

HOUSE COMMITTEE ON  
GENERAL GOVERNMENT AND REGULATORY REFORM  
SUBCOMMITTEE ON REGULATORY REFORM

Hearing Room  
Tapes - 26

MEMBERS PRESENT:

Rep. Ken Strobeck, Chair  
Rep. Jerry Grisham  
Rep. Bryan Johnston  
Rep. Mike Lehman (Visiting Member)  
Rep. Bill Markham (Visiting Member)  
Rep. Barbara Ross (Visiting Member)

MEMBER EXCUSED:

Rep. Charles Starr  
Rep. Sharon Wylie, Vice-Chair

STAFF PRESENT:

Gregory G. Moore, Committee Counsel  
Kay C. Shaw, Committee Assistant

MEASURES HEARD:

HB 3389 - Work Session  
HB 3392 - Work Session  
HB 3064 - Public Hearing  
HB 2832 - Public Hearing  
HB 3233 - Public Hearing  
HB 2761 - Public Hearing

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 , A

008 CHAIR STROBECK: Calls meeting to order at 1:19 p.m. REPS STARR and WYLIE are EXCUSED.

CHAIR STROBECK: Opens the public hearing on HB 2761.  
> Announcements.

HB 2761 - PUBLIC HEARING

Witnesses: Rep. Lonnie Roberts (D - District 21)  
Rep. Veral Tarno (R - District 48)  
Rep. Mike Lehman (D - District 47)  
Ron Harlan, United Veterans Groups of Oregon  
Ed Hughes, Coalition for Veterans Issues  
Joe Wolf, City of Coquille  
Jon Mangis, Department of Veterans' Affairs (DVA)

017 GREG MOORE, Committee Counsel: Reviews Preliminary Staff Measure Summary. Submits Preliminary Staff Measure Summary (EXHIBIT A).

032 REP. LONNIE ROBERTS (D - District 21): Testifies in support of HB 2761.  
> Introductory comments.  
> Says this is a "win-win" situation, because no General Fund moneys and basically no state moneys are involved.  
> Explains the funding of the facility operations by the Federal Government

and the creation of 150-200 jobs.

063 REP. VERAL TARNO (R - District 48): Testifies in support of HB 2761.  
> Introductory comments.  
> The City of Coquille is eager and quite willing to get the project underway.  
> HB 2761 is at the request of the United Veterans Groups of Oregon.  
> Urges approval of HB 2761.

082 REP. ROBERTS: Adds to testimony.  
> Explains that Coquille was one of the bidders for the first home, understands the process, raised \$3.2 Million which will be matched by approximately \$6 Million in federal funds, set aside 15 acres when only five acres was needed, are committed to serving the retired veterans and will establish some form of industry that will employ 100-200 people.

CHAIR STROBECK: Did you say \$5.2 Million was the bond measure and was that approved?

REP. ROBERTS: The bond measure was \$3.2 Million and the matching federal funds will be somewhere around \$6 Million -- 65/35 split. The total budget

is just under \$10 Million for the construction of the facility. The City of Coquille donated the land. The important point is that everyone involved directly (i.e., the veterans, City of Coquille and the Federal Government) are quite supportive. The ongoing benefit is there will be federal moneys coming into this state each year to maintain/support that

facility.

105 REP. ROSS: Is there a need for additional nursing home beds in the State of Oregon?

REP. ROBERTS: Opines this is outside the scope of general nursing home care. It is a special facility for those who have served this country. Most of the people would be WW2 and Korean War veterans. Unable to answer whether or not there is a shortage of nursing homes; however, "I sincerely believe that the demand for nursing homes is going to go up substantially in the next few years . . ."

REP. ROSS: Will this facility be in direct competition with private, for profit, nursing facilities?

REP. ROBERTS: Doesn't believe so. Suggests inviting the two members from the veterans organization to testify about that information.

REP. TARNO: Explains that the nearest nursing homes would be in the Coos Bay/North Bend area approximately 20 miles away. Perhaps from a nursing home perspective it may very well be a conflict, but opines this is something the veterans are asking for. Discusses the increase in retirement-age population in the southern part of the state.

