REP. WHELAN will lead discussion on the floor.</b>
025	Chair Strobeck	Closes work session on HB 2363 and opens public hearing on HB 3680.
<b>HB 3680 - PUBLIC HEARING</b>		
	Jeri Chenelle	Administrator, reviews provisions of the bill.
037	Rep. Montgomery	Asks if the HB 3680-1 amendments will be referred to <b>(EXHIBIT A)</b> .
038	Chair Strobeck	Responds the witness will speak to the bill and the amendments.
040	Hasina Cassim	Oregon Emergency Management Association, introduces Jim Swinyard, immediate past president of the association, and Myra Lees, Director, Office of Emergency Management, notes she represents also a number of fire agencies and 911 managers.
		* for the past year and one half has been working with the Association of Oregon Counties (AOC), League of Oregon Cities (LOC), the fire service community and the Office of Emergency Management
054		* presented to the House Interim General Government Committee a draft proposal
		* believes bill contains concerns of everyone
062		* creates disaster reserve fund
		* provides emergency management program funding to establish programs where none exist
		* coordinates and enhances emergency management activities already in existence  * creates a competitive hazard mitigation program and advisory council
		* all entities have been supportive of concept and proposal
		* has three funding mechanisms: general fund, lottery dollars, and the fire insurance premium tax, but are not committed to pursuing the

		funding dollars
		* intent is to raise the level of awareness in the legislature to emergency management activities, and to begin to develop some sort of state-wide coordinated effort to deal with disasters
083	Jim Swinyard	Emergency Program Manager, Benton County and Oregon Emergency Management Association, testifies in support of HB 3680 ( <b>EXHIBIT B</b> ).
100	Swinyard	Continues presentation.
150	Swinyard	Continues presentation.
189		Issues discussed:
		* amendments are housekeeping and to change participation in the advisory council
		* potential for competition among counties for funding
		* whether provision is included in bill to take care of small communities
232		* priorities are set out in HB 3680
241	Mira T. Lee	Office of Emergency Management, reads letter from James Lee Witt , Director, Federal Emergency Management Agency ( <b>EXHIBIT C</b> ).
275	Lee	Continues reading letter.
294	Lee	Comments the trend generally is for states to try to establish the capability to handle disasters better with their own resources, and that there are a number of states which have established a disaster recovery fund and are now looking at the mitigation piece and supporting basic emergency management.
		* HB 3680 does support capability of local communities of all sizes to have somebody in the jurisdiction to be able to handle their program
		* OEM could work closely with the communities in writing the mitigation proposals and working our recovery issues
		Issues discussed:
311		* comparison of FEMA response last February to response under HB 3680
		* reduction of federal moneys for recovery
345		* mitigation funds
373		* qualifications for emergency program managers
400	Betty Rowland	Chairman, Board of Commissioners, Hood River County, and speaking for the rural counties in the mid-Columbia area, testifies in support of HB 3680 ( <b>EXHIBIT D</b> ).
425	Rowland	Continues presentation.
<b>TAPE 80, A</b>		
000	Rowland	Continues presentation.
054	Rowland	Introduces Carl Cash and Jim Ozamano.

060	Tony Hyde	Columbia County Commissioner, testifies in support of HB 3680:
		* was in Vernonia during floods
		* first piece to keep people active and to know how to implement the plan is vital
		* Columbia County also has Trojan to worry about
		* mitigation is most important; asking for \$290 million
		* feds expect the state to have a pro-active plan and to have emergency funds set up in the state
		* looking for state-wide mitigation plan
		* Vernonia has been involved in mitigation funding and was first to receive funds; community does not have technical staff as in the large communities
		* HB 3680 structure will be good
		Issues discussed:
109		* how HB 3680 will keep the plans active
150		* why there should be a mandate when the communities can already do this
168		* how knowledge would have helped in Vernonia during the floods
195	Bill Penhollow	Introduces John Oshel, and testifies in support of HB 3680:
		* submits Port of Tillamook statement ( <b>EXHIBIT E</b> ).
		* explains types of funding
250	Penhollow	* continues explaining funding upon declaration
210		* funding for counties
295	Jon Oshel	Tillamook County Director of Public Works, testifies in support of HB 3680 ( <b>EXHIBIT F</b> ).
340	Oshel	Continues presentation.
390	Oshel	Continues presentation.
<b>TAPE 79, B</b>		
	Oshel	Continues presentation ( <b>EXHIBIT F, page 2</b> ) and submits statement for Dan Boldt, Wasco County Director of Public Works ( <b>EXHIBIT G</b> ).
027	Rob Drake	Mayor, Beaverton, and Chair, Regional Emergency Management Group of the Portland Metropolitan Area, testifies in support of HB 2680 ( <b>EXHIBIT H</b> ).
060	John Beaulieu	Oregon Department of Geology and Mineral Industries, submits and summarizes a prepared statement in support of HB 3680 ( <b>EXHIBIT I</b> ).
		Issues discussed:
093		* how DOGAMI is involved

