

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

April 21, 1995 Hearing Room 357
1:00 PM Tapes 107 - 110

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice Chair
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Re. Lonnie Roberts
Rep. Barbara Ross
Rep. Charles Starr
Rep. Ken Strobeck
Rep. Sharon Wylie

MEMBER EXCUSED:

Rep. Bev Clarno

STAFF PRESENT:

Greg Moore, Committee Counsel
Anne Tweedt, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD:

HB 3384 - Work Session
HB 3386 - Work Session
HB 3219 - Work Session
HB 2520 - Work Session
HB 3221 - Work Session
HB 3411 - Work Session
HB 2789 - Work Session
HB 2752 - Work Session
HB 2675 - Work Session
HB 2205 - Work Session
HB 3285 - Work Session
HB 2780 - Work Session

These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

TAPE 107

008 CHAIR TIERNAN: Calls meeting to order at 1:13 p.m. and announces that
the committee will not hear HB 3364, and that HB 3097 and HB 2767 will be
rescheduled for next Wednesday.

025 CHAIR TIERNAN: Opens the work session on HB 2752.

HB 2752 - WORK SESSION

026 GREG MOORE, Counsel: Advises the committee the bill was previously
before the committee and the committee now has several proposed amendments.

The Preliminary Staff Measure Summary and the HB 2752-2, HB 2753-3 and HB
2752-6 amendments are hereby made a part of these minutes (EXHIBIT A).
-2 amendments allow certificates of participation (COPs) if the COPs do not

exceed five percent of the total annual budget
-3 amendments are apply only to local governments
-6 amendments would regulate COPs; line 15 exempts agencies with annual
budgets of one million or less; this gets around the volunteer fire
departments that have very capital intensive budgets
> line 12 of -6 amendments applies to agencies in excess of \$1 million

057 CHAIR TIERNAN: Advises the committee he has spoken with Frank Brawner,
Oregon Bankers Association, and the bankers don't have a problem with COPs
and shared the concern of allowing governments to get around going to the
people. They would support it if the COP was five percent of the budget or
\$500,000, which ever is greater, as a limitation.

066 REP. GRISHAM: Does this include U. S. Bank's FlexNet?

071 REP. STROBECK: Comments it is his understanding that would be a branded
product the bank offers. It is what we would call a certificate of
participation in a generic sense.

075 CHAIR TIERNAN: Responds he thinks it would be covered because it is a
bank's spin on what a COP is.

084 MR. MOORE: Explains that the -6 amendments would allow COPs to be issued without prior approval of the electors if the amount needed to repay them doesn't go beyond five percent of the annual budget. It also carves out the exemption for smaller districts with budgets of \$1 million or less.

The cost of a fire truck for a small district would be a huge percentage of their budget.

090 REP. STARR: Suggests five percent of the budget may not be enough to cover the cost of a fire engine for some small fire districts.

MR. MOORE: Clarifies that with the -6 amendments apply to an agency with a annual budget of \$1 million or less; that agency would be exempt.

104 REP. STROBECK: The -2 amendments contain the language "no greater than five percent".

106 MR. MOORE: Acknowledges Rep. Strobeck is correct. It is simply a cap and does not matter whether there is a vote or not. COPs greater than five percent of the total annual budget could not be issued.

102 REP. WYLIE: How do these amendments affect the questions asked by school districts?

114 REP. STARR: The Beaverton School District spent over \$900,000 for buses through this financing plan. If they would have exceeded the provisions, they would have gone to a vote of the people to get the buses.

115 CHAIR TIERNAN: Adds that Section 1, (2)(b) is not what he discussed with the bankers. The discussion was about either five percent of the budget or \$500,000 limitation, whichever is greater.

124 REP. WYLIE: The amendments attempt to carve out exemptions and exceptions. Suggests it may be better to describe to whom it is targeted.

135 CHAIR TIERNAN: The jurisdiction would have to go to a vote of the people if they are going to do a COP unless it is less than 5 percent of the budget. The financial officer for Portland expressed that they could never in his imagination go over five percent of the annual budget. The second scenario was a small districts may have a \$600,000 budget and want to buy a \$300,000 fire engine. The -6 amendments on page 1, line 15

would exclude them because their annual budget would be less than \$1 million. Under the original proposal the expense would be under \$500,000 and would be excluded. I think we have to protect the financing agreements

that are legitimately made to finance personal property for the medium and large size districts and allow the smaller districts that use COPs to buy expensive equipment. Their budgets aren't that large.

161 REP. HAYDEN: Comments he would support the bill and say those are generous provisions.

160 CHAIR TIERNAN: Page 1, line 12 of the -6 amendments means five percent total. We need to correct that to "five percent of the annual budget at any one time". There would be two exceptions. A district could have COPs up to five percent of the budget at any one time and second, if it is a small entity and the budget is less than \$1 million, this doesn't apply.

189 MOTION: CHAIR TIERNAN moves that the HB 2752-6 amendments be conceptually amended to include the two exceptions to COPs: for an entity with a budget of less than \$1 million, this would not apply, and if an entity has a budget of more than \$1 million, it can have COPs equal to five percent of the budget at any one time.

199 MR. MOORE: Explains the HB 2752-3 amendments delete the state from the provisions, but require local governments to take a vote.

203 REP. STROBECK: Comments he would support the five percent and the agencies under \$1 million, but would not support mandating this on local governments and other agencies in the state.

213 REP. JOHNSTON: I agree with Rep. Strobeck. The issue for us is when should the state pre-empt the local governments from doing something. It should be left to the local governments. There could be some argument that some purchases are appropriate with COPs. I would say this should be referred to an interim for study.

234 REP. WYLIE: We started with the presumption we were going to solve a problem. The testimony convinced me we didn't have a problem, but if there was a problem, we should not be meddling in it.