143 REP. MIKE LEHMAN (D - District 47): Testifies in support of HB 2761. States that it is significant that the bond measure passed. Urges support for this bill and that the bill move to the Full Committee.

REP. ROSS: Does this facility have to go through the Certificate of Need process as do all other nursing facilities?

REP. LEHMAN: Doesn't know.

165 RON HARLAN, United Veterans Groups of Oregon: Testifies from prepared testimony in support of HB 2761. Submits (EXHIBIT B).  
> Introductory comments.  
> Reviews January 1991 feasibility study.  
> Reviews the category of veterans who would be placed in the Veterans' Home.  
> Explains about the bond issue.  
> Summary statement.

322 REP. MARKHAM: Reviews history of last session. Is it correct that the indigent veterans are the individuals that are in trouble?

MR. HARLAN: A veteran who has insurance can be in a private home. The veteran who has no funds will end up on Medicaid.

351 REP. MARKHAM: There were four studies on the issue that all confirmed the original study was correct and that the state money would save money instead of providing for indigent veterans through the Department of Human Resources -- that is important to understand.

MR. HARLAN: The study was projected into the year 2000.

363 ED HUGHES, Coalition for Veterans Issues: Last session the first veterans' home bill passed through the assembly unanimously in the Senate, the House and five committees (including Rep. Minnis' Ways & Means Subcommittee).

382 JOE WOLF, City Manager, City of Coquille: Testifies in support of HB 2761.  
> Explains that the City of Coquille submitted a proposal for the initial proposal to have the first veterans' home; however, City of Coquille was the runner-up.  
> Opines that Coquille is the better location, wants to be considered for the second home, the Coos County voters have supported the proposal by passage of the bond measure, there is a definite need for a second veterans' home and will save the state money by having his home available.  
> Urges support of the bill.

412 JON MANGIS, Department of Veterans' Affairs (DVA): Testifies on HB 2761.

REP. ROSS: Will this facility undergo a Certificate of Need process and is it DVA's position there is actually a need for additional nursing home beds in the State of Oregon?

MR. MANGIS: Testifies:  
> This proposal is not part of the Governor 's legislative package.  
> Explains that the Certificate of Need was dealt with in SB 447 during last session and the Oregon Veterans' Home was exempt from that process.  
> Refers to HB 2761 and says there is not a specific exemption in it, although DVA would view this as an Oregon veterans' home with a satellite in The Dalles and the other designated location. Defers the question to appropriate counsel.  
> Doesn't know whether there is a need for beds -- Senior Services Division

would need to respond to that question. Says that the thrust in Oregon in the last several years has been moving away from skilled-care beds to more extended-adult care situations.

TAPE 26, A

011 MR. MANGIS: Continues testimony:  
> Says this program is to address veterans who require skilled-nursing

care. These are veterans who qualify for a non-service disability pension and the same individuals would apply for Medicaid.  
> Discusses the per diem that could be received.

REP. ROSS: Are you asserting that building this facility would save the state money?

MR. MANGIS: This facility could be run at no cost to the State of Oregon.

CHAIR STROBECK: Closes public hearing on HB 2761 and opens work session on HB\_3392.

HB 3392 - WORK SESSION

Witness: JOE GILLIAM, Northwest PayPhone Association

045 JOE GILLIAM, Northwest PayPhone Association: Testifies about HB 3392-1 and HB 3392-2 amendments. Submits (EXHIBIT C).  
> Explains amendments and that they do not work together.  
> States preference for HB 3392-2 amendments.

061 REP. JOHNSTON: Are these your amendments or reached as a result of some discussion with others?

MR. GILLIAM: Cites discussion with Gary Bower, Independent Telephone Operations, and Gary Wilhelms, US West.

REP. JOHNSTON: Are they in agreement with these amendments?

MR. GILLIAM: There is no opposition to either of the amendments.

CHAIR STROBECK: Points out that a couple of the long distance companies do not care for the amendments.

