

HOUSE COMMITTEE ON GENERAL GOVERNMENT

June 24, 1993 Hearing Room 357 10:00 a.m. Tapes 67 - 70

MEMBERS PRESENT: Rep. Cedric Hayden, Chair Rep. Jim Edmunson,
Vice-Chair Rep. Ken Baker Rep. Carl Hosticka Rep. Patti Milne Rep. Chuck
Norris Rep. Del Parks Rep. Lonnie Roberts Rep. Sharon Wylie

STAFF PRESENT: Janet Adkins, Committee Administrator Julie Dow,
Committee Researcher Kathy Taylor, Committee Clerk

MEASURES CONSIDERED: SB 106 HB 2280 HB 2910 SB 447 SB 784 SB 95
SB 690

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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. [--- Unable To Translate
Graphic ---]

TAPE 67, SIDE A

009 CHAIR HAYDEN: Calls meeting to order at 10:00 a.m.

PUBLIC HEARING ON SB 447 Witnesses: Rep. Bill Markham, District 46 Ed
Hughes, Coalition for Veterans Issues David Parker, United Veterans
Group of Oregon Lyall Fraser, Oregon Department of Veterans Affairs
James Gardner, Oregon Health Care Association

011 REP. BILL MARKHAM, DISTRICT 46: Testifies in support of SB 447.

031 ED HUGHES, COALITION FOR VETERANS ISSUES: Introduces David
Parker and Lyall Fraser.

035 DAVID PARKER, UNITED VETERANS GROUPS OF OREGON: Testifies in
support of SB 447 and submits written testimony. (EXHIBIT A)

038 HUGHES: Testifies in support of SB 447.

042 LYALL FRASER, OREGON DEPARTMENT OF VETERANS AFFAIRS: Here to
answer any questions the committee might have.

046 JAMES GARDNER, OREGON HEALTH CARE ASSOCIATION: Do not oppose SB
447 , but would like to add a cautionary note. > Senior services demand
to keep from overcrowding > Legislature take into account the impact on
the private sector

WORK SESSION ON SB 447

069 JANET ADKINS, COMMITTEE ADMINISTRATOR: Submits (-B5) amendment
(EXHIBIT B), Fiscal Impact Statement (EXHIBIT C) and Staff Measure
Summary

(EXHIBIT D) for the record.

074 MOTION: CHAIR HAYDEN MOVES TO ADOPT THE (-B5) AMENDMENTS TO SB 447

090 REP. PARKS: Does it prohibit the use of certificate of deposit?

091 CHAIR HAYDEN: It has to do with the purchase of medical equipment. This is a certificate of need, which means if they need an X-ray machine for an MRI they may purchase it under the authority of the Health

Resources Commission.

099 VOTE: HEARING NO OBJECTION THE MOTION CARRIES

100 MOTION: REP. BAKER MOVES SB 447 AS AMENDED TO APPROPRIATIONS WITH A DO PASS RECOMMENDATION.

103 VOTE: IN A ROLL CALL VOTE SB 447 PASSES WITH ALL MEMBERS PRESENT VOTING AYE. REP. EDMUNSON, REP. HOSTICKA AND REP. WYLIE ARE EXCUSED.

WORK SESSION ON SB 106

117 MOTION: REP. BAKER MOVES TO SUSPEND THE RULES

121 VOTE: IN A ROLL CALL VOTE THE MOTION PASSES. ALL PRESENT MEMBERS VOTING AYE. REP. EDMUNSON AND REP. HOSTICKA ARE EXCUSED

132 MOTION: REP. BAKER MOVES WE RECONSIDER THE VOTE BY WHICH SB 106 WAS PASSED

139 VOTE: HEARING NO OBJECTION THE MOTION CARRIES

140 MOTION: REP. ROBERTS MOVES SB 106 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

144 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH ALL MEMBERS PRESENT VOTING AYE. REP. EDMUNSON AND REP. HOSTICKA EXCUSED.

Rep. Wylie will carry the bill.

WORK SESSION ON HB 2910

160 JULIE DOW, COMMITTEE RESEARCHER: Gives overview of HB 2910 and submits (-4) Amendments and Hand-Engrossed Bill. (EXHIBIT I)

179 REP. PARKS: Proposes change of language in proposed (-4) amendments on line 16 to read as follows: "shall be named as an additional insured

under any policy obtained."

