

HOUSE COMMITTEE ON
LEGISLATIVE RULES

Hearing Room
Tapes 1 - 117

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 994
 Public hearing and work session on SB 342
 Public hearing and work session on SB 82
 Public hearing and work session on SB 870
 Public hearing and work session on SB 271
 Public hearing and work session on HJR 71
 Public hearing and work session on SB 1016

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

004 CHAIR BAUM: Convenes meeting at 2:00 P.M.

OPENS the PUBLIC HEARING and POSSIBLE WORKS SESSION on SB 994

006 REPRESENTATIVE RON ADAMS, DISTRICT 27: Testimony in support of SB 994.

CLOSES the PUBLIC HEARING on SB 994
OPENS the WORK SESSION on SB 994

010 MOTION: REP. BEYER: Moves SB 994 to the Floor with a do pass
recommendation.

012 VOTE: In a roll call vote all members present vote AYE. REPS.
CORCORAN, COURTNEY and WATT are EXCUSED.

CLOSES the WORK SESSION on SB 994
OPENS the PUBLIC HEARING on SB 82

023 JIM HILL, STATE TREASURER: Testimony in support of SB 82.

062 SENATOR JEANNETTE HAMBY, DISTRICT 5: Testimony in SB 82.
[EXHIBIT A]

CLOSES the PUBLIC HEARING on SB 82
OPENS the WORK SESSION on SB 82

073 MOTION: REP. BEYER: Moves the -A2 amendments to SB 82.

076 CHAIR BAUM: The motion CARRIES.

078 ROGER MARTIN: We have no problem with the treasurer's idea, but we
would like you to consider one additional amendment and it is now being
drafted by legislative council. Explains amendment.

110 BILL HOELSCHER: The basis on which the Public Employee's Retirement
System is funded, is that the employee's make a flat percentage
contribution.

160 CHAIR BAUM: We will have to recess this hearing pending the arrival of
the -A3 amendments.

162 MARTIN: The -A3 amendments contain the -A2 amendments which you just
adopted.

172 REP. CORCORAN: On the Senate amendments, would it be just eliminating
lines 25 and 26?

174 MARTIN: All that is to be removed is the "employer contributions" and
the word "employer".

182 HOELSCHER: Explains the -A3 amendments.

187 MOTION: REP. CORCORAN: Moves to conceptually amend line 20 of the A
engrossed bill to delete "after the employee and employer" language and on
page 2, remove lines 2 and 3.

191 REP. CORCORAN: What about B and on page 2?

193 MARTIN: You would strike B.

198 CHAIR BAUM: The motion CARRIES.

210 MOTION: REP BEYER: Moves SB 82 as amended to the Floor with a do pass
recommendation.

212 VOTE: In a roll call vote all members present vote AYE. REPS. COURTNEY
and MILNE are EXCUSED.

214 CHAIR BAUM: The motion CARRIES.

216 REP. CORCORAN will lead discussion on the Floor.

CLOSES the WORK SESSION on SB 82
OPENS the PUBLIC HEARING on SB 342

221 SENATOR JOHN LIM, DISTRICT 11: Testimony in support of SB 342.
[EXHIBITS B, C, D & E]

CLOSES the PUBLIC HEARING on SB 342
OPENS the WORK SESSION on SB 342

297 MARY ENG-SAMUEL: Testimony in support of SB 342.

306 MOTION: CHAIR BAUM: Moves to delete lines 16 and 17 of the A Engrossed
SB 342. (Rescinds subsequent referral to Ways and Means)