MR. GILLIAM: Refers to FCC ruling on dial-around compensation and reviews the testimony at the first public hearing on the bill.

080 CHAIR STROBECK: Requests clarification on HB 3392-2 amendments.

MR. GILLIAM: Explains HB 3392-2 amendments apply to intrastate calls only.

CHAIR STROBECK: Continues inquiries about specific language in HB 3392-2 amendments and dial around calls.

129 MOTION: REP. JOHNSTON moves to amend HB 3392-2 amendments that on line 3 after "when" to insert "intrastate".

CHAIR STROBECK: Calls for objections and hearing no objections declares the MOTION PASSED.

MOTION: REP. JOHNSTON moves that HB 3392 as amended be sent to Full Committee with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. GRISHAM, JOHNSTON and CHAIR STROBECK vote AYE. REPS. STARR and WYLIE are EXCUSED.

CHAIR STROBECK: Declares the MOTION PASSED.

CHAIR STROBECK: Closes work session on HB 3392 and opens work session on HB\_3389.

HB 3389 - WORK SESSION

Witnesses: Robert T. Panuccio, State Fire Marshal  
Administrators Association Jay Lilly, McMinnville Fire Department and Oregon Fire Medical  
Ambulance Service Keith L. Hoehn, Cottage Grove/South Lane Rural Fire Department and  
Association Bill Sizemore, Oregon Taxpayers United and Northwest Athletic Club

153 GREG MOORE, Committee Counsel: Reviews Preliminary Staff Measure Summary. Submits Preliminary Staff Measure Summary and proposed amendments (EXHIBIT D).

ROBERT T. PANUCCIO, State Fire Marshal: Prepared testimony on HB 3389 is hereby made a part of these Minutes (EXHIBIT E).

JAY LILLY, Assistant Chief, McMinnville Fire Department, and President, Oregon Fire Medical Administrators Association: Prepared testimony in opposition to HB\_3389 is hereby made a part of these Minutes (EXHIBIT F).

KEITH L. HOEHN, EMS Coordinator, Cottage Grove/South Lane Rural Fire Department and Ambulance Service: Prepared testimony in opposition to HB\_3389 is hereby made a part of these Minutes (EXHIBIT G).

170 CHAIR STROBECK: Requests an explanation of all the amendments.

COUNSEL MOORE: Reviews all of the amendments:  
173 > HB 3389-7 amendments replace HB 3389-3 and HB 3389-5 amendments.  
> HB 3389-1 amendments, proposed by Oregon Taxpayers United, simply defines

"cost" better.  
> HB 3389-2 and HB 3389-6 amendments -- hasn't reviewed previously.  
> HB 3389-4 amendments, proposed by Oregon Taxpayers United, created an

exception in the original bill to allow exemption to continue to compete with the private sector.

> Original HB 3389 was sponsored by Rep. Bob Tiernan and there have been amendments by AMR (an ambulance company in Portland) and by Oregon Taxpayers United.

> There is a conflict between HB 3389-7 amendments and Oregon Taxpayers United, because HB 3389-7 amendments respond only to "fee-based government services" when Oregon Taxpayers United has a concern about "services and goods provided by government at no cost after the tax has been paid."

197 REP. GRISHAM: If "fee-based" was removed, then would it be directed to "all services" on a cost-free basis?

COUNSEL MOORE: Could be accomplished; however, Oregon Taxpayers United may have other concerns and unaware of Mr. Kafoury's opinion.

CHAIR STROBECK: Is it correct that if the HB 3389-7 amendments are adopted, they would only apply to services that are provided on a fee basis?

COUNSEL MOORE: Yes. Refers to HB 3389-7 amendments, Page 1, Line 7.

CHAIR STROBECK: What are the other services involved?

COUNSEL MOORE: Provides example that if a local government decides to put in a municipal swimming pool and people from the district pays the taxes, then they get in free -- that competes with the private-sector athletic club that charges for use of the swimming pool.

CHAIR STROBECK: Requests that Mr. Sizemore provide an explanation about the distinction.