199 MOTION: REP. PARKS MOVES THE (-4) AMENDMENTS AS CONCEPTUALLY AMENDED

203 VOTE: HEARING NO OBJECTION THE MOTION CARRIES

204 MOTION: REP. PARKS MOVES HB 2910 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION

216 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES WITH A DO PASS RECOMMENDATION. ALL MEMBERS PRESENT VOTING AYE. REP. EDMUNSON AND REP. HOSTICKA EXCUSED.

Will ask Rep. Beyer to carry the bill.

WORK SESSION ON HB 2280 Witnesses: Vicki Ervin, Director of Elections, Multnomah County Nina Johnson, Executive Assistant, Secretary of State Al Davidson, Marion County Clerk

227 JANET ADKINS, COMMITTEE ADMINISTRATOR: Reviews HB 2280. Submits Fiscal Impact Statement for the record and (-1) amendments. (EXHIBIT J)

223 REP. MILNE: What is the process for checking the information on voter registration card? 256 VICKI ERVIN, DIRECTOR OF ELECTIONS, MULTNOMAH COUNTY: There is some confirmation done to this information by mailing the precinct memorandum card by non forwardable mail assuming the card will come back if the

person on the card is not at that address.

266 NINA JOHNSON, EXECUTIVE ASSISTANT, SECRETARY OF STATE: Under current Legislation, the voter registration card clearly states that the person is signing under penalty that the information is accurate on the card.

A felony prosecution could be done if a person lied on the voter registration card.

278 REP. MILNE: Do you do a random check on the cards?

281 JOHNSON: The clerks who handle voter registration in the counties will need to answer that. The Secretary of State does not get involved

unless there is an election law complaint.

284 AL DAVIDSON, MARION COUNTY CLERK: We have not done a random sampling to check that information, however, if we receive any indication at all

that information on a voter registration card is inaccurate, we do have the authority to inquire and conduct a hearing. I have done a number of those in Marion County. On the new registration card the first question is "Are you a citizen? Yes or No" That had been missing.

308 REP MILNE: What kind of information would you receive to encourage you to check out the information?

311 DAVIDSON: It comes from phone calls within the community.

319 REP. MILNE: Concerned about how easy it is to become a registered

voter and the privileges that allows a person.

332 DAVIDSON: Those privileges are not conferred on them by us. Occasionally make an inquiry on place of birth if there is a question.

346 REP. HOSTICKA: Voting is a right granted to every citizen of the United States and is not a privilege that is earned by somebody.

350 CHAIR HAYDEN: Except felons and certain exceptions.

351 REP. HOSTICKA: It can be taken away but not something that is granted.

353 REP. NORRIS: In the statutes we will find felons who are not incarcerated can restore their right to vote.

359 REP. MILNE: (To Rep. Hosticka) Yes, it is a right to vote when you are a citizen, but what I'm referring to is when people obtain something

like a voter registration card, this provides an opportunity for other privileges that aren't necessarily afforded to non-citizens.

371 CHAIR HAYDEN: There's going to be fiscal impact to both the State and County. The State would like to know what the costs are going to be to

the State and respective counties. 383 JOHNSON: Submits and reviews sections of memo to Fiscal regarding impact. (EXHIBIT K) > Secretary of State under current Legislation is responsible to

oversee statewide implementation of HB 2280 > Agency based registration > Rules development > Staff training > Revise manuals > Department of Human Resources > Staff training > Change intake forms > Division of Motor Vehicles (DMV) > Revise form > Transmitting voter registration cards from agencies to Secretary of

State and/or County Clerks > Biggest costs will be in the mandated agency based registration part

480 CHAIR HAYDEN: What's the view from the counties on expense?

TAPE 68, SIDE A

018 DAVIDSON: We would see increased expenses in three areas > Computer programming > New registration system > Additional staff to process registrations > Election day > Handle new activity at polling sites

034 ERVIN: At a meeting with the State County Clerks, we reviewed our options of how we might put this together and one thing we had in mind

was how we could put it together to make sense as far as the administrative end of it and cost was a concern. We hoped that we had chosen something that satisfied not only the requirements of the bill

but minimize the additional costs.

