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SENATE COMMITTEE ON BUSINESS, LAW, AND GOVERNMENT

April 10, 1997 Hearing Room A

1:00 p.m. Tapes 149 - 150

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Randy Miller, Vice-Chair

Sen. Kate Brown

Sen. Gene Derfler

Sen. Randy Leonard

Sen. David Nelson

STAFF PRESENT:

Bill Taylor, Counsel

Lisa Fritz, Administrative Support

MEASURE/ISSUES HEARD:

SB 1133 - Public Hearing

SB 243 - Work Session

SB 244 - Work Session

SB 245 - Work Session

SB 512 - 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 149, A		
006	Chair Bryant	Calls the meeting to order at 1:10 p.m.
<u>OPENS PUBLIC HEARING ON SB 1133</u>		
012	Sen. Mae Yih	District 19 Discusses background, purposes, and intent of SB 1113. Submits and reads aloud written testimony in favor of SB 1113 (EXHIBIT A).
061	Chair Bryant	Did the first payments go to the estate of her dead husband, rather than to her directly?
062	Sen. Yih	It went to her bank account, and then they withdrew it when they found out that she was not entitled to it.
067	Chair Bryant	I imagine the money would then go to his estate, and that would require her to go through an estate proceeding, rather than having a right of survivorship and receiving it directly.
070	Sen. Yih	The option was such that it would go to her husband only.
072	Sen. Derfler	He did get more benefits because he didn't authorize a survivorship for his wife. In these programs, don't they get together at retirement time and advise people what their options are and what they can and cannot do?
078	Fred McDonnal	Director of the Public Employees Retirement System (PERS) Yes, we do. We counsel our retirees on what the various options are. Sometimes spouses are present. Sometimes they're not.
081	Sen. Derfler	Well, he certainly understood that his wife wouldn't get any money.
		We do our very best to try to explain that, but sometimes the spouses are

082	McDonnal	not there. Of about 67,000 retirees, 22,000 to 23,000 of those have elected the option one benefit. That is exactly the type that Sen. Yih speaks of. It pays the highest benefit until death. If someone dies three months after retirement, there are no further distribution of funds to the beneficiaries.
090	Sen. Derfler	Option three would pay a lower benefit, but it provides for a survivorship option.
094	McDonnal	That is correct. The option three happens to be at 50 percent. It does reduce the benefit for the member, in the beginning, but then if the member dies, it would provide 50 percent to the surviving spouse or beneficiary. There are 12 options all together.
096	Sen. Derfler	Did you say that 20-some thousand do not have a survivorship?
097	McDonnal	Out of 67,000 retirees, 21,700 have chosen option one.
100	Sen. Bryant	The decision has to be made by the employee; they have to sign up for one of the 12 options.
101	McDonnal	That's correct.
103	Chair Bryant	What's contemplated by this bill is that if that happens, it requires the consent of the member's spouse. Are there any options now that require the consent of the member's spouse?
104	McDonnal	No.
106	Chair Bryant	Sen. Yih mentioned, in her testimony, that in private pension plans, there is a requirement that there be consent, in choosing a payment option, under federal regulations.
108	McDonnal	That's correct. That's part of 1974 Act.
111	Chair Bryant	In this case, if the individual wanted to go for the option plan, under Sen. Yih's bill, there would have to be a signature of the spouse.
114	McDonnal	There would have to be a signature line for the spouse.
115	Chair Bryant	How would that affect you, internally, as far as your operations?
116	McDonnal	It does affect us. There is a fiscal impact associated with the bill. There would be some work that we would have to do, in the event that the member chose not to have the spouse accompany him/her to the retirement counseling session or sign. We would then have to go into an exception basis, for a default situation. The printed bill calls for the benefit to be paid at the option three level, until the spouse signs. There would be additional counseling and communication with our members. It would require approximately one full time employee (FTE) to administer the bill.
126	Chair Bryant	Does it require a notarized statement from the spouse, or is it just a signature?
127	McDonnal	It requires a notarized signature.
132	Sen. Leonard	Isn't it true that a pension is community property, and if this couple had divorced, you would have received the actuarial equivalent of the value of the plan, at the time of the divorce?

