

HOUSE COMMITTEE ON
LEGISLATIVE RULES

Hearing Room
Tapes - 110

MEMBERS PRESENT:

Rep. Ray Baum, Chair
Rep. Lee Beyer, Vice-Chair
Rep. Tony Corcoran
Rep. Peter Courtney
Rep. Lynn Lundquist
Rep. Bill Markham
Rep. Patti Milne
Rep. Lonnie Roberts
Rep. John Watt

STAFF PRESENT:

Aaron Felton, Committee Counsel
Janet Ellingsworth, Committee Assistant

MEASURES HEARD: Public hearing and work session on SB 464
Public hearing on HB 3471

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

009 CHAIR BAUM: Convenes meeting at 7:43 A.M.

OPENS the WORK SESSION on SB 464

012 JACK ROBERTS, COMMISSIONER of BUREAU of LABOR and INDUSTRIES:
Testimony in support of SB 464.

CLOSES the PUBLIC HEARING on SB 464

OPENS the WORK SESSION on SB 464

030 MOTION: REP. COURTNEY: Moves SB 464 A to the Floor with a do pass recommendation.

033 VOTE: In a roll call vote all members present vote AYE. REP. ROBERTS is
EXCUSED.

036 CHAIR BAUM: The motion CARRIES.

038 REP. WATT will lead discussion on the Floor.

POSSIBLE RECONSIDERATION and WORK SESSION on SB 951

053 BOB HALL, PORTLAND GENERAL ELECTRIC: Your committee passed out SB 951 about two weeks ago with a referral to Ways and Means. It was discovered that the best way to handle this is instead of going to Ways and Means, to fix the problem of funding the task force, with an amendment in this committee.

063 MOTION: REP. COURTNEY: Moves to reconsider SB 951.

065 CHAIR BAUM: The motion CARRIES.

067 HALL: The Governor's office is very interested in this bill, we should have an answer as to their position by 1:00 P.M.

069 CHAIR BAUM: So do you want to set this over until 1:00 P.M.?

071 HALL: I'm just relating the information I have to you, Mr. Chair.

073 TOM GALLAGER: I have nothing to add to what Mr. Hall has said except if

you are getting ready to move the bill it might not be a bad idea.

076 CHAIR BAUM: I don't want to move this bill, I thought the Governor was on board?

079 GALLAGER: This bill was negotiated directly with the Governor's office. All the people we negotiated this with are on board.

084 CHAIR BAUM: We will move SB 951 to the 1:00 p.m. meeting.

RECESS'S the PUBLIC HEARING on SB 951
OPENS the PUBLIC HEARING on SB 927

RECESS the PUBLIC HEARING on SB 927
OPENS THE PUBLIC HEARING ON HB 3471

142 BOB SHIPRACK, OREGON BUILDING TRADES COUNCIL: Testimony in opposition to HB 3471.

194 REP. BEYER: How does Oregon law compare to Washington and California law in this area?

199 SHIPRACK: I can't answer that. I've heard in Washington that they have a rule where they actually pull the worker's whether they work four 10 hour days or not.

203 REP. BEYER: Can they exceed 8 hours through negotiated agreement in their bargaining contracts?

205 SHIPRACK: That is the only way we allow our employees to work four 10 hour days. In our collective bargaining agreements if an employer wishes to use a four 10 schedule, they must seek permission from the bargaining representative.

210 REP. BEYER: Are there safety issues around that?

212 SHIPRACK: It is a safety issue and also you've had other bills this session that go outside our traditional 8 hour rule. Those bills apply to people who are not in the building and construction industry.

246 REP. WATT: We went through this discussion in the labor committee. The purpose of this bill is flexibility and it is commonly referred to in the business and corporate circles as "flex" time for employees.

285 REP. CORCORAN: The fact of the matter is, there are plenty of people who have flex time.

292 REP. COURTNEY: I worked heavy construction, in the summer months when they start driving, we did work more than 8 hours a day, and in the construction business, I have a safety concern.