042 REP. BAKER: Do we have a question about the implementation date of this?

043 CHAIR HAYDEN: Yes. In view of the crisis budget we are in now and the cost is indeterminate, what is the latest appropriate date we could use for enabling Legislation and what is the latest date we could use for

actual implementation taking it to the agencies?

051 DAVIDSON: Federal Legislation talks about an implementation of January 1, 1996 for those States that need an opportunity to amend their

Constitution to implement this. Oregon is not one of those States. We need no Constitutional changes to fully implement with or without passage of this bill. That would put us in the category of January 1, 1995 being the date for implementation. In the amendments to HB 2280 the onerous piece of federal Legislation is the agency based registration and we suggest not to implement until the last day possible to give us time to prepare.

062 CHAIR HAYDEN: What Section is that in?

063 JOHNSON: In the bill?

CHAIR HAYDEN: Yes.

JOHNSON: Sections 4, 5, and 41. Those encompass the agency based registration portion of this bill.

070 DAVIDSON: We have suggested that a number of sections of the bill relating to the voter registration pieces be implemented in July of

1994. The reason being if we don't implement the registration portion until January 1, 1995 the first federal election would be the primary of 1996 which would be a presidential primary, one of the most complex elections we run. We have staff that needs to be trained on the new processes, and we would prefer to implement the systems in a general election, which is much simpler to run than a presidential election. That also gives an added advantage of being through it one time on a major scale before the Legislature meets in 1995. If there are bugs in the system we can come back in 1995 to the Legislature and get those

corrected before going into the presidential elections in 1996.

098 JOHNSON: In the long run, we may be able to save money by having it phased-in rather than do it all at once. The work load can be spread

out and you can take it piece by piece.

113 REP. BAKER: So, the agency activity would probably start in January of 1995?

115 JOHNSON: I think we would probably be geared up to start it on that date, there would be rules, promulgation and probably training prior to that.

118 REP. BAKER: The first time your field workers are handing these out will probably be after January 1, 1995?

119 JOHNSON: That's exactly right.

132 REP. BAKER: Do you anticipate the federal government coming back with a lot of rules and regulations they will require us to do a massive amount of fine tuning to this document?

135 ERVIN: No, I don't think so. I do think there will be federal regulations, but the areas we will probably see them we have generic and broad enough in our Legislation that it won't require us to do a lot of massive changes.

140 CHAIR HAYDEN: As some States come on line on January 1, 1996 and others on January 1, 1995 there is no point in rushing in in 1994 the fact

there will be some costs. My thinking that January 1, 1995 might be the best implementation date, although you can be doing preliminary work up until that time. I would like the committee to discuss that at an appropriate time.

150 REP. NORRIS: Reprogramming was mentioned as one particular cost, do you have the in-house capability to do that or is that a one time contract, what's involved?

154 DAVIDSON: For our county, it's in-house as well as most counties. The programming is not that complex and should be able to be done by the

personnel who maintain the registration system on an ongoing basis. 158 REP. NORRIS: So its not a potentially significant number we're looking at?

159 DAVIDSON: I don't believe it is for most counties. I haven't heard that it would be any hardship from the clerks.

161 REP. ROBERTS: Have we accepted the (-1) amendments?

162 CHAIR HAYDEN: No.

163 CHAIR HAYDEN: The chair will make a motion to amend (-1)

amendments prior to accepting them.

166 MOTION: CHAIR HAYDEN MOVES ON PAGE 29, LINE 31 OF (-1)
AMENDMENTS TO CHANGE DATE OF JULY 1, 1994 TO JANUARY 1, 1995

174 REP. HOSTICKA: Between January 1, 1994 and January 1, 1995
there's an election. If we accept the motion will it change the
provisions and

potential conduct of that election?

180 ERVIN: If that change is made, the general election in November of
1994 will be conducted as elections are conducted under current
law. It

would make a difference as to how that election is conducted.

188 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. MEMBERS VOTING
AYE, REP. BAKER, CHAIR HAYDEN, REP. MILNE, REP. NORRIS, REP. PARKS AND
REP. ROBERTS. MEMBERS VOTING NO, REP. EDMUNSON, REP. HOSTICKA AND
REP. WYLIE

201 MOTION: REP. BAKER MOVES THE (-1) AMENDMENTS

202 VOTE: HEARING NO OBJECTION THE MOTION CARRIES

205 REP. HOSTICKA: I'm going to vote against the bill. I probably
would have supported it if it applied in the next election. The issue on
when this will take effect, January 1, 1995, the real effective date
becomes November of 1996. By changing it for six months, we've
actually lost

two years.