259 CHAIR TIERNAN: Closes the work session on HB 2752 and opens the work session on HB 3411.

263 HB 3411 - WORK SESSION

MR. MOORE: Reviews provisions of the bill. The Preliminary Staff Measure Summary, HB 3411-3 and HB 3411-4 amendments are hereby made a part of these minutes (EXHIBIT B). Explains that the -3 and the -4 amendments were presented at the last meeting.

> -4 amendments were submitted by the greyhound owners and breeders and would require a minimum schedule to be held at the greyhound track, 126 performances of at least 13 races with the purpose of racing, not video poker remaining the focus of the greyhound park

303 REP. ROBERTS: Sometimes there are 12 races and others are 14 races. I would rather see 126 performances of not less 12 races.

323 MIKE DEWEY, Multnomah Greyhound Park: Explains the -3 amendments.
> Section 1 of the bill lowers the gross receipts tax for Multnomah Greyhound Park from 3 percent to 1.6 percent; the horse tracks are at one percent and we are proposing 1.6 percent to ensure that the Racing Commission has enough funding to take care of their regulatory demands
> Section 2, beginning on line 29, there is presently for off-track wagering a maximum number of locations: 20 in Oregon. We are proposing to

remove the limitation because video lottery is everywhere in Oregon. Believes there will not be more than 25 to begin with; infrastructure costs

are very substantial

421 On page 3, line 29, language is unclear. We suggest instead of "a particular race" "simulcast"

On page 4, the amendment at the top of page is that only two commercial tracks in Multnomah, Portland Meadows and Multnomah Greyhound Park are simulcasters. That has been agreed on by the county fair organizations and the Lone Oak meet that does simulcast today.

449 REP. ROBERTS: Comments the two tracks don't simulcast at the same time.

456 MR. DEWEY: On page 4, in line 9, the amendment clarifies that the racing commission can authorize off-track wagering at a track on both horses and greyhounds. The major provision of the bill are in Section 4 which provides that the Lottery may enter into contracts with tracks in Multnomah Co.

> (2) says commission is 35 percent and from the revenue we would negotiate with the animal owners for purse awards
> (3) says this is the formula to apply for the number of terminals
> Section 4 (1) says the Lottery may enter into contracts with race tracks in Multnomah County to have video lottery terminals
> (2) says the percentage of retail commission to the tracks is 35 percent and provides for negotiations with the animal owners to provide for purse awards, probably in the neighborhood of 20 percent
> (3) is the formula for the number of terminals; the Lottery has a rule of

15 percent of floor space. Ten percent of floor space would be devoted to the patrons

TAPE 108, A

024 REP. HAYDEN: Would there be any restrictions on building permits to add floor space?

MR. DEWEY: Knowing what we know about what other horse and greyhound tracks have done, we believe there is a maximum number. For our size of operation it would be 200; it would not make sense to go beyond that at this point in time even though the formula would allow it. Portland Meadows has said they would apply for up to 300 machines; they could have more under the formula.

037 MR. DEWEY: Requests that Section 4 (4) be deleted. Gary Weeks of the Oregon Lottery suggested it be deleted (EXHIBIT C). The Lottery would not consider the impact on racing if they implement new games.

> Section 5--if revenues were to decrease from live racing and simulcasting, there would be a provision for moneys from the video lottery side to help the Racing Commissions with their regulatory affairs. The Racing Commission asks for that protection.

> Section 7 deals with beneficiaries. We help fund county fairs. We are now making monetary awards to county fairs that race to a trust fund, purses, breeder awards, etc. The numbers are left blank because it was felt if this bill gets to the Ways and Means Committee that is where the numbers would be filled in

059 REP. HAYDEN: If this bill gets to a work session, I will make a motion that all the locations be entitled to install video machines (Section 7, in lines 20 through 25).

063 MR. DEWEY: If they have a liquor license, they can do that today.
> Section 9 deals with ensuring that owners of horses or greyhounds could not prohibit the simulcast of the other's animals
> Section 10 is the emergency clause; it would not be a benefit to us because greyhound racing starts in May
> amendments save the racing industry, preserves a \$100 million business and 5,000 jobs

109 > Mr. Myers has prepared an opinion because the opponents have said this constitutes a casino and therefore is unconstitutional

137 REP. CYNTHIA WOOTEN: Testifies in opposition to HB 3411.
> HB 3411 will put Oregon into the full gambling business. It is special interest legislation targeted to the dog and horse racing industry only. It creates exemptions to allow two facilities to exceed the statutory requirement of 5 machines and allows them to go to over 500 video poker machines.

189 > both dog and horse racing industry are in the black today; they are

not losing money and have not laid off enough employees
> Portland Meadows is in contested ownership
220 > in terms of lottery and video poker we are in a quagmire; we lack
public policy in promoting gambling, in the way we will depend on revenues
from video poker and lottery games, and it lacks principle

267 REP. JOHNSTON: Do you think this is money that would otherwise still be
coming in?

REP. WOOTEN: There may be an increase in video poker revenues. HB 3002
takes the forecast share to the state and puts it into county fair
expenditures. It is a pass through to county fairs.

301 HARDY MYERS, attorney for Multnomah Greyhound Park and New Portland
Meadows: > has provided a letter on whether this bill would violate the
casino prohibition (EXHIBIT D); the conclusion was that it would not based

on the projections of the revenues from the machines compared with the
total track revenue

340 REP. STROBECK: Has anyone given a description of the HB 3411-4
amendments?

CHARLIE WILLIAMS, Oregon Greyhound Breeders Association: On the last page
the amendment provides for the minimum number of races and performances.
That is the only difference between the -3 and -4 amendments. The people
who race their dogs believe- don't want to see the video machines come into

the track because they will be betting on the machines instead of on the
races. If there is any reason to have this, it is to save racing --not to
have a palace of video poker machines. The track has not agreed to run
126 performances a year. They ran 189 performances in 1992, 171 in 1993,
127 last year and they are running 126 this year. We think they should be
required to run at least 126 performances if they are going to have the
privilege of having these poker machines in the track.