126	Nick Goevelinger	Oregon Health Division, submits prepared statement ( <b>EXHIBIT J</b> ) and testifies in support of HB 3680.
		Issues discussed:
140		* whether there is a statewide group and the need for the creation of the advisory committee
163	Richard Rix	Northwest Medical Teams International, testifies in support of HB 3680 ( <b>EXHIBIT K</b> ).
196	Chair Strobeck	Announces that the committee has received a statement from Metro in support of HB 3680 ( <b>EXHIBIT L</b> ).
223	Chair Strobeck	Closes the public hearing on HB 3680 and asks that the committee stand at ease from 2:14 to 2:17 p.m.
223	Chair Strobeck	Reconvenes the meeting and opens the public hearing on HB 3681.
<b>HB 3681 - PUBLIC HEARING</b>		
215	Jeri Chenelle	Administrator, reviews provisions of HB 3681.
	Chair Strobeck	Comments that HB 3681 contains the implementation process for Measure 30 ( <b>EXHIBIT M</b> ).
245	Bob Cantine	Association of Oregon Counties, testifies in support of HB 3681:
		* discussions began in 1991 trying to find a structure; there was a concern on the part of the state with federal mandates, and a concern on the part of local governments with state mandates
		* legislature sent resolution asking Congress to pass the federal law on mandates
		* the Oregon Constitutional amendment was put on the ballot and passed in 1996
		* HB 3681 sets up procedural framework for a local government and the state to process a request for payment or allocation of an appropriation
		* Section 1 takes the language from the Constitutional amendment and sets up the context for the appropriating and allocating process in Section 2
		* Section 2 is a provision for the Legislative Fiscal Officer to estimate the usual and reasonable costs of a mandate and requires local governments to cooperate with the state in trying to make the calculation
		* the procedure has been working pretty well this year
		* about 95 percent of fiscal impact forms say there is no Ballot Measure 30 impact
		* some are permissive, some have minor impacts
		* Section 3 provides for appropriation of funds to the Department of

292		Administrative Services (DAS) for allocation to local governments and sets up the procedure
		* Section 2 sets forth the procedure for filing of a claim with DAS in the event a local government determines the money received is insufficient
		* DAS has to review the claim of local government and decide whether they agree
		* allows DAS to go to the E Board for funds to cover claim
		* the last section repeats the definitions in the Constitution
294	Cantine	Introduces the HB 3681-1 amendments ( <b>EXHIBIT N</b> ). Explains the arbitration process in the Constitution is non-binding, but the implementing bill left it out, and the amendment puts it back in. Suggest on page 2 of the HB 3681-1 amendments, in line 2, strike "qualified".
343	Dick Townsend	League of Oregon Cities, testifies in support of HB 3681 ( <b>EXHIBIT O</b> ) and asks that their request for an amendment on page 1 of HB 3681, to delete "first" in line 7 be disregarded because Legislative Counsel has dealt with their concern in a different way, and supports the HB 3681-1 amendments and Mr. Cantine's comment on the deletion of "qualified".
		* this is important issue to the State of Oregon
		* was passed with a 56 percent vote; 34 out of 36 counties passed Measure 30.
		* pleased with the lack of legislation with mandates
		* Legislative Fiscal Officer has been designated as the one to write the impact statements and is the key to the entire mandates process
406	Hasina Cassim	Special Districts Association, testifies in support of HB 3681:
		* echos Bob Cantine's and Dick Townsend's testimony and commends LFO for the assistance and their responsiveness
		* asks that in Section 3 (2) Special Districts Association of Oregon be added, and also in Section 3 (3).
<b>TAPE 80, B</b>		
		Issues discussed:
028		* whether the state would have to pay local government if there is a federal mandate passed down
		* how local governments will protect themselves if Legislative Fiscal does not predict far enough out
		* funding by state based on previous allocation; mandates would be voluntary on the part of local governments if not funded by the state
069		* crime and sentencing guidelines are exempt
		Assistant Director, Department of Administrative Services, testifies for