213 CHAIR HAYDEN: Your point is well taken and I think you will
have bi-partisan with your position.

215 REP. MILNE: I am uncomfortable with the federal part. I am
going to vote no.

231 REP. BAKER: (To Rep. Milne) You can vote no as a protest to the
bill, but reality is if we don't implement this while we have the
opportunity the federal government will do it for us.

242 RECESS FOR FIVE MINUTES

TAPE 67, SIDE B

WORK SESSION ON HB 2280

006 CHAIR HAYDEN: Is there any federal money that comes with this to
help implement it?

007 JOHNSON: The only federal support is mandating in the bill a
reduced postal rate for mailings that are required under the bill
for the

counties to use a non-profit rate. We hope to piggy back other mailings on to that if we try to perform some of the functions that are required under the mandate.

012 CHAIR HAYDEN: Should this bill fail, what are the federal penalties against the State?

013 JOHNSON: Should it fail, our office will be faced with whether to comply. > There are injunctive provisions for both the Attorney General and

third parties > We would be liable to a law suit and attorneys fees awards from a

third independent party > There are many advocacy groups involved in this bill > I think we would be put in a very difficult position if we didn't

implement this > If we don't get something similar to HB 2280, we will be forced to do a dual voter registration system.

029 REP. MILNE: With the clarification on that I don't want to put the State at risk so I will reluctantly support the bill.

032 REP. WYLIE: I would prefer things that can be done sooner, be done. I will support the bill even if I don't agree.

036 CHAIR HAYDEN: I think we can look at it as a cost containment or cost deferral measure.

037 REP. EDMUNSON: I don't like being bullied by Congress, if it's a good idea we ought to pass it on our own wings. I intend on sending Congress a message and that's how I intend to vote.

055 MOTION: REP. BAKER MOVES HB 2280 AS AMENDED TO THE FLOOR WITH A DO PASS RECOMMENDATION

058 VOTE: IN A ROLL CALL VOTE MEMBERS VOTING AYE, REP. BAKER, CHAIR HAYDEN, REP. MILNE, REP. NORRIS, REP. PARKS AND REP. ROBERTS.

MEMBERS VOTING NO, REP. EDMUNSON, REP. HOSTICKA AND REP. WYLIE

Rep. Baker will carry the bill.

068 REP. HOSTICKA: Serves notice of possible Minority Report.

PUBLIC HEARING ON SB 784 Witnesses: Marshall Coba, Oregon Trucking Association Sen. Joan Dukes, District 1 Rep. Sam Dominy, District 44

081 JANET ADKINS, COMMITTEE ADMINISTRATOR: Reviews SB 784 and submits Staff Measure Summary and Fiscal Impact Statement. (EXHIBIT M) Also submits

letters from individuals in opposition of SB 784. (EXHIBIT N)

108 MARSHALL COBA, OREGON TRUCKING ASSOCIATION: Testifies in support of SB 784. > Will improve highway safety > Surcharge will act as a deterrent > Allow additional patrolling on the highways > Cost convicted driver more money

128 REP. ROBERTS: If we're going to say we're going to use the efforts of the police to fund their own budget, I think its illegal. Based on

Supreme Court decision you cannot use funds raised by fines to pay for police enforcement. Are we getting involved in a legal case?

146 REP. EDMUNSON: In my opinion, there could be a problem. I haven't reviewed that Supreme Court case and I don't know the rationale of the

court employed.

150 REP. BAKER: We dealt with asset forfeiture and there was a question about forfeiting drug proceeds or vehicles use for the actual

implementation of the programs. There is some concern about that.

159 REP. MILNE: The bill itself states that the money will be used by the Oregon State Police for the purpose of enhanced enforcement of traffic

laws against drivers of commercial motor vehicles. Does that mean that an Oregon State Police Officer is on duty and they know funding is coming from this program they only are conscious or aware or will react to a situation regarding a commercial driver. To me that is what this is saying. How do we define whose paying for the time they are on duty?