372 REP. MARKHAM: What is the economic impact of dogs in this state?

MR. WILLIAMS: I think it is substantial and would like to see them
continue. We believe the bill is necessary to save the track. But from
the breeders standpoint we have a difficult time running in Oregon.

404 REP. ROBERTS: They lost \$1.7 million not too many years ago and we
made some changes last session in how we dealt with the track. If we don't
understand what we have done to the tracks with video poker and the Indian
gaming, we will lose them. It is only reasonable to give them a fighting
chance to compete against the state.

TAPE 107, B

020 REP. STROBECK: Comments he hopes the committee will discuss certain
points in the bill and would like to suggest amendments.

044 MOTION: REP. HAYDEN moves that the HB 3411-1 amendments be amended on
in Section 7 on page 5, to allow those entities listed to be licensed to
have up to 300 video poker machines.

052 REP. HAYDEN: I have resisted the lottery but we spend the lottery
money. Let's support them generously. They are a statewide significance.

The amendment would provide geographical balance to the bill and provides
equity to the bill.

058 REP. ROBERTS: When we talk about the track in Portland they have
limited entry to the juveniles. Do you have that security at the county
fairs?

069 REP. HAYDEN: That can be taken care and we don't want to micro manage.

REP. MARKHAM: Comments they are trying to save the races and Rep. Hayden
may be overloading the bill.

095 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, ROBERTS, STARR AND
CHAIR TIERNAN VOTE AYE. REPS. LEHMAN, MARKHAM, STROBECK AND WYLIE VOTE NO.

REPS. CLARNO, JOHNSTON AND ROSS ARE EXCUSED.

103 CHAIR TIERNAN: Declares the motion FAILED.

106 MOTION: REP. HAYDEN moves that on page 4 of the HB 3411-3 amendments,
in line 21, change "35" to "18" percent.

116 REP. ROBERTS: States he will oppose the motion; would support "not to
exceed 35" to let them negotiate.

124 REP. STROBECK: Asks if the 35 percent is part of the constitutional
enabling language or by Lottery rule?

129 CHAIR TIERNAN: It is by Lottery rule.

130 REP. STROBECK: Asks if Rep. Hayden would amend his motion to say "25
percent"?

130 MOTION: REP. HAYDEN moves to amend his previous motion: that on page 4
of the HB 3411-3 amendments, in line 21, change "35" to "25".

132 REP. HAYDEN: Comments he is open to any figure members may feel is a

fair figure and we should propose it with the view in mind that we will eventually move to apply that number statewide.

136 MARKHAM: Comments he thinks the legislature should leave the percentage up to the lottery commission.

143 REP. HAYDEN: Comments he doesn't think it should be left up to the Lottery Commission; they abuse the process and pay thousands or millions of dollars more than they should on advertising and those funds should flow to the state.

148 REP. ROBERTS: Comments that if it is cut to 25 percent, it will give the Lottery Commission more money to spend on advertising. Comments further that he agrees the legislature should get control of the Lottery Commission and start making some directions, but not on the backs of the people they contract with.

154 REP. WYLIE: Comments that getting control of the administrative costs of the Lottery Commission is another bill and will be supporting the amendment.

166 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, STARR, STROBECK AND WYLIE VOTE AYE. REPS. JOHNSTON, LEHMAN, MARKHAM, ROBERTS AND CHAIR TIERNAN

VOTE NO. REPS. CLARNO AND ROSS ARE EXCUSED.

173 CHAIR TIERNAN: Declares the motion FAILED.

178 REP. HAYDEN: Announces that he will oppose the bill on the Floor of the House.

179 MOTION: REP. GRISHAM moves that the HB 3411-4 amendments BE ADOPTED.

183 CHAIR TIERNAN: Requests that Rep. Grisham withdraw his motion to allow amendments to be proposed.

REP. GRISHAM WITHDRAWS HIS MOTION:

187 REP. ROBERTS: On page 9 of the HB 3411-4 amendments, in line 5, it says

"at least 13 races". and explains there are times when there are matinees and therefore two performances for 26 races. Suggests the "13" be changed to "12" to allow the tracks flexibility.

195 MOTION: REP. ROBERTS moves that the HB 3411-4 amendments be amended on page 9, in line 5, delete "13" and insert "12".

197 VOTE: Chair Tiernan, hearing no objection to the motion, declares the motion

PASSED. REPS. CLARNO AND ROSS ARE EXCUSED.

199 REP. JOHNSTON: Does not like leaving open the number of machines. Suggest the number be limited to 200 for dog tracks and 300 for horse tracks.

227 REP. STROBECK: Suggest the limitation be set as a ceiling.

238 CHAIR TIERNAN: Suggest a cap of 300 be put on the number of machines.

243 REP. STROBECK: Suggests 300 is a lot of machines.

MOTION: REP. JOHNSTON moves that a cap be put on the number of machines per facility to 300 (added at the end of Section 4(3)).

251 REP. HAYDEN: Comments that 300 is an awful lot of machines and if the motion on the amendment fails will suggest a maximum of 200 machines in each facility. Adds that we are addressing equity and has no animosity toward horse and dog racing and if we want to restore them to their previous position by canceling the lottery, would be on board for that.