134	McDonnal	We do have a very formal procedure, dealing with qualified domestication relations orders, that do exactly that. Upon receipt of a decree, at PERS, after dissolution of marriage, we do separate the asset(s), and we do create a separate, new member account for the "alternate payee."
144	Sen. Leonard	How do you determine what kind of a plan the alternate payee receives in a divorce?
145	McDonnal	It's up to the alternate payee. They can select any one of the 12 methods of payment.
147	Sen. Leonard	In this example, if they had divorced, the ex-spouse would have had the ability to choose which plan she wanted, from one through 12?
149	McDonnal	That's correct. They're treated almost as if they were a regular member.
150	Sen. Leonard	Is there nothing that can be done, in this specific case?
153	McDonnal	A statute could be created to retroactively cause us to go back. We receive approximately 10 notifications, in a year's time, from people who are surprised that their spouse had not included them in a survivor option. That would be a more significant administrative mode to perform.
163	Sen. Leonard	What would the implication to the plan be, if we were assumed that any of the 12 options would be a survivor's benefit?
166	McDonnal	There would be no adverse actuarial impact. Are you speaking in terms of a default situation or any survivor option?
167	Sen. Leonard	Like in this situation.
169	McDonnal	If we look at it perspectively, for all situations that occur from this point forward, there would be no adverse actuarial impact because the benefits are reduced. We have a pot of money for every retiree at time of retirement, regardless of whether they choose a survivor option or not, and the pot will be no larger or smaller, due to the option they select.
175	Sen. Leonard	What happens to the pot for this individual?
176	McDonnal	If we went retroactively, there would be an adverse affect. In this case, there would not be much of an adverse impact, except that our actuary does include, in their plans, that there will be certain funds available.
188	Sen. Brown	It seems absurd to me that we would treat a couple, in a divorcing situation, in a way that the non-participating spouse would essentially have more right than a married spouse. I realize that, in some marital cases, someone may take the PERS benefits, and the other party may get the house. I know that the non-participating spouse doesn't always get a portion, but assuming the marriage is of any length, that is considered a marital asset. It seems crazy to me that the spouse, who is essentially a contributing spouse, has no rights in the case, but if she had been divorced, in this case, her rights would be greater. I am concerned because one spouse is making decisions that affect both parties.
		It was quite amazing that about one-third of the members do not have the

211	Sen. Derfler	survivor option, but when you start thinking about it, it would be interesting to see how many of them are women and how many are them are men. In most cases, because women live longer then men, it would be a better bet for them to take the higher benefit. I think we need to analyze why that happens.
228	Chair Bryant	If a notarized statement is not returned, do they go to an option three that is proposed as the default, under this bill?
233	McDonnal	They automatically pay survivor benefits, unless the spouse consents to waive survivor benefits, but I don't know the percentage. They do automatically go to a survivor benefit situation. Other public plans, like us, around the county, are about 50/50, regarding the requirement of spousal consent. I would suggest that those numbers will shift, just as Oregon is considering a shift. There probably will be more that will go to a spousal consent requirement.
247	Sen. Leonard	What would happen if we made this bill retroactive to January 1, 1990, and required anyone who chose option one, that is still alive, to come in and have their spouses sign a consent?
261	McDonnal	Would you include in that all of the people, who selected option one, to obtain consent from their spouse?
267	Sen. Leonard	If they had a spouse.
269	McDonnal	In addition, if there was a death of a retiree, we would have to contact the spouse and pay benefits, and the end result would be no actuarial impact, no additional liability to the system.
272	Sen. Leonard	Right, just in terms of the individual member account.
275	McDonnal	One of the options is of that kind. It is called the refund annuity. If someone dies, whatever is left in their account is paid to the beneficiary, and I think that's what you are getting at. However, we would have an extreme amount of reworking to do, and I don't know what type of fiscal impact that would bring.
293	Chair Bryant	Do you have some amendments to propose for the bill?
297	McDonnal	We do have some friendly amendments that could be considered. One of them has the option three changed to an option two, which is a 100 percent benefit for the spouse. (Option three is 50 percent.) There is one other possible amendment, and that has to do with the retirement death benefits. There would be a beneficiary designation, prior to the time of retirement, for death benefits, and there would be a spousal acknowledgment of the beneficiary.
318	Chair Bryant	Sen. Yih, are you receptive of those type of amendments, or would you like some time to think about it?
319	Sen. Yih	I'd like the bill to move, as soon as possible. Do you have the amendments ready?