325 REPRESENTATIVE EILEEN QUTUB, DISTRICT 8: Testimony in support of HB 3471.

387 REP. COURTNEY: I understand the bill, the employer could order men and women in these construction projects that we are going to work this number of weeks for ten hours a day.

392 REP. QUTUB: They could say, probably that we work four tens here.

400 REP. COURTNEY: The employee should have the option?

402 REP. QUTUB: I would think that they would have the ability to negotiate that with their employer.

404 REP. COURTNEY: Every time we deal with this flex time, the employee is the one that makes the request.

413 REP. QUTUB: The intent is to allow the employer or the employee to be able to request that and at this point an employee can request that but it is not cost effective for an employer to grant that because of the overtime.

TAPE 110, A

020 REP. COURTNEY: I am concerned about the safety issue in the construction area.

022 REP. QUTUB: How does safety effect this?

024 REP. COURTNEY: Gives explanation of safety concerns.

029 REP. QUTUB: Farmer's probably work more than 10 hours a day and are able to complete that harvest with out injury.

035 REP. CORCORAN: You've worked in heavy construction?

037 REP. QUTUB: I just said not on heavy construction, no.

039 REP. CORCORAN: Then you don't have experience on this in terms of safety issues?

041 REP. QUTUB: Do I have hands on experience in terms of heavy work, no I do not.

043 REP. LUNDQUIST: I do think you have a point of safety concerns, but I think the employer, from a financial stand point also has some concerns with safety.

062 REP. COURTNEY: The reason we got into 8 hour work days, was because there was some horrible things going on in the working world.

076 REP. BEYER: In the Labor committee, the entire discussion was over granting employee rights to work "flex" time to take care of things such as sick children, dental appointments and so on.

095 REP. QUTUB: I think it really is an issue of worker's being able to have that flexibility.

112 REP. BEYER: I grew up in a construction family, my father, grandfather and great-grandfather.
I would submit to you that in terms of employer convenience, employer's in the construction industry have been handling this and planning for this for years. They put it into their contracts, they bid it that way and they are used to dealing with this.

129 REP. QUTUB: My concern is you can't do that on a public project. Those that are members of a union can work on a public project and have four 10 hour days, but those who are private and do not have a union representing them can't do that.

136 REP. CORCORAN: Do you understand why people organize? Don't say that people who are non union are discriminated against.

141 REP. BEYER: The discussion we had in the Labor committee is that you can have these agreements without having a formal union. The employees have to form a worker association.

160 CHAIR BAUM: We are going to postpone the rest of the hearings on this mornings schedule to this afternoon. HB 3465 will have a vote on it this afternoon, one way or another. Discusses schedule.

188 CHAIR BAUM: Is HJR 71 ready to go?

190 REPRESENTATIVE JOHN SCHOON, DISTRICT 34: No, the amendments will not be ready until 1:00 p.m.

192 CHAIR BAUM: We will postpone the rest of the agenda until this afternoon.

196 REP. MARKHAM: Did you say this education commission is going to judiciary?

198 CHAIR BAUM: What is going to happen is we have a bill that Rep. Parks has asked us to send to judiciary so he can put something in there.

202 CHAIR BAUM: With nothing further the meeting is in recess until 1:30 p.m.

Submitted by,
Reviewed by,

Janet Ellingsworth
Debra Johnson
Committee Assistant
Committee Coordinator

HOUSE COMMITTEE ON
LEGISLATIVE RULES

Hearing Room
Tapes -113

MEMBERS PRESENT:

Rep. Ray Baum, Chair
Rep. Lee Beyer, Vice-Chair
Rep. Tony Corcoran
Rep. Peter Courtney
Rep. Lynn Lundquist
Rep. Bill Markham
Rep. Patti Milne
Rep. Lonnie Roberts
Rep. John Watt

MEMBER EXCUSED:

STAFF PRESENT:

Aaron Felton, Committee Counsel
Sarah Watson, Committee Assistant

MEASURES HEARD:

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 , SIDE A

CHAIR BAUM: Calls the meeting to order at 1:48 p.m.