220 BILL SIZEMORE, Oregon Taxpayers United and Northwest Athletic Club Association: Explains problems with HB 3389-7 amendments; however, they can be "blended" to be acceptable:

> Amendment mostly concerns agreements with an agency or division of another department or unit of government. Intent is to stop the public sector from competing with the private sector that is already operating a service. This amendment is aimed at the fire department and ambulance service conflict in Multnomah County and elsewhere. No problem with the amendment as an addition to the original bill, but not in replacing all the language of the original bill. In other words, if it is provided free then the taxpayer would subsidize a service that is already being offered by the private sector.

REP. JOHNSTON: Refers to the hypothetical posed by counsel. Is that the "kind of competition we would be stopping here?"

MR. SIZEMORE: Yes. Opines that Parks and Recreation is commonly a violator of the competition with the private sector.

REP. JOHNSTON: Under that reasoning, "would we have developed the kind of park systems that we have in the cities across this country?"

259 MR. SIZEMORE: Opines the kind of park system would have been developed, but the parks in general (e.g., softball diamonds and green space available) would not have developed without government intervention.

REP. GRISHAM: Opines the bill needs more work -- suggests holding over the bill.

283 CHAIR STROBECK: Closes work session on HB 3389 and opens public hearing on HB\_3064.

HB 3064 - PUBLIC HEARING

Witnesses: Mary Kyle McCurdy, 1000 Friends of Oregon  
John Chandler, Homebuilders Association/Metropolitan Portland  
B. J. Smith, League of Oregon Cities

GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT H).

MARY KYLE MCCURDY, Staff Attorney, 1000 Friends of Oregon: Prepared testimony in opposition to HB 3064 is hereby made a part of these Minutes (EXHIBIT I).

318 JOHN CHANDLER, General Counsel, Homebuilders Association/Metropolitan Portland: Testifies on HB 3064:  
> Introductory comments.  
> Explains SDC (System Development Charges) Law and intent of the bill.  
> Comments there is not a standardized methodology for how reimbursement fees are calculated.  
> Discusses the issue of parks.  
> Opines the technical issues can be worked out with local governments.

384 CHAIR STROBECK: Refers to testimony about being generally supportive of the concept. Requests further explanation about the additional levels of service.

MR. CHANDLER: Provides example about a jurisdiction having a plan for five

acres of parks for every 1,000 residents.

TAPE 25, B

002 REP. JOHNSTON: Did Bancroft Bonds exist before this?

MR. CHANDLER: Yes.

REP JOHNSTON: Is the way they functioned more in comport with what you are asking to be changed to?

MR. CHANDLER: Doesn't know. Says the Bancroft system is separate and apart from this.

010 B. J. SMITH, League of Oregon Cities: Testifies from prepared testimony

on HB 3064. Submits (EXHIBIT J).

- > Introductory comments.
  - > Provides general remarks about systems development charges.
  - > Discusses significant changes and issues with HB 3064.
- 098 > Explains how the SDC system works.

CHAIR STROBECK: Refers to document entitled Origin of Systems Development Charges in Oregon dated May 1990 (Page 2). Is this essentially the agreement that was worked out together at that time?

MS. SMITH: The document was extracted from workshops held by the League of Oregon Cities with members to advise them of the basic contents of the Systems Development Charge Law.

150 CHAIR STROBECK: Closes public hearing on HB 3064 and opens public hearing on HB 2832.

HB 2832 - PUBLIC HEARING

Witnesses: Don Woodley, Marion County  
Peggy Collins, Oregon Building Codes Division  
Dave Nelson, Oregon Seed Council and Oregon Dairy Farmers Association

GREG MOORE, Committee Counsel: Reviews the Preliminary Staff Measure Summary. The Preliminary Staff Measure Summary is hereby made a part of these Minutes (EXHIBIT K).

177 DON WOODLEY, Building Official, Marion County: Testifies in support of HB 2832.

- > Introductory comments and introductions.
- > Provides the purpose of the State Building Codes.
- > Explains the nine-words and one number change to HB 2832.