322	McDonnal	No. We were going to discuss these with the Sen. Yih and, then, present them on the House side, if the committee did move the bill, and the bill passed the full Senate.
325	Chair Bryant	With the fiscal impact, we would have to send it down to Ways and Means.
327	Sen. Yih	This involves other funds; this doesn't involve general funds.
330	Chair Bryant	That's true, but it does involve a FTE, so I need to forward it to Ways and Means.
354	Sen. Leonard	When did this man retire?
355	Sen. Yih	January of 1992.
362	Chair Bryant	Closes Public Hearing on SB 1113.
		<u>OPENS WORK SESSION ON SB 1113</u>
368	Chair Bryant	MOTION: Chair Bryant moves to REFER SB 1113 to Ways and Means with a DO PASS recommendation.
370	Sen. Leonard	I would be very supportive of an amendment to allow access, even retroactively, to what is in the account.
379	Sen. Brown	Ditto.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Derfler
382	Chair Bryant	Hearing no objection, declares the motion CARRIED.
		<u>OPENS WORK SESSION ON SB 512</u>
		TAPE 150, A

009	Bill Taylor	Committee Counsel Discusses SB 512 and -3 amendments (EXHIBIT B).
020	Chair Bryant	One agency had some concerns, and they were deleted from the -2 amendments to SB 512.
021	Taylor	That's correct. The agency was the Workers' Compensation Board, and I believe that is a result of some complications arising from a court case.
023	Chair Bryant	Chapter 656 has been removed.
024	Taylor	That's correct.
026	Chair Bryant	Bob, have you had a chance to review the -3 amendments, and you're okay with them?
029	Bob Joondeph	Oregon Advocacy Center Yes.
030	Sen. Brown	MOTION: Moves to ADOPT SB 512-3 amendments dated 4/9/97.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Derfler
032	Chair Bryant	Hearing no objection, declares the motion CARRIED.
034	Sen. Brown	MOTION: Moves SB 512 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Derfler
037	Chair Bryant	Hearing no objection, declares the motion CARRIED. SEN. BROWN will lead discussion on the floor.
038	Chair Bryant	Closes Work Session.
OPENS		

WORK SESSION ON SB 243		
046	Bill Taylor	Discusses 243 and the -3 amendments to the bill (EXHIBIT C). The -3 amendments basically supersede the bill. Discusses the -2 amendments to the bill (EXHIBIT D).
067	Chair Bryant	Explains, for a college class visiting the legislature, the background of the bill, reasons and processes of work session, and the denoting of and reasons for amendments.
093	Taylor	Discusses the Oregon State Bar's amendments to the bill, which are hand-engrossed. ***Only the first four pages, of the 68-page -3 amendments, are exhibited because only those pages are affected by the Bar's amendments (EXHIBIT E).***
100	Bill Howe	Chair of the Task Force on Family Law Discusses hand-engrossed amendments.
116	Sen. Leonard	Gives an example dealing with visitation. Is that really a denial?
124	Howe	That is what the initial bill was designed to respond to, and I would consider that a denial of visitation or parenting time. Gives an example to illustrate the type of situation.
142	Russell Lipetzky	Chair of the Family and Juvenile Law Section of the Oregon State Bar It was my understanding, until this afternoon, that the Task Force was at least neutral on the hand-engrossed amendments you have before you. Let me offer another amendment. On page two, line 28, if we had that language read, "a motion filed by either party, alleging a substantial violation of the parenting plan," we may avoid the "floodgates" of litigation being opened, when either party has complaint about somebody arriving 15 minutes early or late for visitation time. I think the insertion of "substantial" would cut off more frivolous types of complaints.
166	Sen. Brown	What would you consider a substantial violation?
175	Lipetzky	I think it would depend on the situation.
177	Sen. Brown	Gives example. Would you consider that a substantial violation?
193	Howe	I think adding "substantial" is much better than not doing so, and I do consider the example, Sen. Brown gave, a substantial violation. I would suggest having line 28 read, "a motion filed by either party, alleging a denial of parenting time or a substantial violation of the parenting plan." In other words, leave the denial of parenting time in, so it's crystal clear.
206	Lipetzky	I would support that.
218	Chair Bryant	Then, as we go to the bill, we need to address both parenting time and parenting plan.
220	Lipetzky	I think that's already addressed in the hand-engrossed -3 amendments.