OPENS PUBLIC HEARING ON SB 951

CLOSES PUBLIC HEARING ON SB 951

OPENS WORK SESSION ON SB 951

Witnesses: Bob Hall, Portland General Electric
Tom Gallagher, ARCO

010 Bob hall, PORTLAND GENERAL ELECTRIC: Testifies in support of SB 951 and the -7 amendments.

012 tom Gallagher, ARCO: Testifies in support of SB 951 and the -7 amendments.

MOTION: REP. WATT: Moves to ADOPT SB 951-7 amendments.

VOTE: CHAIR BAUM: Hearing no objection, the amendments are ADOPTED.

MOTION: REP. WATT: Moves that SB 951, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. The motion CARRIES. REP. CORCORAN is EXCUSED.

CHAIR BAUM will lead discussion on the Floor.

WORK SESSION ON SB 323

MOTION: REP. WATT: Moves that SB 323 be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, REPS. LUNDQUIST, MARKHAM, MILNE, ROBERTS, WATT and BAUM vote AYE. REPS. COURTNEY, ROBERTS and BEYER vote NAY. The motion

CARRIES. All members are present.

REP. SCHOON will lead discussion on the Floor.

REP. BEYER serves notice of a minority report.

PUBLIC HEARING ON SB 892

Witnesses: Senator Bill Kennemer, District 12

060 SEN. BILL KENNEMER, DISTRICT 12: Testifies in support of SB 892 (EXHIBIT A).

085 REP. Beyer: The cities and the courts recognize that they will not be able to collect on these past debts.

SEN. Kennemer: Yes.

094 REP. Roberts: The rental people charge those who receive the ticket.

SEN. Kennemer: Yes.

REP. Roberts: They will be informed that they will be held responsible.

SEN. KENNEMER: Yes.

CLOSES PUBLIC HEARING ON SB 892

OPENS WORK SESSION ON SB 892

MOTION: REP. CORCORAN: Moves that SB 892 be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. The motion CARRIES. All members are present.

REP. ROBERTS will lead discussion on the Floor.

CLOSES WORK SESSION ON SB 892

OPENS PUBLIC HEARING ON SB 927

Witnesses: Rep. Lynn Lundquist, District 59
John McCulley, Agricultural Cooperative Council of Oregon
Mark Nelson, Southland Corporation
Mike Sims, Oregon Gasoline Dealers Association
Mike Sherlock, Oregon Gasoline Dealers Association
Dell Isham, AAA of Oregon
Carol Washburn, State Fire Marshal
Jim Davis, Oregon State Council of Senior Citizens, United Seniors

126 REP. LYNN LUNDQUIST, DISTRICT 59: Testifies in support of SB 927. Does not want the -6 amendments.

196 REP. WATT: The -6 amendment is not your amendment.

REP. LUNDQUIST: No.

212 JOHN MCCULLEY, AGRICULTURAL COOPERATIVE COUNCIL OF OREGON: Testifies and submits written testimony in support of SB 927. (EXHIBIT B)

226 REP. ROBERTS: The mileage will exempt most urban areas, am I correct?

Mcculley: That is correct.

REP. ROBERTS: You could add that someone might get stranded without this.

239 MARK NELSON, SOUTHLAND CORPORATION: Testifies in support of SB 927.

REP. WATT: What would the -6 amendments do?

254 REP. BEYER: Explains his proposed -6 amendments. (EXHIBIT C)

299 MCCULLEY: We could not support any amendments like the -6.

REP. LUNDQUIST: Discusses danger of amending and having a breakdown of support.

REP. MILNE: Are they saying no amendments.

315 REP. WATT: Would you be opposed even if we added it here and the Senate non-concurred and the conference committee hammered it out?

