

SENATE COMMITTEE ON
LABOR AND GOVERNMENT OPERATIONS

Hearing Room
Tapes - 14

MEMBERS PRESENT:

Sen. Gene Derfler, Chair
Sen. Brady Adams, Vice-Chair
Sen. Neil Bryant
Sen. Bob Kintigh
Sen. Bill McCoy
Sen. Randy Leonard

MEMBER EXCUSED:

STAFF PRESENT:

Rita Thomas, Committee Counsel
Glenda Fields, Committee Assistant

MEASURES HEARD:

SB 199 Public Hearing, Work Session
SB 201 Public Hearing, Work Session
SB 202 Public Hearing
SB 203 Public Hearing
SB 205 Public Hearing, 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.

TAPE13, A

005 CHAIR DERFLER: Calling meeting to order at 8:00 AM.
Opening public hearing on SB 199.

010 HARVEY ROGERS, Chair of the Oregon Short Term Fund Board: Testimony on
SB 199 (EXHIBIT A).

047 RITA THOMAS: Explanation of SB 199.

072 LALA LINDSTROM, Treasury Officer, City of Eugene: Testimony on SB 199
(EXHIBIT B).

098 SEN. LEONARD: Could you clarify Section 1?

110 HARVEY ROGERS: Explaining Section 1.

120 LALA LINDSTROM: Explaining Section 2.

154 LALA LINDSTROM: Explaining Section 3 - 9.

195 SEN. ADAMS: I would like to hear more about Section 27.

212 HARVEY ROGERS: Modification of coterminous provision.

220 SEN. LEONARD: Does this bill create more risk in public investments?

228 ROB CANTINE, DOC: Testifying on SB 199.

250 JOHN MARSHALL: Testifying on SB 199 Urging support.

280 HARVEY ROGERS: Explaining who worked on Task Force.

298 CHAIR DERFLER: Closing public hearing on SB 199 and Opening Work Session.

230 SEN. ADAMS: Would like to have Section 27 amended and recommends due pass after amendment is completed.

324 CHAIR DERFLER: Closing Work Session on SB 199 Opening public hearing on SB 203.

350 CHUCK SMITH, Oregon State Treasury: Testifying on SB 203.

365 JAMES SHANNON, Municipal Debt Advisory Commission: Explanation of SB 203 (EXHIBIT C).

410 JAMES SHANNON: HB O 2163 of the 1993 Legislature.

440 CHAIR DERFLER: We would like you to go through the bill.

450 JAMES SHANNON: Explaining Section of Bill 203.

TAPE 14, A

040 SEN ADAMS: Would voter initiative still be in effect?

080 JAMES SHANNON: Sections 8 & 9 (EXHIBIT C page 4).

090 CHAIR DERFLER: What are conduit bonds?

097 SEN. ADAMS: Would like to go back to Section 2.

105 JAMES SHANNON: Explaining Section 2 (EXHIBIT C page 3).

137 CHUCK SMITH: That is correct.

141 JAMES SHANNON: Finishing up sections 8 & 9.

195 JAMES SHANNON: Section 26 (EXHIBIT C page 5).

200 SEN. LEONARD: Has 2 different Section 26.
205 JAMES SHANNON: Explaining Section 26.
235 SEN. ADAMS: What implications does this have with Measure 5?
240 JAMES SHANNON: No effect from Measure 5. Close testimony.
250 SEN. MCCOY: Would you go back to Section 8?
261 JAMES SHANNON: Exempting Bonds from private business from budget.
295 CHAIR DERFLER: 199 and 203 are both sent to LC with Amendments.
315 B J SMITH, League of Oregon City: Testifying on SB 203. In support.
340 B J SMITH: Oregon City has a problem with wording in Section 2. Rental
and Lease purchase agreements.
390 B J SMITH: Obligations of the government unit - debt obligations.
420 CHAIR DERFLER: Would you be willing to work with James Shannon?
435 CHAIR DERFLER: Closing public hearing on SB 203.
450 CHAIR DERFLER: Opening public hearing on SB 201.

TAPE 13, B

030 GARY BRUEBAKER, Deputy State Treasurer: Testifying on SB 201 (EXHIBIT
D).
070 SEN. LEONARD: Does this make it more difficult?
080 GARY BRUEBAKER: This bill will provide more security.
102 CHAIR DERFLER: Closing public hearing on SB 201 and opening work
session.
105 MOTION: SEN ADAMS: Moves that SB 201 be sent to the floor with a do
pass recommendation.
110 VOTE: Hearing no objections SB 201 passed unanimously. Adams will
carry SB 201
112 CHAIR DERFLER: Closing work session on SB 201.
Opening public hearing on SB 202.
120 CHUCK SMITH, Director Debt Management Division.: Explaining SB 202
(EXHIBIT E).
175 CHAIR DERFLER: Why do we need to pass a law to do this?
185 SEN. KINTIGH: Would this mean having someone on a retainer fee?
190 SEN. LEONARD: Why would you require legal counsel?
195 CHUCK SMITH: Unfortunately regulations are quite complex.

220 SEN. LEONARD: Could conditions change after a bond was purchased?

270 SEN. BRYANT: Definition of Arbitrages. Borrowing in one market and investing in another.

292 BILL NESSLY, Oregon Department of Justice: Explaining Independent Bond Counsel.

360 SEN. LEONARD: Adding language rather than use existing language.

370 BILL NESSLY: We felt the Legislative authority should establish uniform guidelines.

380 CHAIR DERFLER: We will send amendments on SB 202 to LC and bring it back for work session in a few weeks.
Closing public hearing on SB 202.
Opening public hearing on SB 205.

400 RITA THOMAS: Explaining SB 205.

420 DARREN BOND, Director of Finance: Testifying of SB 205 (EXHIBIT F & G).

TAPE 14, B

039 SEN. ADAMS: Page 2 Section line 13 and 14.

041 DARREN BOND: That is a consistency issue.

045 CHAIR DERFLER: How many people purchase bonds rather than buy insurance.

047 DARREN BOND: DMV holds the Bonds directly.

055 SEN. KINTIGH: \$25,000 I think.

060 CHAIR DERFLER: Closing public hearing on SB 205 and opening work session.

065 MOTION: SEN. ADAMS makes motion to do pass SB 205.

067 VOTE: Hearing no objections SB 205 passed unanimously. Sen. Bryant will carry SB 205.

072 CHAIR DERFLER: Reminded Committee that there is a 1:30 meeting on Monday and no hearing Monday morning.

076 CHAIR DERFLER: Closing work session on SB 205
Meeting adjourned.

Submitted by,

Reviewed by,

Glenda Fields
Committee Assistant

Rita Thomas
Committee Counsel

EXHIBIT SUMMARY:

- A - Testimony on SB 199 - Harvey W. Rogers - 2 pages
- B - Testimony on SB 199 - Lana Lindstom - 2 pages
- C - Testimony on SB 203 - James P. Shannon - 6 pages
- D - Testimony on SB 201 - Gary Bruebaker - 2 pages
- E - Testimony on SB 202 - Chuck Smith - 2 pages
- F - Testimony on SB 205 - Darren Bond - 3 pages
- G - Letter to Darren Bond from W. Gary Johnson on SB 205 - 1 page
- H - Recommended Changes to ORS chapter 294, Task Force Oregon Short-Term
Fund Board - 29 pages
- I - Proposed Amendments to SB 202 - 1 page
- J - Proposed Amendments to SB 202 - 1 page
- K - Proposed Amendments to SB 203 - 9 pages