235	Chair Bryant	On (e), line three, it would be "suspend" rather than "terminate."
238	Howe	I would suggest "suspend, terminate, or modify."
243	Chair Bryant	MOTION: Moves to ADOPT SB 243-3 amendments dated 4/3/97 and that the measure be FURTHER AMENDED on page two, line 28, by inserting " a motion filed by either party, alleging a denial of parenting time or a substantial violation of the parenting plan " and as indicated by Bill Howe (during work session) and by the hand-engrossed amendments from the Oregon State Bar.
		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Derfler
253	Chair Bryant	Hearing no objection, declares the motion CARRIED.
267	Sen. Leonard	MOTION: Moves to DELETE all of section one, lines five through 17 from SB 243.
285	Chair Bryant	I won't be supporting the motion.
		VOTE: 2-3-1
		AYE: 2 - Sen. Brown, Sen. Miller
		NAY: 3 - Sen. Leonard, Sen. Nelson, Chair Bryant
		EXCUSED: 1 - Sen. Derfler
300	Chair Bryant	The motion Fails.
303	Sen. Miller	MOTION: Moves to DELETE beginning on page one, line 21, of the -3 amendments to SB 243 with the word "a" after the word judgment," including "lines 23-24" and to DELETE page two, lines one through

		19.
338	Howe	Neither side had a lawyer in 40 percent of the family cases filed in 1995. Only a third of the counties have published guidelines for visitation and custody. What we tried to do, in the statute, is create a checklist for people.
376	Chair Bryant	Could you give us an example of a default case?
381	Howe	Explains processes and gives examples, regarding visitation and custody cases.
TAPE 149, B		
005	Chair Bryant	Sen. Miller, would you please restate your motion with the friendly amendments included?
006	Sen. Miller	MOTION: Moves to DELETE beginning on page one, line 21, of the -3 amendments to SB 243 with the word "a" after the word judgment," including "lines 22-23" and to MAINTAIN the language beginning with "however" in line two through line four and to DELETE page two, lines five through 19.
		VOTE: 1-4-1 AYE: 1 - Sen. Miller NAY: 4 - Sen. Brown, Sen. Leonard, Sen. Nelson, Chair Bryant EXCUSED: 1 - Sen. Derfler
023	Chair Bryant	The motion Fails.
029	Taylor	Discusses -2 amendments to SB 243.
041	Chair Bryant	MOTION: Moves to ADOPT SB 243-2 amendments dated 3/17/97.

		VOTE: 5-0-1
		EXCUSED: 1 - Sen. Derfler
043	Chair Bryant	Hearing no objection, declares the motion CARRIED.
047	Sen. Brown	MOTION: Moves SB 243 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-1
		AYE: 4 - Sen. Brown, Sen. Leonard, Sen. Nelson, Chair Bryant
		NAY: 1 - Sen. Miller
		EXCUSED: 1 - Sen. Derfler
050	Chair Bryant	The motion Carries.
		SEN. BROWN will lead discussion on the floor.
<u>OPENS WORK SESSION ON SB 244</u>		
055	Taylor	Discusses SB 244 and -2 amendments to the bill (EXHIBIT F). Discusses -3 amendments to the bill (EXHIBIT G).
070	Sen. Brown	We had extensive discussions about power imbalances at the last hearing, and I just want to hear from Bill about the language of "other power imbalances" on page two and whether the language suggests imbalances, not only of a domestic violence situation, but one involving the custodial parent using the children to gain power over the non-custodial parent.
076	Howe	The answer is "yes."