266 VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, MARKHAM, ROBERTS, STROBECK, WYLIE AND CHAIR TIERNAN VOTE AYE. REPS. HAYDEN AND STARR VOTE NO. REPS. CLARNO AND ROSS ARE EXCUSED.

273 CHAIR TIERNAN: Declares the motion PASSED.

276 MOTION: REP. ROBERTS moves that the HB 3411-4 amendments be amended to delete Section 4(4) on page 5.

312 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion

PASSED. REPS. CLARNO AND ROSS ARE EXCUSED.

315 MOTION: CHAIR TIERNAN moves that on page 5 of the HB 3411-4 amendments, the limitation on machines would be no more than 300 per facility

(Section 7 (1)).

327 REP. STROBECK: Suggests that in the HB 3411-4 amendments, the bracketed language on page 2 in Section 2(3) be restored.

334 CHAIR TIERNAN: Comments that his suggestion was going to be to put a ceiling on the number of locations. They envisioned 20 more sites. Suggests the cap be 40.

345 MR. DEWEY: Forty is a good number, but they would not move to 40 in the

next year or so; it might be 28 or so.

AN UNIDENTIFIED PERSON IN THE AUDIENCE: Comments they envision one per county.

351 MOTION: REP. STROBECK moves that on page 2 of the HB 3411-4

amendments,

in Section 2(3) the bracketed language be restored and that "20" be changed to "36".

360 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the \ motion PASSED. REPS. CLARNO AND ROSS ARE EXCUSED.

365 CHAIR TIERNAN: Questions why money is being paid in Subsection (4), lines 7 through 17 on page 6, for awards.

377 REP. ROBERTS: Comments if people don't invest in the Oregon stock, they end up with no base to provide the horses and out-of-staters will be coming in.

396 ROB DOUGLAS, Oregon Thoroughbred Breeders Association: Comments that the language mirrors current language in statute. It comes from the handle that is wagered on horse races.

402 CHAIR TIERNAN: Where would the dollars otherwise go? Where is the \$350,000 coming from?

403 MR. DOUGLAS: It is coming from the video lottery terminals at the racing facility. The theory is exactly the same as other moneys that are placed through the track.

432 CHAIR TIERNAN: Does the \$350,000 come out of the 35 percent?

434 MR. DOUGLAS: Yes. The 35 percent is the track's 35 percent.

437 CHAIR TIERNAN: Why are we telling them how to spend it?

438 MR. DOUGLAS: You are supplementing purses just like you are paying race meet operating expenses and the other items.

463 REP. HAYDEN: Comments this is taking \$350,000 of scarce lottery money which is to be used to fund education in Oregon and give it to breeder awards.

468 REP. ROBERTS: It has nothing to do with the state because all this does is direct the track to expend certain moneys to maintain a certain breed of Oregon bred horse.

TAPE 108, B

020 REP. JOHNSTON: We are being asked to stipulate where some percentage of the 35 percent, which is the facility's share, it is not money that would go to education or stay with the state. It would stay with the facility. We are being asked to do that because this is a governmental purpose.

035 MR. DOUGLAS: Explains that the breeders get a percentage of the dollars that go across the windows at the tracks. If the machines are put in the track, that is a dollar the breeders may not get and may not get a percentage of. We are saying you need to protect the thoroughbred breeders in Oregon.

053 REP. STROBECK: Asks if it just said that the \$350,000 shall be paid to the Oregon Thoroughbred Breeders Association, Incorporated, and ... shall be paid to the Oregon Quarter Horse Racing Association, Incorporated, to be used "as they see fit".

056 MR. DOUGLAS: That would be fine with me.

056 CHAIR TIERNAN: Clarifies that lines 12, 13, 14, 15 and 16 on page 6 of the HB 3411-4 amendments would be deleted. The money would be used to support the thoroughbred racing as dictated by the commission.

062 JOHNSTON: Suggests leaving in (d); it would say "in such amounts considered appropriate for promotion and development of thoroughbred breeding and racing in Oregon.

065 REP. STROBECK: That amendment would limit it to nothing but promotion and development of thoroughbred breeding and racing. If we take out specific directives, we should take them all out.

075 MOTION: REP. JOHNSTON moves that the HB 3411-4 amendments be amended on page 6, Section 7(4), in line 11 after "appropriate", insert "for" and language from (d) in lines 16 and 17, and delete lines 12 through 15.

084 REP. MARKHAM: Comments the amendments talk about thoroughbred reds but about one-third of those that run are quarter horses.

086 REP. JOHNSTON: Responds this is the money for the Oregon Thoroughbred Breeders; the quarter horses were in Rep. Strobeck's appraisal bought off in Section 3.

089 REP. HAYDEN: Comments he has quarter horses and would propose on line 4, that \$350,000 be given to the American Quarter Horse and Appaloosa breeds.

104 VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, MARKHAM, ROBERTS, STARR, STROBECK, WYLIE AND CHAIR TIERNAN VOTE AYE. REP. HAYDEN VOTES NO. REPS. CLARNO AND ROSS ARE EXCUSED.

107 CHAIR TIERNAN: Declares the motion PASSED.

110 REP. HAYDEN: Questions why the thoroughbred reds get \$350,000 and nothing goes to the quarter horses.

113 DAVE NELSON, Portland Meadows and the Oregon Quarter Horse Association:

All the appropriation amounts were supposed to be blank and the \$350,000 was carried forward from a separate amendment the Oregon Thoroughbred red Breeders Association had advanced. Those numbers will be ground up in Ways and Means.

126 MOTION: REP. GRISHAM moves that the HB 3411-4 amendments, as amended, BE ADOPTED.

132 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion PASSED. REPS. CLARNO AND ROSS ARE EXCUSED.

132 MOTION: REP. ROBERTS moves that HB 3411, as amended, be sent to the Committee on Ways and Means with a DO PASS RECOMMENDATION.