309 CHAIR BAUM: The motion CARRIES.

310 MOTION: REP. CORCORAN: Moves SB 342 as amended to the Floor with a do
pass recommendation.

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

315 CHAIR BAUM: The motion CARRIES.

317 REP. CORCORAN will lead discussion on the Floor.

CLOSES the WORK SESSION on SB 342
OPENS the PUBLIC HEARING on SB 1016

361 SENATOR SHIRLEY GOLD, DISTRICT 7: Testimony in SB 1016.

CLOSES the PUBLIC HEARING on SB 1016
OPENS the WORK SESSION on SB 1016

412 MOTION: REP. BEYER: Moves SB 1016 to the Floor and rescinds the referral
to Ways and Means.

414 VOTE: In a roll call vote all members present vote AYE. REP. COURTNEY
is EXCUSED.

417 CHAIR BAUM: The motion CARRIES.

418 REP. BEYER will lead discussion on the Floor.

CLOSES the WORK SESSION on SB 1016
OPENS the PUBLIC HEARING on SB 271

TAPE 115, A

030 REPRESENTATIVE CAROLYN OAKLEY, DISTRICT 36: Testimony in support of SB
271. [EXHIBITS F, G & I]

090 HARRISON LYNCH, CHAIRMAN, UNIVERSITY OF OREGON COLLEGE
REPUBLICANS: Testimony in support of SB 271. [EXHIBIT H]

120 OWEN ROUNDS, OREGON COMMENTATOR: Testimony on SB 271. Students are
forced to subsidize registered lobbying organizations.

146 REP. CORCORAN: Rep. Oakley, has this amendment been raised before?
[EXHIBIT I]

149 REP. OAKLEY: Yes it has. We talked about it in our committee and did
not act on it.

153 REP. CORCORAN: Is there any one else that serves on this committee

that served on your committee?

156 REP. OAKLEY: Yes, Representative Watt.

158 REP. CORCORAN: I resent the fact that we're going to be working this weekend and we are trying to hurry up the "choo choo" train, and yet we're doing all these favors for people by hearing these things that probably are not going to succeed anyway.

159 CHAIR BAUM: I think it was inappropriate for this public policy discussion to occur in the Ways and Means committee and that is probably why it's occurring here.

168 REP. CORCORAN: Express's concerns.

185 REP. MARKHAM: It seems to me that the last three bills are special interest bills that the previous complainer voted for.

189 CHAIR BAUM: We need to stay in focus.

210 KIM MEDFORD for SENATOR SHIRLEY STULL, DISTRICT 17: Testimony in support of SB 271. [EXHIBIT J]

256 REP. WATT: Mr. Kerans, you are familiar with the process that we have here?

273 GRATTON KERANS, OREGON STATE SYSTEM of HIGHER EDUCATION: Yes, I am.

274 REP. WATT: Have you ever served on the Ways and Means committee?

277 KERANS: Yes.

298 REP. WATT: The Chair eluded that his concern over the amendment was not taken up in the Ways and Means committee.

312 KERANS: There were many changes made in the bill. The value of this bill as printed in it's original version, at 119 pages and 228 section had a value estimated at about \$20 million dollars.
Continues testimony on SB 271.

403 CHAIR BAUM: Does this need any amendments?

406 KERANS: It is camera ready, however, if you do adopt the -A26 amendment we would hope you further vote to add a severance clause or severability clause.

408 CHAIR BAUM: I think we will cross that bridge when we get to it. As far as you know, there are no amendments needed to the B Engrossed SB 271?

410 KERANS: No, it passed the Senate 23 to 2.

CLOSES the PUBLIC HEARING on SB 271
OPENS the WORK SESSION on SB 271

413 MOTION: REP. LUNDQUIST: Moves the -B26 amendments to SB 271.

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

418 CHAIR BAUM: The motion FAILS.

420 MOTION: REP. WATT: Moves SB 271 to the Floor with a do pass recommendation.

422 VOTE: In a roll call vote REPS. LUNDQUIST, MILNE, WATT, BEYER and BAUM vote AYE. REP. MARKHAM votes NAY. REPS. CORCORAN, COURTNEY and ROBERTS are EXCUSED.