220 PEGGY COLLINS, Oregon Building Codes Division: Testifies in support of HB 2832.

- > Explains the current law is difficult, if not impossible, to enforce.
- > Opines the new language will make it easier to enforce the State Building

Codes.

232 DAVE NELSON, Oregon Seed Council and Oregon Dairy Farmers Association: Testifies in support of HB 2832.

- > Introductory comments.
- > Agrees with the prior testimony and "this simple, straightforward change makes a lot of sense for the grass seed industry . . . for the dairy industry and for the tree fruit industry as well."
- > Urges positive consideration of the bill.

236 CHAIR STROBECK: Requests more information about testimony that the structural aspects of the building codes don't apply to barns. It appears the standard is being lessened rather than maintaining it.

MR. WOODLEY: Explains there presently is no requirement that agricultural buildings meet "the same snow load . . . and wind load requirements that a commercial building does downtown."

MR. NELSON: About the time this was all buildings downtown.

CHAIR STROBECK: Closes public hearing on HB 2832 and opens public hearing on HB 3233.

HB 3233 - PUBLIC HEARING

Witness: Keith Bartholomew, 1000 Friends of Oregon  
John Chandler, Homebuilders Association/Metropolitan Portland

280 GREG MOORE, Committee Counsel Reviews Preliminary Staff Measure Summary. Submits Preliminary Staff Measure Summary (EXHIBIT L).

300 KEITH BARTHOLOMEW, 1000 Friends of Oregon: Testifies from prepared testimony on HB 3233. Submits (EXHIBIT M).

- > Introductory comments.
- > Refers to and explains Lines 23-24 of the bill.
- > Refers to and explains Section 2, Page 2, Lines 29-32 of the bill.
- > 1000 Friends of Oregon could support most the bill as originally drafted.

Points out the problem with the moratorium or the prohibition in Section 2.

334 > Discusses the perceived intent of the bill.

> Say the Transportation Planning Rule has been a major benefit for the state.  
> Discusses savings.  
> Opposes any attempt to limit the quality of life in Oregon.

TAPE 26, B

018 JOHN CHANDLER, Homebuilders Association/Metropolitan Portland:  
Testifies on HB 3233:

> Explains intent of the bill.  
> Refers to original bill, Page 1, Lines 22-24. Proposes an amendment.  
FOR THE RECORD: Desires another full hearing before this bill moves to work session.  
> Opines the bill will give guidance to the Commission and the citizens of the state as to what is expected out of the transportation planning generally and to help the clean air quality without the burden of regulations that don't work or cause the private side to expend great sums of money to comply.

CHAIR STROBECK: Adjourns the meeting at 2:46 pm.

Submitted by, Reviewed by,

Kay C. Shaw Gregory G. Moore  
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Preliminary Staff Measure Summary on HB 2761 -- Staff -- 2 Pages  
B - Prepared Testimony on HB 2761 -- Ron Harlan -- 2 Pages  
C - Proposed HB 3392-1 and HB 3392-2 amendments and FCC 93-404 Excerpt -- Joe Gilliam -- 4 Pages  
D - Preliminary Staff Measure Summary on HB 3389 -- Staff - 7 Pages  
E - Prepared Testimony on HB 3389 -- Robert Panuccio -- 3 Pages  
F - Prepared Testimony on HB 3389 -- Jay Lilly -- 2 Pages  
G - Prepared Testimony on HB 3389 -- Keith L. HoeHM-- 1 Page  
H - Preliminary Staff Measure Summary on HB 3064 -- Staff -- 2 Pages  
I - Prepared Testimony on HB 3064 -- Mary Kyle McCurdy -- 1 Page  
J - Prepared Testimony on HB 3064 -- B. J. Smith -- 4 Pages  
K - Preliminary Staff Measure Summary on HB 2832 -- Staff -- 2 Pages  
L - Preliminary Staff Measure Summary on HB 3233 -- 2 Pages  
M - Prepared Testimony on HB 3233 -- Keith Bartholomew -- 4 Pages