REP. LUNDQUIST: My main concern is that we put this agreement together with a variety of interests.

REP. WATT: Were you aware of the extreme need?

339 REP. LUNDQUIST: The section on for use will cover the lease vehicles as well.

357 MIKE SIMS, OREGON GASOLINE DEALERS ASSOCIATION: Testifies and submits written testimony in opposition to SB 927 A engrossed. (EXHIBIT D)

376 REP. ROBERTS: I will not support self serve, but when you talk about it in that manner, we aren't talking about a lot of people.

TAPE 112, SIDE A

011 MIKE SHERLOCK, OREGON GASOLINE DEALERS ASSOCIATION: Testifies in opposition of SB 927.

033 REP. ROBERTS: If someone use the gas for non business use, they are in violation of the law, aren't they?

Sherlock: It will make those violations easier to make. It will make it harder for the Fire Marshal harder to make those determinations.

042 DELL ISHAM, AAA OF OREGON: Testifies in opposition to SB 927.

080 CAROL WASHBURN, STATE FIRE MARSHAL: Testifies on concerns of SB 927.

132 REP. LUNDQUIST: Do you do a lot of auditing?

WasHB urn: Yes.

REP. LUNDQUIST: Through administrative rules we could take care of some of your concerns?

WasHB urn: Yes.

142 JIM DAVIS, OREGON STATE COUNCIL OF SENIOR CITIZENS, UNITED SENIORS:
Testifies with concern about some sections of SB 927.

173 REP. MILNE: How many seniors have memberships in cardlock associations?

Davis: Doesn't know.

REP. MILNE: This would apply only to card locks.

Davis: Taking out the language in section one is the first step of self service. Discusses language in bill that they agree with. Wants section one taken out of the bill.

194 REP. ROBERTS: What would deleting section one of the bill do?

Davis: Deleting this language would not do anything to the bill, explains.

207 REP. LUNDQUIST: Do you have any facts, how much visibility been reduced by its uniqueness?

Davis: Concern is that of the wet pavement.

CLOSES PUBLIC HEARING ON SB 927

OPENS WORK SESSION ON SB 927

227 REP. MILNE: What was the reasoning?

REP. LUNDQUIST: It was a negotiation between the House and the Senate.

CHAIR BAUM: There are 48 other states that have been operating self-service. None of these safety concerns have ever been validated.

REP. MILNE: I have always been opposed to self serve, but I think of the card lock as a different situation.

MOTION: REP. BEYER: Moves to ADOPT SB 927-6 amendments.

251 REP. WATT: Discusses language in the bill that is of concern.

VOTE: In a roll call vote, REPS. MARKHAM, MILNE, ROBERTS, BEYER and BAUM vote AYE. REPS. CORCORAN, LUNDQUIST and WATT vote NAY. The amendments are

ADOPTED. REP. COURTNEY is EXCUSED.

MOTION: REP. LUNDQUIST: Moves that SB 927, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. The amendments are ADOPTED. REP. COURTNEY is EXCUSED.

REP. LUNDQUIST will lead discussion on the Floor.

CLOSES WORK SESSION ON SB 927

OPENS PUBLIC HEARING ON SB 401

Witnesses: Dennis O'Donnell, Department of Corrections
Jef Van Valkenburgh, Department of Justice
Bob Shiprack, Oregon Building Trades Council
Mary Botkin,

334 DENNIS O'DONNELL, DEPARTMENT OF CORRECTIONS: Testifies in support of SB 401.

358 REP. MARKHAM: Why do you say in another state?

O'Donnell: We do not have the available space.

REP. MARKHAM: Why shouldn't we do it in state?

O'Donnell: Right now there is a real immediate need.

REP. MARKHAM: What is wrong with allowing the possibility of an instate person do it.

O'Donnell: One of the provisions was working with the unions and associations.

383 REP. CORCORAN: I cannot support this, explains. If we can't do this publically, then what will the expense be of doing it privately.