426 CHAIR BAUM: The motion CARRIES.

428 REP. WATT will lead discussion on the Floor.

CLOSES the WORK SESSION on SB 271
OPENS the PUBLIC HEARING on SB 870

TAPE 114, B

030 BRENDA ROCKLIN, DEPARTMENT of JUSTICE, OREGON DISTRICT ATTORNEY'S ASSOCIATION: Testimony in support of SB 870. [EXHIBIT K]

082 JIM ARNESON, OREGON CRIMINAL DEFENSE LAWYER'S ASSOCIATION: Testimony in opposition to SB 870.

108 CHAIR BAUM: If you get sentenced for a felony or assault, the trial court, in my experience has been that judges let victim's testify at the time of sentencing. Why shouldn't the victim be able to testify in a capitol case?

120 ARNESON: I had not addressed that issue yet. What I was addressing was the issue of whether the evidence code would apply to testimony put forward by the defendant in the sentencing phase.

146 CHAIR BAUM: If a defendant had killed a street person or a homeless person, then that defendant at sentencing, would not have very many victims or relatives coming in to testify.

153 ARNESON: The sentence depends on the type of person you kill rather than on the unique circumstances of the individual that is facing the death penalty. We do not support the addition of "aggravating".

165 CHAIR BAUM: Is there any law that says you can't present aggravating evidence under the eighth amendment at a sentencing on a capitol offense?

168 ARNESON: I am not familiar with that but my understanding is that some states with boundaries about what type of aggravating evidence can be considered, do allow it.

175 ROCKLIN: Comments on the constitutional issues.

217 DEE DEE KUHNS, PRESIDENT, CRIME VICTIMS UNITED: Testimony in support of SB 870.

CLOSES the PUBLIC HEARING on SB 870
OPENS the WORK SESSION on SB 870

304 MOTION: REP. LUNDQUIST: Moves SB 870 to the Floor with a do pass recommendation.

306 VOTE: In a roll call vote all members present vote AYE. REPS. MARKHAM, ROBERTS, WATT and BEYER are EXCUSED.

309 CHAIR BAUM: The motion CARRIES.

311 REP. COURTNEY will lead discussion on the Floor.

CLOSES the WORK SESSION on SB 870
OPENS the PUBLIC HEARING on HJR 71

337 JIM SCHERZINGER, LEGISLATIVE REVENUE: Guest administrator.
[EXHIBITS L & M]

370 REPRESENTATIVE JIM WELSH, DISTRICT 43: Testimony in support of HJR 71.

[EXHIBIT N]

TAPE 115, B

030 REP. WELSH: We will eliminate any kind of an effect on this present 1995-96 budget.

070 REP. WATT: Say, for example, your house is valued at \$100,000 dollars, lets say your paying \$10 to \$12 thousand dollars a year in property taxes.

The next year your property value goes up to \$150,000, but you only have a three percent increase, this goes on for a number of years and your property is now valued at \$300,000 and your paying \$350 a month property taxes. You sell the house at \$300,000, then there property taxes are figured at what ever the dollar value per thousand, their not going to get to continue the same property tax level that you had?

075 REP. WELSH: It would still be a fair market value.

088 REP. WATT: You understand my question don't you John?

091 REPRESENTATIVE JOHN SCHOON, DISTRICT 34: Responds to questions of Rep. Watt.

120 REPRESENTATIVE LYNN LUNDQUIST, DISTRICT 59: Testimony in support of HJR 71.

149 REP. SCHOON: What the measure would do, if accepted by the people, is limit the increase in taxes to 3 percent, it would not let the existing tax bases expand more than 3 percent.

188 REP. WATT: Why don't you just cap the rate of growth of the fair market value of the property?

200 REP. MILNE: We confuse, so easily, market value. When your talking about selling property, don't confuse it with taxes. They are two separate issues.

208 REP. SCHOON: The problem we run into capping assessments is that we get "like" properties at different values.

225 REP. CORCORAN: If appraisals are going up around the state, there is a variance of 18 percent. Your talking about a built in difference there. How do you deal with that inequity?