080	Chair Bryant	How many judicial districts currently have mediation?
083	Howe	I believe it's 17 (out of 22 total).
087	Chair Bryant	Bill, what do you think is the best way to go about this?
088	Taylor	If both of these amendments are adopted, then Legislative Counsel (LC) will combine the two.
092	Lipetzky	Our concern was that, as financial mediation issues develop, enough safeguards and training be added. If a court is going to provide financial mediation, we need to be certain that whoever is providing that mediation is well qualified to do so. The language of the -3 amendments is compromise language. It's our expectation that anyone providing that type of mediation is going to be trained and proficient.
105	Sen. Brown	MOTION: Moves to ADOPT HB 244-3 amendments dated 4/3/97.
		VOTE: 5-0-1 EXCUSED: 1 - Sen. Derfler
107	Chair Bryant	Hearing no objection, declares the motion CARRIED.
109	Sen. Brown	MOTION: Moves to ADOPT SB 244-2 amendments dated 2/11/97.
		VOTE: 5-0-1 EXCUSED: 1 - Sen. Derfler
110	Chair Bryant	Hearing no objection, declares the motion CARRIED.
112	Sen. Brown	MOTION: Moves SB 244 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-1-1

		<p>AYE: 4 - Sen. Brown, Sen. Leonard, Sen. Nelson, Chair Bryant</p> <p>NAY: 1 - Sen. Miller</p> <p>EXCUSED: 1 - Sen. Derfler</p>
115	Chair Bryant	The motion Carries.
<u>OPENS WORK SESSION ON SB 245</u>		
118	Taylor	Discusses SB 245 and -2 amendments to the bill (EXHIBIT H).
125	Sen. Brown	I would suggest that, on page four of the -2 amendments, we delete the fee from birth certificates. It just doesn't seem to be an appropriate funding source. We also do not have an appropriate funding source at this time, and it doesn't seem appropriate to take the money from the State Court Administrator's fund. In section seven, I would suggest that the commission be subject to available funding. I've committed to the Task Force members to come up with a funding source.
134	Chair Bryant	I sympathize, and I have a feeling that if we send it down to Ways and Means that it may be jeopardized. It would be better to try to find a funding source to try to accomplish this, and I will assist Sen. Brown in that source.
156	Sen. Leonard	Does this happen to be the framing of birth certificates?
162	Edward Johnson	State Registrar for Vital Records There are two types of birth certificates. The exclusion here references ORS 432.090, the special momental certificate. In the original bill, the five dollars would have been added to that copy. This changes that, so the five dollars would be added to all other types of birth certificates we offer.
173	Sen. Brown	It is my understanding that money involved with those special copies goes to the Children's Trust Fund.
174	Johnson	That's correct.
175	Sen. Leonard	Why don't you think the charge on the birth certificate is appropriate, given that's what the fight is over?
178	Sen. Brown	I hadn't thought of it that way. I'm not aware of what the percentage is, concerning children being born to married couples in the state, but the birth of a child is not necessarily related to the marriage of his/her parents.
	Sen.	