397 REP. ROBERTS: I request that we have Bob Shiprack speak to the committee.

404 JEF VAN VALKENBURCH, DEPARTMENT OF JUSTICE: Testifies in support of SB 401.

TAPE 111, SIDE B

014 REP. COURTNEY: We ahve already done this once, correct?

O'DONNELL: We have

REP. COURTNEY: We sent them to New Mexico on a plane, and within 24 hours they were back.

O'DONNELL: Is not familiar with the case.

REP. COURTNEY: They sent them back to us within 24 hours.

023 VAN VALKENBURGH: Discusses -2 amendments. (EXHIBIT E)

CHAIR BAUM: I was approached and was given the message that this bill is wanted.

029 REP. COURTNEY: Is this also for in-state?

VAN VALKENBURGH: This is for out of state only.

CHAIR BAUM: They had to give away the in state to get it by the unions.

O'DONNELL: The bill was originally crafted for the in state.

REP. COURTNEY: Why not another country?

041 VAN VALKENBURGH: There is a line of treaties that involve the transfer of treaties. It would not accomodate the types of tranfers we are trying.

REP. ROBERTS: SB 941, in original form, is not in the A engrossed verseion, expressed itself to minimal and medium security facilities. Am I missing something?

O'DONNELL: No, you are correct.

REP. ROBERTS: There is a difference in situations, isn't there a bigger risk?

O'DONNELL: You are correct. Explains studies that they have done across the country.

065 REP. ROBERTS: They are going to dictate who they take.

O'DONNELL: Correct, for example Oklahoma will not take any sex offenders.

REP. ROBERTS: How many people does it take? How much does it cost?

O'DONNELL: The cost varies from institutions, explains.

REP. ROBERTS: Is that based on the security level required.

O'DONNELL: Explains what the cost is based upon. The transportation costs can vary as well, explains.

REP. ROBERTS: Is it identified in the budget?

O'DONNELL: Yes.

089 REP. COURTNEY: What about the sunset?

VAN VALKENBURGH: I don't have any policy position on it. I have advised the Governor that the department has the authority to do this. They will not be hitting the curve on Measure 9, so a sunset may not be effective.

O'DONNELL: We want to get the prisoners back into our own facilities as soon as possible. Explains problems. We will be reporting back to the legislature during each session about how this is working.

108 REP. COURTNEY: Why is the bill needed?

VAN VALKENBURGH: The department needs the bill to avoid legal lawsuits.

114 REP. CORCORAN: Don't you have some concern that if we don't pass the bill it will endanger your statutory authority?

VAN VALKENBURGH: That is why I am here, to put on the record.

126 BOB SHIPRACK, OREGON BUILDING AND CONSTRUCTION TRADES COUNCIL: Discusses possible deleting of specific language in bill.

141 CHAIR BAUM: Apparently we are doing it under Measure 17 as well.

143 REP. BEYER: Are you in opposition to this bill?

SHIPRACK: No, because I have an understanding of 279.

152 CHAIR BAUM: Doing public bidding may get in the way of expeditiousness.

VAN VALKENBURGH: The chair has recognized the very reason for it. There are limited beds and other states are competing for those beds.

171 REP. BEYER: If we were talking about just contracting with another state, do you have the authority?

VAN VALKENBURGH: That is a different statutory scheme, those are under interstate compacts?

REP. BEYER: Wouldn't 190 cover it to?

VAN VALKENBURGH: Doesn't know the answer to that.

REP. ROBERTS: Wants to offer a sunset clause to the bill.

O'DONNELL: The best time frame would be six years.

206 REP. ROBERTS: All the sunset clause does is makes the legislature look at the issue or it goes away.

CHAIR BAUM: It could be a problem if it expired, with inmates outside of the state.

224 REP. CORCORAN: Prisons are one section that private enterprise should not be in.

CHAIR BAUM: The purpose of this is to get us through a period of intense pressure.