137 VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON, LEHMAN, MARKHAM, ROBERTS, STROBECK, WYLIE AND CHAIR TIERNAN VOTE AYE. REPS. HAYDEN AND STARR VOTE NO. REPS. CLARNO AND ROSS ARE EXCUSED.

145 CHAIR TIERNAN: Declares the motion PASSED.

145 CHAIR TIERNAN: Declares the meeting in recess from 2:47 until 2:55 p.m.

148 CHAIR TIERNAN: Opens the work session on HB 2780.

HB 2780 - WORK SESSION

156 ANNE TWEEDT: Explains the provisions of the bill. The Preliminary Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT E).

167 REP. WYLIE: Asks what amount of time is required to be considered a retiree?

CHAIR TIERNAN: Responds it is at least 20 years.

172 REP. WYLIE: Asks why someone who has served for 20 years and has a retirement is entitled to additional preference on civil service exams?

174 CHAIR TIERNAN: Responds that a lot of people after 20 years will toggle

out of the military between the ages of 40 and 44. They have been trained in many skills that sometimes are not applicable to any private sector employment and they find it difficult to get a job. The military retirement after 20 or 25 years is somewhere around 35 percent of their final average salary. They are forced to go back to work in order to survive.

196 Discussion continues about experience and job qualifications for employment of military retirees in the job market.

213 REP. JOHNSTON: Comments this bill is only a question of fairness and that the preference points are granted to those who are not retired, but not to those who have retired.

227 REP. STARR: Asks for clarification on the preference because it appears

this would apply to those who have served for 180 days, not for those who are discharged with retirement pay.

231 REP. JOHNSTON: Explains that is the current law; it was based on how much time was needed to be a veteran. Six months active duty is required to be entitled to veterans preference, unless the person retired from the military in which case the person would not be entitled to veterans preference. We are just making it uniform.

255 REP. WYLIE: Does this apply only to the civil service systems or all public sector employment?

259 CHAIR TIERNAN: Comments he thinks "civil service system" was a generic term used to describe public employment.

264 REP. JOHNSTON: We would need to check the statutes to find the definition for "civil service examinations".

273 CHAIR TIERNAN: States that for the record, "civil service system" is any system that is a gateway system for a government job that involves testing or application process.

277 MOTION: REP. JOHNSTON moves that HB 2780 be sent to the Floor with a DO PASS RECOMMENDATION.

279 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN,
MARKHAM, STARR, STROBECK, WYLIE AND CHAIR TIERNAN VOTE AYE. REPS. CLARNO,
ROBERTS AND ROSS ARE EXCUSED.

285 CHAIR TIERNAN: Declares the motion PASSED. REP. GRISHAM will lead
discussion on the Floor.

HB 3384 - WORK SESSION

303 MS. TWEEDT: Reviews the Preliminary Staff Measure Summary and the HB
3384-3 and -4 amendments (EXHIBIT F).

320 REP. JOHNSTON: Comments that the original bill as proposed is the best
of all versions. Mike Dewey doesn't think the amended versions would
survive constitutional challenge.

353 MS. TWEEDT: Comments there was concern at the hearing that the original
bill which requires the provision of lock boxes might be a pre-emptive
challenge to the Federal Cable Act which specifically says those boxes are
to be required if a subscriber request them.

369 MIKE DEWEY, Oregon Cable Telecommunications Association: Counsel did an
excellent job of speaking to the pre-emption question. There is another
concern. The scheme is over a 10-year period the technology will be such
that everybody will have a device that will allow them to lock out channels
at the home. In some cases cable systems cannot do that and would have to
reinvent their technology. That would be very costly. The other aspect is
this would make an additional cost to each cable company customer, about \$2
to \$3 per month, even though the person would not want or need the device.

396 CHAIR TIERNAN: Do you have a preference between the three choices?

398 MR. DEWEY: With the -3 amendments it would be a nightmare for a cable
company to get in writing an affirmative yes that the people want public
access because it is going into the homes today. There are 700,000
customers in the state and most have public access. Doesn't like the -4
amendments because my job is to try to not provide for more regulations for
cable companies.

420 REP. JOHNSTON: Suggest that it just say at the time of installation of
service they provide the customer with notice that a device is available
that allows the consumer to scramble.

428 MS. TWEEDT: Advises that certain cable companies cannot give the
consumer a lock box; they have to do it outside the home.

437 MR. DEWEY: If technology was not a device, a converter, then outside
the home the signal would be trapped.

TAPE 109, A

014 CHAIR TIERNAN: Asks which option the committee would prefer.

013 REP. HAYDEN: States he wants the option that makes all the good public
access available to the people without their asking for it and allows them
to easily eliminate those programs that are offensive.

020 MS. TWEEDT: Advises it is not necessarily an issue of which channels
are offensive, but specific programming that might appear on those
channels. Some cable companies cannot provide the box to block out shows;
they would have to block it outside the home.

036 MS. TWEEDT: Reviews three options would be the original bill as
drafted, which may have preemptive problems because the Federal Cable Act
specifies how those lock boxes should be provided, and the -3 and -4
amendments are identical in that they say that consumers or subscribers
must request public access channels. The only difference is the -3
amendments says everybody has to do it (meaning you get shut off now and
turned back on only if you write in for the channel). The -4 amendments
says new subscribers would have to do that. Current subscribers would not
get turned off, but new subscribers would not get turned on unless they
request it.

051 REP. STROBECK: The last line on the Preliminary Staff Measure Summary
(EXHIBIT F) says it. Thinks that takes care of the problem.

053 REP. WYLIE: Comments he appreciates the Chair bringing forth the bill
but does not think this bill will get there and therefore it is better to
do nothing.