078	Dave White	changes to be made to make HB 3681 consistent with Ballot Measure 30 language ( <b>EXHIBIT P</b> ).
125	White	Continues presentation.
		Issues discussed:
160		* lack of implementing language on legislature repealing any tax that is distributed to cities without a three-fifths vote
195		* how to put constraints on local governments
210	Rep. VanLeeuwen	Comments on working with the representatives of local governments and schools and that the conclusion was that with diminishing local revenues, the only way local governments could continue to exist was with the powers above backing off on the mandates without sending funds.
247	Bob Cantine	Responds there is a permanent cap under Measure 47 while the state's funding will not be subject to the cap and all the resources are going to get drawn to the state level, therefore, it becomes critical that we not be faced with that situation unless there is a compelling argument for a statewide interest.
260	Rep. Hill	Asks for an example of an unfunded mandate on local government that did not pass with more than three-fifths.
286	Cantine	Offers to research the voting records.
293	White	Comments DAS has not been asked for a fiscal impact on this, but DAS does not anticipate a fiscal impact, but it looks like it would be on Legislative Fiscal.
299	Cantine	Notes this also applies to agency rules and there is no 3/5 vote.
310	Rep. Hill	Asks if it would have to go back to the statutory language giving the authority for the rule, and suggests it should be covered in the implementing language.
332	Chair Strobeck	Closes the public hearing on HB 3681 and opens the public hearing on HB 2758.
<b><u>HB 2758 - PUBLIC HEARING</u></b>		
335	Jeri Chenelle	Administrator, reviews provisions of the bill
350	Chair Strobeck	Reads note from Rep. Carpenter and notes prepared statement from Rep. Carpenter ( <b>EXHIBIT Q</b> ).
370	Robert Grooney	Oregon Liquor Control agent, Sisters, testifies in opposition to HB 2758:
		* 28 years experience with private sector grocery company in an uncontrolled state
		* biggest concern in grocery chain was liquor department on a constant basis with theft and juveniles shoplifting
		* the accessibility of liquor with extended hours makes it a great

		opportunity for individuals who shoplift or young people wanting spirits for a party
		* working with the Oregon Liquor Control Commission (OLCC) for the last 14 years has been a pleasure
		* they do a magnificent job and treat their agents fairly and squarely
		* have opportunity to give special prices every month
		* the commission and staff are completely dedicated and believe the state would be shooting itself in the foot to privatize liquor
412		* consumers would suffer because the agents are able to offer some state inventories of a variety of products; the private sector would not tie up their money in the variety of products
<b>TAPE 81, A</b>		
011	John Herold	Liquor agent, Lincoln City, submits letter ( <b>EXHIBIT R</b> ) and testifies in opposition to HB 2758.
025	Pamela Erickson	Administrator, Oregon Liquor Control Commission (OLCC), introduces Myril Lindsey, Fiscal Manager, and testifies in opposition to HB 2758 for three reasons ( <b>EXHIBIT S</b> ):
		* less control
		* revenue
072		* public convenience
		Issues discussed:
		* revenue loss to cities and counties
		* reduction of FTE
105	Gary McGrew	Regulatory Manager, Bureau of Licenses, City of Portland, introduces Assistant Chief Lynnae C. Berg, Portland Police Bureau, submits a prepared statement ( <b>EXHIBIT T</b> ) and testifies in opposition to HB 2754.
125	Lynnae C. Berg	Assistant Chief of the Investigative Branch, City of Portland, testifies in opposition to HB 2758 ( <b>EXHIBIT T</b> ).
		* believes it would be mistake to abdicate the controls OLCC currently has
		* by-product of privatization and the loss of central price control will be lower prices for distilled spirits and increased consumption
		* scenario is unacceptable for the City of Portland; the current system maximizes accountability by liquor store operators
		* as profit motive increases, potentially it could lead to increased distilled spirit consumption and sales to juveniles
141		* in January, Central Precinct ran an undercover, underage alcohol sales mission targeting convenience stores in downtown; 52 percent of the 19 stores contacted sold alcohol to underage students
		* in Oregon one in 6 adults age 18 to 24 abuse or are dependent on