VAN VALKENBURGH: I just returned from a conference where we discussed privatization of facilities. The word that I hear is that many inmates prefer private facilities because excellence in programs.

256 REP. CORCORAN: How long have those facilities been in operation.

VAN VALKENBURGH: I believe that there have been operations run since the mid-80's.

REP. CORCORAN: I think that if we are going to market it, you would make it the showpiece.

267 MARY BOTKIN, AMERICAN FEDERATION OF STATE COUNTY MUNICIPAL EMPLOYEES: Testifies on SB 401. Our union has taken a neutral stance because we are concerned about overcrowding and the safety of our officers. No one should construe that as being in support of this. We need a sunset on this bill.

323 REP. CORCORAN: Will support a four or six.

REP. COURTNEY: The jury is still out on the effectiveness of these things.

336 Botkin: We can do whatever we want to avoid lawsuits.

CLOSE PUBLIC HEARING ON SB 401

OPEN WORK SESSION ON SB 401

REP. BEYER: Are you looking for some short space?

O'DONNELL: That is exactly what we are looking for.

VAN VALKENBURGH: Some of the public entities own the private facilities.

REP. BEYER: Other states do not have capacities to take our inmates.

REP. COURTNEY: There is jail space available. I want to be careful about saying there is no jail space in this state.

MOTION: REP. LUNDQUIST: Moves to AMEND SB 401 to include a sunset date of December 31, 2001.

VOTE: CHAIR BAUM: Hearing no objection, the amendment is ADOPTED.

TAPE 112, SIDE B

MOTION: REP. ROBERTS: Moves to ADOPT SB 401-2 amendments.

VOTE: CHAIR BAUM: Hearing no objection, the amendment is ADOPTED.

MOTION: REP. ROBERTS: Moves taht SB 401, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

vote: In a roll call vote, all members present vote AYE. The motion CARRIES. All members are present.

CLOSES WORK SESSION ON SB 401

OPENS PUBLIC HEARING ON SB 340

Witnesses: Chris Afgar, Employment Department

CHRIS AFGAR, EMPLOYMENT DEPARTMENT: Testifies in support of SB 340. Discusses date that they would like to have in bill.

CLOSE PUBLIC HEARING ON SB 340

OPENS WORK SESSION ON SB 340

MOTION: REP. COURTNEY: Moves to ADOPT the Date amendment.

VOTE: VICE-CHAIR BEYER: Hearing no objection, the amendment is ADOPTED.

082 REP. ROBERTS: I'd like to have some standard of what misconduct is.

MOTION: REP. COURTNEY: Moves that SB 340, AS AMENDED, be sent to the Floor with a DO PASS recommendation.

VOTE: In a roll call vote, all members present vote AYE. The motion CARRIES. REPS. LUNDQUIST and WATT are EXCUSED.

REP. WATT will lead discussion on the Floor.

CLOSE WORK SESSION ON SB 340

OPENS WORK SESSION ON HB 3465

Witnesses: Joe Gilliam, National Federation of Independent Businesses
Rep. Eldon Johnson, District 51
Chris Davies, SAIF

MOTION: REP. COURTNEY: Moves that HB 3465 be sent to the Floor with a DO PASS recommendation, and the rescission of the referral to Ways and Means.

VOTE: In a roll call vote, REPS. CORCORAN, COURTNEY, ROBERTS and BEYER vote AYE. REPS. LUNDQUIST, MARKHAM, MILNE, WATT and BAUM vote NAY. The motion FAILS. All members are present.

MOTION: REP. MILNE: Moves to ADOPT HB 3465-3 amendments.

189 JOE GILLIAM, NATIONAL FEDERATION OF INDEPENDENT BUSINESSES: Testifies and submits written amendments (EXHIBIT F)

RECESSES WORK SESSION ON HB 3465

REOPENS WORK SESSION ON HB 3465

246 REP. ELDON JOHNSON, DISTRICT 51: Testifies in opposition to SB 340 amended.

266 REP. WATT: How long have you been working with the issues concerning labor and the SAIF corporation?

REP. JOHNSON: Started with the Labor committee in 1979.