062 CHAIR TIERNAN: Advises the committee that HB 3384 will be carried
forward to the committee agenda for next Wednesday to let members work on a
solution. He closes the work session on HB 3384.

065 CHAIR TIERNAN: Opens the work session on HB 2520.

065 HB 2520 - WORK SESSION

066 MS. TWEEDT: Reviews provisions of the bill. The Preliminary Staff

Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT G).

070 MOTION: REP. GRISHAM moves that HB 2520 be sent to the Floor with a DO PASS RECOMMENDATION.

073 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR AND CHAIR TIERNAN VOTE AYE. REPS. CLARNO, ROBERTS, ROSS, STROBECK AND WYLIE ARE EXCUSED.

077 CHAIR TIERNAN: Declares the motion PASSED. REP. MARKHAM will lead discussion on the Floor.

079 CHAIR TIERNAN: Opens the work session on HB 3219

079 HB 3219 - WORK SESSION

080 MS. TWEEDT: Reviews the provisions of HB 3219 with the -3 amendments. The Preliminary Staff Measure Summary, HB 3219-3 amendments, Revenue Impact

Analysis, and diagrams of oversize loads are hereby made a part of these minutes (EXHIBIT H).

108 MOTION: REP. GRISHAM moves that HB 3219, as amended, to the Floor with a DO PASS RECOMMENDATION.

110 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR AND CHAIR TIERNAN VOTE AYE. REPS. CLARNO, ROBERTS, ROSS, STROBECK AND WYLIE ARE EXCUSED.

114 CHAIR TIERNAN: Declares the motion PASSED. REP. STROBECK will lead discussion on the Floor.

131 CHAIR TIERNAN: Opens the work session on HB 2789.

132 HB 2789 - WORK SESSION

The Preliminary Staff Measure Summary and the HB 2789-2 amendments are hereby made a part of these minutes (EXHIBIT I).

132 CHAIR TIERNAN: Explains that HB 2789, as amended, requires negotiations to be in the open, anyone has a right to attend the negotiations and does not provide anybody with a veto power.

157 MOTION: REP. GRISHAM moves that HB 2789, as amended, be sent to the Floor with a DO PASS RECOMMENDATION.

158 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, MARKHAM, STARR WYLIE AND CHAIR TIERNAN VOTE AYE. REP. LEHMAN VOTES NO. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

164 CHAIR TIERNAN: Declares the motion PASSED. CHAIR HAYDEN will lead discussion on the Floor.

169 CHAIR TIERNAN: Opens the work session on HB 3221

HB 3221 - WORK SESSION

169 MS. TWEEDT: Explains that the bill adopts the federal weight chart for highways in Oregon (all highways will be uniform as to what is permitted).

ODOT's Bridge Section indicate they have no opposition. The bill also, with the -2 amendments adopted by the Subcommittee on Transportation, allows load lengths to be rounded up to 9 feet instead of down to 8 feet.

199 MOTION: REP. JOHNSTON moves that HB 3221, as amended, be sent to the Floor with a DO PASS RECOMMENDATION.

202 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR, WYLIE AND CHAIR TIERNAN VOTE AYE. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

206 CHAIR TIERNAN: Declares the motion PASSED. REP. HAYDEN will lead discussion on the Floor.

208 CHAIR TIERNAN: Opens the work session on HB 3386.

209 HB 3386 - WORK SESSION

209 MS. TWEEDT: Reviews the provisions of the bill with the HB 3386-1, -2 and -3 amendments. The Preliminary Staff Measure Summary, the HB 3386-1 amendments and Legislative Fiscal and Revenue statements, the HB 3386-2 amendments and the Legislative Fiscal and Revenue statements, and the HB 3386-3 amendments and the Legislative Fiscal statement are hereby made a part of these minutes (EXHIBIT J).

236 REP. MARKHAM: Asks who has requested the various amendments.

236 MS. TWEEDT: Explains that the -3 amendments were requested by Chair Tiernan, the -2 amendments were requested by the Division of State Lands, and the -1 amendments were requested by Sen. Smith.

245 CHAIR TIERNAN: Explains the purpose of the -3 amendments is to address the issue of turning Dammasch into a juvenile training center or a minimum security prison to address Measure 11 requirements. People in Wilsonville did not want the facility there. It was estimated that the property is worth more to sell than it would be if it were operated as a facility. I was presented with information from a well known developer that the estimated value of the land was between \$30 million and \$40 million.

Knowing how we need money to build the prison construction program for juveniles and knowing that the City of Wilsonville would like to use the land for other purposes because it is inside the urban growth boundary, the

happy medium would be not to use it as a facility, but to request the sale of the land and to use the proceeds of those sales for prison construction to free up more dollars in the General Fund. It is not calculated in any estimated budget.

272 REP. JOHNSTON: Requests that the committee adopt the HB 3386-1 and -2 amendments and further discuss the -3 amendments.

273 MOTION: REP. JOHNSTON moves that the HB 3386-1 and HB 3386-2 amendments

BE ADOPTED.

276 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion PASSED. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

278 REP. JOHNSTON: Comments he doesn't think the -3 amendments are a bad idea but wonders why the Legislature should tie DAS's hands in what they can do with Dammasch.

282 CHAIR TIERNAN: Responds that the main emphasis is to push forward the sale of the property; it could be a two- to five-year process for DAS to go

through the burdensome task of trying to ready and sell the property.

290 REP. JOHNSTON: Comments he intends to vote for it and if DAS is strongly opposed to it, they can put out their arguments.

