

**CONFERENCE COMMITTEE ON HB 3041**

**July 2, 1997 Hearing Room A**

**Tapes 1**

**MEMBERS PRESENT:**

**Rep. John Watt, Chair**

**Rep. Eldon Johnson**

**Rep. Jackie Taylor**

**Sen. Ken Baker**

**Sen. Joan Dukes**

**Sen. Gary George**

**MEMBER EXCUSED:**

**STAFF PRESENT:**

**Julie Neburka Administrator**

**Nora Carlson, Administrative Support**

**MEASURE/ISSUES HEARD:**

**HB 3041 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 1, A</b>		
001	Chair Watt	Calls meeting to order at 8: 37 a.m. Opens work session on HB 3041.
<b><u>HB 3041 WORK SESSION</u></b>		
010	Julie Neburka	Administrator, reviews provisions of the proposed (-B13) amendments to HB 3041, concerning language for issuing Lottery bonds to pay for state parks <b>[EXHIBIT A]</b> .
020	Sen. Baker	Clarifies proposed amendments to HB 3041.
022	Rep. Johnson	Asks if there are other bills that include park bond language.
028	Chair Watt	Responds that there are not.
030	Sen. Baker	Explains that the original vehicle was HB 2192, which combined the school funding formula, bonding for parks, and bonding for schools.
030	Neburka	Reviews provisions of the proposed (-B12) amendments, which creates an infrastructure Lottery bond fund <b>[EXHIBIT B]</b> .
044	Sen. Baker	Asks about the difference between the infrastructure Lottery bond fund and the infrastructure program that was expanded by Rep. Montgomery.
054	Chair Watt	Explains that the infrastructure bond fund will provide matching funds for the Federal Safe Drinking Water Act.
066	Sen. Baker	Asks about the funding source.
068	Chair Watt	Identifies Lottery funds as the source.
068	Rep. Taylor	Asks about compromise on budget language.
074	Sen. Ted Ferrioli	District 28, explains that the -B12 proposed amendments enhance the budget with bonding authority; after debt service, the dollars that would be displaced could be available for programs in rural Oregon.
102	Rep. Taylor	Asks about funding programs that formerly had funding.
110	Sen. Ferrioli	Explains that there is an approximate \$29 million fund earmarked for the Oregon Community fund and that after debt service, about \$4.2 million dollars would be available for enhancements.
118	Rep. Taylor	Asks about the funding for projects.

124	Chair Watt	Clarifies that development fund is at \$29 million and that funding for projects would be in addition to that fund.
125	Rep. Taylor	Asks how the total amounts compare to previous budgets.
129	Chair Watt	Explains that the previous budget was around \$41 million, including a deduction for bond issuance costs of approximately \$1.3 million.
132	Robin LaMonte	Legislative Fiscal Analyst, clarifies that the previous bond issuance amount was \$500,000.
136	Sen. Dukes	Asks about the funding source for debt service.
142	Sen. Ferrioli	Responds that the debt service would come out of Oregon Economic Development Department's (OEDD) budget.
142	Chair Watt	Asks for clarification that the \$6 million dollars, earmarked for federal matching funds, would ultimately be used for other projects.
144	LaMonte	Explains that the intent is to use the \$6 million for the match which would free up existing dollars for waste water projects.
147	Sen. Dukes	Comments that proposal reduces by half the amount of dollars available for the community development fund; questions the need to match dollars.
165	Chair Watt	Clarifies that there will be an increase of \$5.2 million for infrastructure projects in Oregon.
185	Rep. Johnson	Asks about the -B13 proposed amendments.
189	Chair Watt	Invites State Treasury staff to respond to questions concerning the proposed amendments.
179	Sen. Baker	Asks if the revenue bonds being issued are lottery backed.
205	Chuck Smith	Oregon State Treasury, refers the question of general obligation versus contractual obligation under HB 3041 to Mr. Nestle.
225	Bill Nestle	Department of Justice, provides legal clarification on contractual covenants.
239	Smith	Comments that the repayments are limited to Lottery revenues and any appropriated funds that the legislature may decide upon in the future.
241	Sen. Baker	States that the bonds are either revenue bonds or they are not.
248	Nestle	Clarifies that the bonds are explicitly revenue bonds and describes standard language concerning taxing powers.
237	Rep. Taylor	Proposes an increase in the bonding authority for OEDD so that rural program funding will not be reduced so severely.
	Rep.	<b>MOTION: Moves to ADOPT HB 3041-B12 amendments dated 7/2/97</b>

260	Taylor	and that the measure be <b>FURTHER AMENDED</b> by inserting " <b>bonding authority to be raised to \$12 million.</b> "
270	Chair Watt	Invites discussion, but cautions that the issue of the OEDD reductions have been discussed in all four caucuses during budget deliberations.
275	Sen. Dukes	Clarifies that the caucus discussions referred to never took place, and the Senate Democrats attempted to have discussion. Further comments that she was refused the opportunity to testify on the bill.
314	Sen. Baker	Comments that he was unaware of proposed amendments and that he will need to receive further direction from his caucus; suggests that the committee recess until further clarification is received.
329	Rep. Taylor	Provides clarification on the intent of her motion.
346	Chair Watt	Acknowledges Sen. Baker's request and asks Rep. Taylor to withdraw her motion.
360	Rep. Taylor	<b>MOTION: Moves to WITHDRAW previous motion: "ADOPT HB 3041-B12 amendments dated 7/2/97 and that the measure be FURTHER AMENDED by inserting " bonding authority to be raised to \$12 million."</b>
363	Chair Watt	Calls meeting to recess at 9:03 a.m.

Submitted By, Reviewed By,

Nora Carlson, Julie Neburka,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A - HB 3041, -B13 proposed amendments, Committee staff, 3 pp**

**B - HB 3041, -B12 proposed amendments, Committee staff, 11 pp**