REP. WATT: How long would that be?

REP. JOHNSON: Eighteen years.

REP. WATT: Would you feel that after three weeks working in the labor committee that you knew enough to make a decision of this magnitude?

REP. JOHNSON: No hope in such a short time.

REP. WATT: Do you think it is fair to bring to members of this assembly an article of this magnitude, without them having a good understanding?

REP. JOHNSON: Doesn't think that this is appropriate.

300 GILLIAM: We have taken out all of the parts of the bill. Discusses what HB 3465 would do.

324 REP. ROBERTS: Who would make the decision on the auditing firm?

GILLIAM: Under the amendment it would be the Dept. of Consumer and Business Services.

REP. ROBERTS: Who would pay for it?

GILLIAM: It would come out of the A.I.F.

336 REP. LUNDQUIST: Is it true that the surplus of SAIF as a percentage of liabilities is less than Liberty.

GILLIAM: I don't know. Continues with testimony.

374 REP. LUNDQUIST: I thought you talked about the surplus and liabilities, which is it?

GILLIAM: I am describing what the auditors told me. What this bill determines is what SAIF has on hand to pay liabilities.

400 REP. JOHNSON: The independent audit is already being conducted by an independent firm.

TAPE 113, SIDE A

010 CHRIS DAVIES, SAIF CORPORATION: Testifies and submit written testimony in opposition of SB 340. (EXHIBIT G)

088 REP. COURTNEY: SAIF is a totally private corporation.

DAVIES: We are a public corporation.

REP. COURTNEY: Has there ever been any public money involved in the creation of SAIF.

DAVIES: In 1913, there was seed money placed into it.

REP. COURTNEY: There is no advantage that you have over the competition.

DAVIES: None.

CHAIR BAUM: Only tax break is the federal income tax.

DAVIES: We have no tax breaks from the state. We are ordered to be audited annually. The last audit we received was a clean audit. Continues with testimony.

119 CHAIR BAUM: When you get audited, they audit for solvency and general practices and such. Do they get into whether you are overfunded or underfunded.

DAVIES: The Secretary of State and the Insurance division look at the reserves.

CHAIR BAUM: But do they say that you are in good shape and tell you if you have any excess, and if your claims are overfunded?

DAVIES: I have never seen a comment that we are overfunded.

CHAIR BAUM: Only as to whether they are adequate.

DAVIES: We are also required to conduct our own internal actuarial reviews.

143 REP. MARKHAM: The statute says that you should be audited every three years..

DAVIES: We are subject to the same standards as every one else, which is three years.

REP. MARKHAM: Who decides that they come over every year

DAVIES: Believes that that is the Secretary of State's decision.

REP. MARKHAM: He can do that?

DAVIES: Yes and it has been done. Continues with testimony. Discusses -3 amendments.

219 REP. CORCORAN: I dislike SAIF and Liberty Northwest. I think this is a waste of time.

229 TIBBETS, SAIF: Testifies in opposition to HB 3465.

244 GILLIAM: I have never been invited to come over to the board. Continues with testimony.

286 REP. WATT: Discusses process of the bill and concerns about it.

CLOSES WORK SESSION ON HB 3465

CHAIR BAUM: Adjourns the meeting at 4:03 pm.

EXHIBIT SUMMARY

A- Testimony on SB 892- Submitted by Senator Kennemer- 1 page
B- Testimony on SB 927- Submitted by John McCulley- 1 page
C- Amendments to SB 927- Submitted by Rep. Beyer- 1 page
D- Testimony on SB 927- Submitted by Mike Sims- 1 page
E- Amendments to SB 401- Submitted by Jef Van Valkenburgh- 1 page
F- Amendments to HB 3465- Submitted by Joe Gilliam- 2 pages
G- Testimony on HB 3465- Submitted by Chris Davies- 9 pages