235 REP. WELSH: Your equity, as assessments will continue if we see the increases in our homes.

241 REP. CORCORAN: I have this picture of creating a "never never land" in real estate, a value that does not comply with reality.

244 REP. WELSH: I understand, and that is what we're trying to address in this issue is the difference of one house next to the other one, having a totally different rate that they are paying.

255 REP. LUNDQUIST: This proposal does not create absolute equity. There is no relationship between ability to pay and taxation.

270 REP. CORCORAN: There is in terms of your ability to buy.

272 REP. LUNDQUIST: That is true, but not everyone buys and not everyone sells.

281 REP. CORCORAN: If you look at the issue of trying to do an ability to pay argument, would be to look at the homestead exemption for instance. My big concern is people on a fixed income.

299 REP. LUNDQUIST: This does not answer total equity, but neither does doing nothing about it.

302 WELSH: Fixed income people losing their homes.

304 REP. CORCORAN: Just looking at people in the middle class range, I am really concerned about the false reality of the assessment verses real value.

335 REPRESENTATIVE JANE LOKAN, DISTRICT 25: Testimony in support of HJR 71.

CLOSES the PUBLIC HEARING on HJR 71
OPENS the WORK SESSION on HJR 71

373 MOTION: REP. BEYER: Moves the -A3 amendments to HJR 71.

380 CHAIR BAUM: The motion CARRIES.

389 SCHERZINGER: Explains the -A3 amendments to HJR 71.

395 REP. SCHOON: Discusses the -A3 amendments. These are Rep. Federici's amendments.

404 MOTION: REP. WATT: Moves HJR 71 to the Floor as amended with a do pass recommendation.

407 VOTE: In a roll call vote REPS. LUNDQUIST, MARKHAM, MILNE, ROBERTS,
WATT and BAUM vote AYE. REP. BEYER votes NAY. REPS.
CORCORAN and COURTNEY are EXCUSED.

409 CHAIR BAUM: The motion CARRIES. The carrier of the bill will be announced at a later date.

CLOSES the WORK SESSION on HJR 71
OPENS the PUBLIC HEARING on SB 900

TAPE 116, A

070 SENATOR BILL KENEMER, DISTRICT 12: Testimony in support of SB 900.

090 JAMES GARDNER, GARDNER, COSGROVE and GARDNER: Testimony in support of SB 900. [EXHIBIT P]

104 REP. BEYER: Are you saying that this bill is model legislation that comes out of the National Association of Insurance Commissioner's?

108 GARDNER: With the exception of the language that we are proposing to delete.

122 REP. BEYER: What happens if it's in there?

124 GARDNER: We think it creates a potential for harassment of enforcement actions that are instituted under the bill.

139 JOHN POWELL, STATE FARM INSURANCE CO. : Testimony in support of SB 900. The insurance industry is regulated by statutes, administrative rules and agency actions. In addition to that, people can file cause of action against insurer's in certain circumstances.

174 LANA BUTTERFIELD, SAFECO INSURANCE COMPANY: Testimony in support of SB 900. [EXHIBIT Q] Exhibit contains -B12 amendments.

192 REPRESENTATIVE JANE LOKAN, DISTRICT 25: Testimony in support of SB

900.

239 DAVID FIDANQUE, AMERICAN CIVIL LIBERTIES UNION (ACLU): Testimony in opposition to SB 900. [EXHIBIT R]

307 CHUCK TAUMAN, OREGON TRIAL LAWYER'S ASSOCIATION: Testimony in support of SB 900.

360 CHAIR BAUM: This bill, until that amendment was put into it, was aimed at folks who are going out there and scamming people with insurance. You see this as an opportunity to "level the playing field".

367 TAUMAN: You are correct, the opportunity is there, but it's not our opportunity, it is your opportunity to detect and punish fraud wherever it occurs. Discusses amendments.