295 REP. WYLIE: Comments she was opposed to shutting down Dammasch instead of fixing it. The jails are filled with people who need to be treated for mental illness rather than locked up and taking places away from people who

ought to be off the street. As much as the voters have directed the Legislature to do something about the problem of juvenile crime, the initiative and vote was preceded by dumping thousands of mentally ill people into our communities without providing enough community support for their care. Those people are in jails and on the streets and are being shot by police trying to do their job. Would not be in favor of selling Dammasch and not using the money for community-based mental health treatment.

324 REP. GRISHAM: Comments he shared Rep. Wylie's concern about closing Dammasch. Believes the -3 amendment, even though it will not be specifically put toward mental health facilities, will be put before juvenile corrections facilities and it is my understanding from the juvenile correction personnel that one of the problems most pressing is mental illness in the juvenile prisoners. Would hope this would go toward building a facility that not only will imprison or correct juveniles but that will also serve to help them with their mental illness.

346 MOTION: REP. GRISHAM moves that HB 3386-3 amendments BE ADOPTED.

350 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion PASSED. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

352 MOTION: REP. MARKHAM moves that HB 3386, as amended, be sent to the Floor with a DO PASS RECOMMENDATION.

355 VOTE: In a roll call vote, REPS. GRISHAM, HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR AND CHAIR TIERNAN VOTE AYE. REP. WYLIE VOTES NO. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

362 CHAIR TIERNAN: Declares the motion PASSED. REP. STARR will lead discussion on the Floor.

371 CHAIR TIERNAN: Opens the work session on HB 2205.

HB 2005 - WORK SESSION

360 GREG MOORE, Counsel: Explains the provisions of the bill. The Preliminary Staff Measure Summary, Legislative Revenue Impact Analysis and proposed amendments are hereby made a part of these minutes (EXHIBIT K).

416 MOTION: REP. JOHNSTON moves that HB 2205 be amended with the conceptual amendment proposed by the State Treasurer's office (EXHIBIT K).

437 DARRIN BOND, Director of Finance, Office of State Treasurer: Explains that the 0.25 basis points is 25/100ths. It is actually .000025. A basis point is 1/100th of a percent and this is one quarter of that. The additional amendment is to incorporate this charge to the Local Government Investment Pool which the Treasurer's office also manages. The Local Government Investment Pool is a piece of the Oregon Short Term Fund. The methodology needs to be the same. It is also equalizing the fee that is charged.

TAPE 110, A

037 GARY BRUBAKER, Deputy State Treasurer: The small (b) was in the initial

set up of the fund and is no longer needed in the statute. (2) is the same. Those funds have already been returned to the General Fund and the fund is operated as a self-sustaining fund.

063 MR. MOORE: Reviews the amendments proposed by the State Treasurer's office (EXHIBIT K).

082 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the
motion PASSED. REPS. CLARNO, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

083 MOTION: REP. WYLIE moves that HB 2205, as amended, be sent to the Floor
with a DO PASS RECOMMENDATION.

086 VOTE: In a roll call vote, all members present vote AYE. REPS. CLARNO,
LEHMAN, ROBERTS, ROSS AND STROBECK ARE EXCUSED.

091 CHAIR TIERNAN: Declares the motion PASSED. REP. WYLIE will lead
discussion on the Floor.

100 CHAIR TIERNAN: Opens the work session on HB 3285.

094 HB 3285 - WORK SESSION

102 MR. MOORE: Explains the bill and advises members the -2 amendments
revise the volunteer service plan. The Preliminary Staff Measure Summary,
the Legislative Revenue Analysis, and the HB 3285-2 amendments are hereby
made a part of these minutes (EXHIBIT L). This is a voluntary concept
that might or might not be adopted by a local government body.

130 REP. HAYDEN: What is the state's involvement in this?

130 MR. MOORE: The state is not funding the program. There is no state
funding with the -2 amendments.

140 NORB BERRY, sponsor of HB 3285: Explains the program would be funded
from local resources of the local fire districts or fire departments.
Plans are in place now in a number of places around the state. We are
asking for the rules so it doesn't pre-empt us from doing the plans
because there is no legislation now that says how to do them.

149 REP. MARKHAM: Would this be funded by property taxes by a fire district
base?

149 MR. BERRY: Yes. There is an attorney general's opinion this is a
legitimate expenditure.

151 REP. MARKHAM: Do you intend to ask the public?

151 MR. BERRY: Yes, through the budget process. People of districts and
cities are voting tax revenues to finance these plans to lower the cost of
providing fire service by the use of volunteers to keep them better trained
and to keep them longer.

161 REP. WYLIE: This is a very modest retirement incentive. It was felt
this was needed to keep firefighters in the departments for a longer period
of time.

176 REP. HAYDEN: Why cannot the local districts and counties and cities do
this? What are we providing they can't provide?

REP. WYLIE: Believes the bill originally would have had the state fund the
retirement plans to provide some consistency and guidelines. Districts are
doing it now, but they are not doing it with any particular permission.

198 MR. BERRY: Explains last legislative session the bill was introduced
because the attorney general ruled that because of a rather obscured
section of Oregon Investment law dealing with public agencies we were doing
something we did not know was not legal. We want rules to go home with.

201 HASSINA CASSIM, Oregon Fire Chiefs Association, Oregon Fire District
Directors and Oregon Volunteer Firefighters Association: Only saw the -2
amendments a day ago. The legislative committee will meet on Monday at
1:30. The groups will not object to the -2 amendments but will discuss a
couple of other things with Mr. Berry.

223 CHAIR TIERNAN: Announces that HB 3285 will be rescheduled for Wednesday
and comments he may have a problem going back and retroactively crediting
someone with 20 years of service.