184	Leonard	Questions the relation between the issues at hand and divorce.
187	Johnson	There really isn't a correlation because people who are married in this state don't always get divorced in this state. Parents who have children that are born in this state don't usually reside in this state after the divorce. We did not collect information based on where the child was born and where the divorce occurred.
190	Sen. Leonard	Do we know how many people who live in this state are divorced?
191	Johnson	Approximately 24,000 divorces occur, in Oregon, per year.
192	Sen. Leonard	How many marriages?
193	Johnson	26,000.
200	Sen. Brown	You must know how many children are born to married parents and how many are born to unmarried parents.
201	Johnson	Yes, but I don't have that statistic with me. I can provide that information. Approximately 30 percent of all births occur to non-married parents.
205	Sen. Leonard	I can't support the amendments because I think that there is some responsibility with having a child, and that's what this bill is trying to do. I think it's a very appropriate source of revenue.
215	Sen. Miller	A lot of people go down and get a copy of their birth certificate, and their parents are still married. I don't think they are all related to the situation we are trying to address. I don't know why we are sticking this with innocent people who won't benefit from the program.
226	Howe	We spend a lot of time and energy and feel we are fairly knowledgeable about family law issues; we are not so on budget issues. I really appreciate Chair Bryant's and Sen. Brown's willingness to work on this. We came up with idea because it's worked elsewhere. This is the best idea we could come up with, and some of the concerns that the committee has brought up, we've thought about, but we do feel this is the best idea, using the knowledge we have.
236	Sen. Brown	Where does this money go (from the copies of birth certificates)? Where can people go to get a copy of their birth certificate, if they did not want to pay the \$20?
240	Johnson	Currently, the system of vital records is funded only by the fees we collect. We do not receive any general fund money. Two dollars of our fee goes to the Commission on Children and Families, but the rest of the funds stays with the Health Division to support the Vital Records funds.
255	Chair Bryant	If we take out the funding source, we have to take out the person that would be hired to administer the program.
277	Howe	Our intention is to get the same per diem as the Task Force has gotten for the last four years: zero.
		Explains why the five dollar extra for birth certificates was selected.

311	Sen. Brown	MOTION: Moves to ADOPT SB 245-2 amendments dated 4/3/97.
		Discusses why she has changed her mind to accept the amendments.
329	Chair Bryant	What would be the revenue impact of this? How much money would it raise?
334	Johnson	About 1.2 million.
347	Chair Bryant	That's more than we need. There are that many birth certificates in a biennium? How much do you anticipate you will need to fund SB 245?
352	Howe	\$216,000 per biennium. Further discusses costs, relating to SB 245. The total is \$366,000 per biennium.
380	Doug Bray	Deputy State Court Administrator We have not prepared a formal fiscal analysis yet, but we are hoping to get it in final form today. Our initial assessment is that the statewide committee, the State Justice assemblies to oversee and advise the local committees, would cost approximately \$20,000 per biennium for meetings and expenses (e.g. mileage, lunch expenses, meeting facilities, etc.). We estimate that the costs, associated with section three and the State Court Administrator, would be \$216,000 per biennium (e.g. office equipment, staff, etc.).
TAPE 150, B		
008	Chair Bryant	How many FTE?
009	Bray	2.0. Continues discussing estimated costs for SB 245.
019	Chair Bryant	Are you saying that the two staff people, under section three, couldn't provide one of the staff for section seven?
021	Bray	The list of responsibilities in section three is very broad and big. If, statutorily, this was added to the list, that could be accommodated for in that way. That would involve adding the staffing of the Commission to the list, but there would still be other costs associated with the Commission. It would also reduce the availability of time for the director, in terms of other responsibilities. Discusses the division of money, between funds, regarding the bill.
046	Chair Bryant	I would suggest forwarding this to Ways and Means.
052	Sen. Brown	I am concerned that if this goes to Ways and Means, it won't come up again. Could we pass the bill with the language "subject to available funding" and then have another bill introduced to address the funding issue and deal with it that way?
059	Chair Bryant	I don't know how to do that because it is so tied into the funding situation. With the bill requiring so much money and involving FTE, it really should go to Ways and Means. We could accomplish the funds we need by