		alcohol
		Issues discussed:
158		* enforcement through stings
		* negative impact on juveniles would exceed the value of increased revenues
180	Gary Conkling	Oregon Winegrowers Association, testifies in opposition to HB 2758 <b>(EXHIBIT U)</b> .
20	Mary Botkin	American Federation of State, County and Municipal Employees (AFSCME), testifies in opposition to HB 2758:
		* AFSCME believes regulatory agencies are there for a reason
		* AFSCME does not believe alcohol should be readily available, especially to minors, and hard liquor should not be convenient 24 hours a day
		* there is concern this bill could cause a move toward a California mentality
		* introduces Janice Forbes
212	Janice Forbes	Submits prepared statement <b>(EXHIBIT V)</b> and testifies in opposition to HB 2758.
250	Forbes	Continues presentation.
		Issues discussed:
274		* whether there is a declining per capita alcohol consumption in Oregon
289		* number of outlets and requirement for a liquor license for video poker terminals
315		* threshold for loss of license
358	David Hooper	Public Affairs Manger, Oregon Lottery Commission, testifies that they have no position on HB 2758; their only interest is on page 2 which says the stores "may sell lottery tickets" and believes it should be made clear that that is subject to Chapter 461 under which all the contracts requirements are described. Submits proposed amendments <b>(EXHIBIT W)</b> .
		Issues discussed:
		* permissive language relating to selling lottery tickets
413	Chair Strobeck	Closes the public hearing on HB 2758 and opens the public hearing on HB 3412.
<b><u>HB 3412 - PUBLIC HEARING</u></b>		
420	Chair Strobeck	Closes the public hearing on HB 3412.
423	Chair	Adjourns meeting at 3:22 p.m.

Submitted By, Reviewed By,

Annetta Mullins, Jeri Chenelle,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - HB 3680, HB 3680-1 amendments, Rep. Strobeck, 3 pp**

**B - HB 3680, prepared statement, Jim Swinyard, 5 pp**

**C - HB 3680, letter from James Witt, Myra T. Lee, 2 pp**

**D - HB 3680, prepared statement, Beverley Rowland, 22 pp**

**E - HB 3680, letter from Port of Tillamook Bay, Bill Penhollow**

**F - HB 3680, prepared statement, Jon Oshel, 2 pp**

**G - HB 3680, prepared statement from Wasco County Director of Public Works, Jon Oshel, 2 pp**

**H - HB 3680, prepared statement, Rob Drake, 3 pp**

**I - HB 3680, prepared statement, John Beaulieu, 3 pp**

**J - HB 3680, prepared statement, Nick Gloevelinger, 2 pp**

**K - HB 3680, prepared statement, Dick Nix, 1 p**

**L - HB 3680, letter, Mike Burton, 1 p**

**M - NOT USED**

**N - HB 3681, HB 3681-1 amendments, Bob Cantine, 2 pp**

**O - HB 3681, prepared statement, Dick Townsend, 1 p**

**P - HB 3681, prepared statement, Dave White, 1 p**

**Q - HB 2758, prepared statement, Rep. Chuck Carpenter, 2 pp**

**R - HB 2758, prepared statement, John Herold, 8 pp**

**S - HB 2758, prepared statement, Pamela Erickson, 5 pp**

**T - HB 2758, prepared statement, Gary McGrew, 2 pp**

**U - HB 2758, prepared statement, Gary Conkling, 1 p**

**V - HB 2758, prepared statement, Janice Forbes, 3 pp**

**W - HB 2758, proposed amendments, David Hooper, 1 p**