433 REP. BEYER: Other than the section you amended in, is the rest of the bill acceptable?

445 TAUMAN: The rest of the bill is acceptable with all of the amendments.

448 REP. BEYER: If that was not there, is it acceptable?

453 TAUMAN: No, it is not, because it only does half the job.

455 CHAIR BAUM: This vehicle is aimed at one direction and you saw an opportunity to take what you view and add to it.

458 REP. BEYER: I understand the argument "put this one in" as a protection, but is there something wrong with the other protections? I understand that what the trial bar has suggested is directed at the insurance agents or industry, if you separate that, is the rest of the bill

OK?

TAPE 117, A

045 TAUMAN: Without that, it is not acceptable to us.

048 REP. BEYER: Why not?

050 TAUMAN: In addition to the issues of privacy, it is a waste of criminal resources. The insurance companies who make a profit, I think it is unacceptable to ask the taxpayer's to pay for the private loss of the insurance companies. If our amendments were taken out and the hand engrossed amendments were dealt with, the bill would still not be acceptable to us.

057 REP. BEYER: How does adding this in make the bill more acceptable?

060 TAUMAN: It takes the resources that I feel are not necessary to devote and are in fact a waste of the public's resources, but it applies them to both potentially offending parties.

063 REP. BEYER: Your willing to trade off a bad bill to get paragraph D?

065 TAUMAN: Exactly.

066 FIDANQUE: It is already a crime to commit theft by deception, which insurance fraud would be, that is included in the sweep of the RICO statute.

080 REP. ROBERTS: The consumer is going to get, from your point of view, nailed from both ends.

CLOSES the PUBLIC HEARING on SB 900
OPENS the WORK SESSION on SB 900

095 FIDANQUE: I don't think the criminal portions of this bill are really what the proponents care about most.

100 REP. ROBERTS: Refers to [EXHIBIT R]. I get nervous when they talk about "acting reasonably", that determination would have to be determined by a court of law, correct?

104 FIDANQUE: Yes it would. Malice is the highest standard that can be applied to make it most difficult to sue someone.

114 REP. BEYER: Can you speak to the need and what the bill does with and without the amendments?

117 RICH HEIN, CAPTAIN, DEPARTMENT STATE POLICE: I am not an expert to the specific provisions of this bill. The department considers this an important issue. Testimony on SB 900. [EXHIBIT S]

129 REP. BEYER: This is not a judiciary committee, I am not an attorney and I have no comfort rushing on a Friday afternoon to enact a bill that will create crimes.

131 CHAIR BAUM: We will bring back the proponents and opponents to clear up the issue.

With nothing further the meeting is adjourned at 4:45 P.M.

Submitted by, Reviewed by,

Janet Ellingsworth Debra Johnson
Committee Assistant Committee Coordinator

EXHIBIT SUMMARY:

A - Proposed amendments to SB 82 - Hamby - 2 pages
B - Testimony to SB 342 - Sen. Lim - 2 pages
C - Fiscal analysis on SB 342 - Sen. Lim - 4 pages
D - Testimony on SB 342 - Sen. Lim - 48 pages
E - Testimony on SB 342 - Sen. Lim - 2 pages
F - Testimony on SB 271 - Rep. Oakley - 1 page
G - Testimony on SB 271 - Rep. Oakley - 1 page
H - Testimony on SB 271 - Lynch - 1 page
I - Proposed amendments to SB 271 - Rep. Oakley - 1 page
J - Testimony on SB 271 - Rep. Stull - 2 pages
K - Testimony on SB 870 - Rocklin - 37 pages
L - Proposed amendments to HJR 71 - Scherzinger - 2 pages
M - Revenue impact on HJR 71 - Scherzinger - 1 page
N - Testimony on HJR 71 - Rep. Welsh - 2 pages
O - Testimony on HJR 71 - Glascock - 1 page
P - Testimony on SB 900 - Gardner - 1 page
Q - Testimony on SB 900 - Butterfield - 4 pages
R - Hand engrossed amendments to SB 900- Fidanque - 4 pages
S - Testimony to SB 900 - Hein - 1 page