		charging closer to two dollars more per certificate, rather than five. Would section one require a 60 percent or more vote?
082	Bray	We did amend section one specifically to remove the Measure 31 issue about the counties, and as far as I know, the Association of Oregon Counties is quite comfortable that they're not involved in the section. The model we used for this was taken from the Criminal Justice Advisory Committees, created by the 1993 session, and they are strictly court-related committees. I wouldn't think that there would be an impact on the counties. We have not given a fiscal impact for section one because we believe that, like the Criminal Justice Advisory Committees, this will be part of the local work plan and an attempt to create local workload efficiencies. In 1993, our fiscal impact for the Criminal Justice Advisory Committees was zero, so I would guess this would be the same.
112	Howe	Section one is really a key component of this whole complex system that we have put together, and it would be a huge tragedy for the citizens of Oregon, going through a divorce, if this mediation orientation would not be enacted. It has overwhelming support. I would like to see section one stand alone. There is no fiscal impact. I don't know anyone has opposed it at a public hearing.
124	Chair Bryant	We can carve out section one. What is your amendment?
126	Howe	On page one, line 19, where it says "requiring," instead of "party," put "each party to attend either a group or private mediation orientation session." That would make it clear that we are not requiring people to attend a mediation, only a mediation orientation session.
134	Bray	We would support saving section one, if you delete the rest of SB 245, and if you delete all of the fiscal impact on our agency by this bill. I think the rest of the bill would have minimal impact, if any.
140	Howe	It is really going to make it far more difficult to efficiently and fully enact all of the various reforms, if we don't have the rest of the sections of this bill. Without a coordinating position, it will be much more cumbersome.
151	Chair Bryant	My inclination would be to send the whole package down to Ways and Means, with reduction on page four, line 27, from five dollars to two dollars. That would raise \$400,000 dollars, and hopefully, that can reduce the impact further. If that were not going to move, with sections two through nine, hopefully, Ways and Means would pass the bill out with just section one, because then there would be no financial impact.
171	Sen. Brown	I would accept the friendly amendment to my motion.
173	Chair Bryant	There would be two friendly amendments. On page one of the -2 amendments, on line 19, "parties" will be changed to "each party," and on line 20, a period will be placed after session. Then, on line 27, page four, five dollars would be changed to two dollars.
182	Bray	There is one other issue I need to bring to your attention. On page four, section four, lines nine through 13, of the -2 amendments, if the funding

		source is reduced, we may have a problem with that provision requiring 25 percent of the money that comes in off the top.
198	Sen. Brown	If the Task Force members are okay with that, my suggestion would be to delete lines nine through 13 and then subsection two of section three, with regard to the grant. We would leave the grant program open, subject to available funding.
212	Chair Bryant	Sen. Brown's further friendly amendment would be on page four, line nine. After "Act." delete through the end of line 13. We also have on line 18, page four, five dollars for a copy of a marriage license. Do we need that?
220	Sen. Brown	We probably don't need the funds to do that, unless you want it to go to the demonstration program.
226	Howe	Programs across the country have funded this by copies of marriage licenses, but we don't have enough copies. Discusses funding of programs.
239	Chair Bryant	How much would you raise, per biennium, at five dollars a copy for marriage licenses?
248	Howe	I recollect that it would be between \$40,000 and \$50,000 a biennium.
248	Chair Bryant	Let's leave that in.
253	Sen. Brown	MOTION: Moves to ADOPT SB 245-2 amendments dated 4/3/97 and that the measure be FURTHER AMENDED as discussed by witnesses and the committee, in committee.
		VOTE: 4-1-1 AYE: 4 - Sen. Brown, Sen. Leonard, Sen. Nelson, Chair Bryant NAY: 1 - Sen. Miller EXCUSED: 1 - Sen. Derfler
257	Chair Bryant	The motion Carries.
265	Sen. Brown	MOTION: Moves SB 245 to Ways and Means with a DO PASS AS AMENDED recommendation.
		VOTE: 4-1-1

		<p>AYE: 4 - Sen. Brown, Sen. Leonard, Sen. Nelson, Chair Bryant</p> <p>NAY: 1 - Sen. Miller</p> <p>EXCUSED: 1 - Sen. Derfler</p>
275	Chair Bryant	The motion Carries.
283	Chair Bryant	Adjourns 2:53 p.m.

Submitted by, Reviewed by,

Lisa Fritz, Sarah Watson,

Administrative Support Office Manager

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EXHIBIT SUMMARY

A - SB 1113, written testimony, Sen. Mae Yih, District 19, 3 pages.