234 REP. JOHNSTON: Comments he has two reservations. One is if we were to
put something in the statute, would prefer to put in something that
authorizes voluntary service plans for local jurisdictions to implement
should they choose. This one establishes how much money the jurisdiction
can pay per month, the value of annuities--all of which is going to be out
of date relatively quickly. The second concern is to what extent are we
setting up a mechanism that because it is attempting to cure retention
problems in some jurisdictions that will ultimately deprive us of a
valuable resource of volunteer fire departments. Although this is a small
amount of money, it is payment for service--a reward for service. The
question of volunteering has some definition problems that we should
grapple with.

260 REP. MARKHAM: Asks how the money of Wagon Tire Fire District is
invested?

MR. BERRY: It is under the control of a board of directors, or in the
case of a city, it is under the control of the city council.

281 CHAIR TIERNAN: Closes the work session on HB 3285 and opens a work

session on HB 2675.

HB 2675 - WORK SESSION

295 MR. MOORE: Reviews the provisions of the bill and reminds the committee

they requested DEQ to respond to some questions (EXHIBIT N). The Preliminary Staff Measure Summary and HB 2675-1 amendments are hereby made a part of these minutes (EXHIBIT M).

314 REP. STROBECK: Reports he has discussed this with Ms. Young, including limiting this to fleets of 50 or under be on the two-year testing schedule and have fleets of 50 or more vehicles tested on an annual basis and to allow them to be tested at the facility they are based in. They can do the routine tests during tune-ups.

363 MR. MOORE: Advises the HB 2675-1 amendments simply link public vehicle inspections to the same time table as private vehicles. The conceptual amendment Rep. Strobeck, Ms. Young and I have discussed would be inserted on page 1 of the HB 2675-1 amendments between the sentences in line 24: "

However, if the vehicle is a member of a fleet of 50 or more vehicles, then it shall be certified annually."

400 MOTION: REP. STROBECK moves that the HB 2675-1 amendments BE AMENDED on page 1, in line 24, after the period, insert "However, if the vehicle is a member of a fleet of 50 or more vehicles, then it shall be certified annually."

405 REP. GRISHAM: Would the proposed amendment affect the 2.3 increase in Volatile Organic Compound emissions?

407 CAROLYN YOUNG, Acting Assistant to the Director, Department of Environmental Quality: Explains the amendment takes out the small communities. In the Portland area it would not take away much of a percent of the problem in the Portland air shed. It would have very little impact on the maintenance plan.

423 REP. JOHNSTON: When would a new car in a fleet of less than 50 be tested now?

MS. YOUNG: It would be tested one year after it is purchased. The problem is with the new computerized equipment. It doesn't go out of compliance as frequently as the older cars do, but when it does go out, it goes way out. If it is caught early, it is typically under warranty and the dealer will pay for the repair.

TAPE 109, B

008 REP. GRISHAM: Asks Ms. Young if she has discussed this with Rep. Brian and the Task Force on Emissions? Does it disrupt the formula they are working on?

011 MS. YOUNG: It is a concern and that is the reason for the proposed amendments. It is a good compromise that won't upset the maintenance plan.

017 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion PASSED. REPS. CLARNO, LEHMAN, ROBERTS, AND ROSS ARE EXCUSED.

020 MOTION: REP. JOHNSTON moves that the HB 2675-1 amendments, as amended, BE ADOPTED.

023 VOTE: CHAIR TIERNAN, hearing no objection to the motion, declares the motion PASSED. REPS. CLARNO, LEHMAN, ROBERTS AND ROSS ARE EXCUSED.

025 MOTION: REP. STROBECK moves that HB 2675, as amended, be sent to the Floor with a DO PASS RECOMMENDATION.

028 VOTE: In a roll call vote, all members present vote AYE. REPS. CLARNO, LEHMAN, ROBERTS AND ROSS ARE EXCUSED.

031 CHAIR TIERNAN: Declares the motion PASSED. REP. STROBECK will lead discussion on the Floor.

040 CHAIR TIERNAN: Declares the meeting adjourned at 4:13 p.m.

Submitted by, Reviewed by, Reviewed by,

Annetta Mullins Anne Tweedt Gregory G. Moore
Committee Assistant Committee Counsel Committee Counsel

EXHIBIT SUMMARY:

A - HB 2752, Preliminary Staff Measure Summary, HB 2752-2 amendments, HB 2752-3 amendments, and HB 2752-6 amendments, staff, 5 pp
B - HB 3411, Preliminary Staff Measure Summary, HB 3411-3, and HB 3411-4

amendments, staff, 17 pp
C - HB 3411, letter from Oregon Lottery, Gary Weeks, 1 p
D - HB 3411, letter from Hardy Myers, 10 pp
E - HB 2780, Preliminary Staff Measure Summary and Legislative Fiscal and Revenue statement, staff, 2 pp
F - HB 3384, Preliminary Staff Measure Summary, HB 3384-3 and HB 3384-4 amendments, staff 3 pp
G - HB 2520, Preliminary Staff Measure Summary, Legislative Fiscal and Revenue statements, staff, 3 pp
H - HB 3219, Preliminary Staff Measure Summary, HB 3219-3 amendments, Revenue Impact Analysis and drawings of loads, staff, 13 pp
I - HB 2789, Preliminary Staff Measure Summary and HB 2789-2 amendments, staff 2 pp
J - HB 3386, Preliminary Staff Measure Summary, HB 3386-1 amendments and Legislative Fiscal and Revenue statements, staff, 12 pp
K - HB 2205, Preliminary Staff Measure Summary, Legislative Revenue Analysis and proposed amendments, staff, 3 pp
L - HB 3285, Preliminary Staff Measure Summary, Revenue Impact Analysis, and HB 3285-2 amendments, 8 pp
M - HB 2675, Preliminary Staff Measure Summarys and HB 2675-1 amendments, staff, 3 pp
N - HB 2675, letter from Carolyn Young, 2 pp