B - SB 512, proposed amendments (-3), Legislative Counsel, 2 pages.

C - SB 243, proposed amendments (-3), Legislative Counsel, 68 pages.

D - SB 243, proposed amendments (-2), Legislative Counsel, 2 pages.

E - SB 243, proposed amendments (first four pages of the -3 amendments, hand-engrossed with the Oregon State Bar Amendments), Judiciary Staff, 4 pages.

F - SB 244, proposed amendments (-2), Legislative Counsel, 2 pages.

G - SB 244, proposed amendments (-3), Legislative Counsel, 10 pages.

H - SB 245, proposed amendments (-2), Legislative Counsel, 6 pages.

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SENATE COMMITTEE ON BUSINESS, LAW, & GOVERNMENT

April 10, 1997 Hearing Room A

7:00 PM Tapes 151 - 153

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Kate Brown

Sen. Randy Leonard

Sen. David Nelson

MEMBER EXCUSED: Sen. Randy Miller

Sen. Gene Derfler

STAFF PRESENT:

Brian Krieg, Administrator

Vicki Champ, Administrative Support

MEASURE/ISSUES HEARD:

SB 125 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
Tape 151, A		
003	Chair Bryant	Opens the meeting at 7:10 PM
<u>SB 125 PUBLIC HEARING</u>		
	Chair Bryant	Opens public hearing on SB 125
	Cecil Monroe	Administrator, Division of Finance and Corporate Securities of the Department of Consumer and Business Services presents and explains (EXHIBIT A) .
085	Kenneth Sherman, Jr.	Counsel for Oregon Bankers Association reads and explains testimony (EXHIBIT B) .
201	Sherman	Continues testimony
257	Chair Bryant	Reminds members to ask questions during Kenneth Sherman's lengthy testimony. Its not necessary to wait until the end for questions.
301	Sherman	Continues testimony.
401	Sherman	Continues testimony.
TAPE 152, A		
005	Sherman	Continues testimony.
105	Sherman	Continues testimony.
205	Sherman	Continues testimony.
300	Sherman	Continues testimony.
TAPE 151, B		
009	Sherman	Continues testimony.
109	Sherman	Continues testimony.
200	Sherman	Continues testimony.
298	Sherman	Continues testimony.
TAPE 152, B		
001	Sherman	Continues testimony
100	Sherman	Continues testimony
125	Sherman	Since SB 125 was printed we have drafted technical amendments. We would like another day or two to complete the work on that.
151	Chair Bryant	Cecil Monroe, how many banks do you currently regulate?
153	Monroe	We currently have forty state chartered banks, four extranational banks that have a state license to operate.

202	Chair Bryant	The forty state chartered banks does that include the savings and loans?
	Monroe	No, it does not. All of the savings and loans in the state of Oregon are currently federally chartered.
216	Chair Bryant	Do we have an LFO report on this?
	Brian Krieg	Administrator, responds no, but is hoping to have something by tomorrow.
221	Chair Bryant	Cecil, do you have any idea what the financial impacts are?
	Monroe	We don't believe that there will be much fiscal impact. It ought to make things more efficient. It's not going to create any additional revenues.
246	Chair Bryant	Would anyone else like to testify?
255	Steve Rodeman	Vice President/General Counsel, Oregon Credit Union League presents and explains his testimony (EXHIBIT C).
TAPE 153, A		
002	Jack Munro	Representing the Independent Insurance Agents of Oregon, testifies on SB 125.
081		Continues his testimony.
141	Frank Brawner	Oregon Bankers Association, testifies.
198	Chair Bryant	Asks for questions. Closes public hearing on SB 125.
		Meeting adjourned at 9:15 PM.

Submitted By, Reviewed By,

Vicki Champ, Brian Krieg,

Administrative Support Administrator

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EXHIBIT SUMMARY

A - SB 125, written testimony, Cecil R. Monroe, 2 pp

B- SB 125, written testimony, Kenneth Sherman, Jr., 32 pp

C- SB 125, written testimony, Steven Rodeman, 1 p