168 COBA: The intent is not if a speeding car or drunken driver were to go by, they would not need to respond, they will definitely respond. Our

concern is to put more State Police on the highway. Oregon is very lax in enforcing speed laws.

178 REP. BAKER: If the concern for the trucking industry is truck speeding violations, it would seem to me the major trucking industry employers in the State would be able to regulate their own drivers through employment relationships. Is this bill aimed offensively at small operators or

individuals versus larger corporations?

190 COBA: I'm not sure where the majority of your speeding violations come from, fleets or individual owner operators. We do know many companies

in the industry have strict standards that they hold their drivers to.

If we can do anything to improve the safety in the fleets or the individuals that's the goal. 198 REP. NORRIS: In looking at the A-Engrossed Bill, page 2, line 36, (15) 1.1502 percent of moneys in the account shall be transferred to State

Police for enforcement.

207 CHAIR HAYDEN: Notice page 2, line 34 (14).

208 REP. NORRIS: I did. Sub 15 seems to address specifically enhanced enforcement of traffic laws. It seems to be general. In Sub 14 it

doesn't say what its dedicated to, if anything. With the reduction in the State Police force, if we were able to implement this, how much money would we have available to pay overtime?

233 COBA: We were looking at possibly putting out a truck enforcement unit. We found the dollars would go further to fund overtime than a special

enforcement unit.

247 REP. EDMUNSON: My concern is what we enact be enforceable. This bill discriminates between commercial truck drivers and non-commercial

drivers. Can you give me a good reason to what would compel me to treat commercial truck drivers different?

277 COBA: The vast majority of truck drivers on the road are abiding by the speed limit. The intent of this Legislation is to get to the small

percentage of drivers that continue to give the industry a bad name.

286 REP. EDMUNSON: Bad names and public opinion research isn't what I'm after. I'm looking for a health and safety issue for the people of

Oregon. Are you aware of any?

291 COBA: On health and safety matter, the accident statistics, speed has been shown to be a prime ingredient not only in number of accidents, but severity of commercial vehicle accidents in Oregon and throughout the

country.

296 REP. EDMUNSON: Do we have that information in the record?

298 COBA: I'm not sure about that. I can get that for you.

300 REP. EDMUNSON: This is not a personal request.

302 JANET ADKINS: I want to clarify the term commercial would cover non-commercial trucks. It is vehicles that the operator is required to

have a commercial driver's license. Those are trucks over 26,000 pounds, carry over 16 passengers, carry hazardous materials. It doesn't mean whether you're making money at it or not. The term is from the commercial driver's license statute.

313 REP. EDMUNSON: You're saying all vehicles of a certain size and weight, the operator must have a commercial driver's license regardless of the

activity they are engaged in? There is no vehicle in that class which can not operate without a commercial driver's license.

320 JANET ADKINS: There are some exceptions for farm vehicles. They get an endorsement.

323 COBA: As I understand it, a commercial driver's license is necessary in statute. It's defined as a commercial motor vehicle 801.208 in a

commercial vehicle 801.210. 380 SEN. JOAN DUKES, DISTRICT 1: Testifies in support of SB 784. > Checked concerns with Legislative Counsel > There are differences between automobile and truck citations > Legislative Counsel feels there are no legal or constitutional problems

420 REP. EDMUNSON: You mentioned we do treat trucks different than other vehicles. Do trucks that don't fit under the commercial definition

still have to follow the 55 speed limit law?

435 SEN. DUKES: I don't believe that's accurate. I believe it is those larger vehicles.

438 REP. EDMUNSON: Is public transit subject to commercial vehicle?

440 SEN. DUKES: Yes. Bus driver's have to have a commercial driver's license to operate their vehicles.

443 REP. EDMUNSON: Are there enhanced penalties for any other category of motorists, including commercial truck drivers, for violation of a law

which another driver would pay a lower penalty?

448 SEN. DUKES: I'm the wrong person to answer that. I'm not sure if a commercial truck driver is paying the same amount of money for a ticket as you or I in our motor vehicle for the same thing.

456 REP. EDMUNSON: That's the constitutional issue. If you're going to penalize citizens differently, as a State we have to have a good reason for that distinction.

463 SEN. DUKES: We do treat commercial driver's licenses differently. There is a much lower threshold for losing a commercial driver's license than losing a regular driver's license. We already treat the same

people differently. We give a lot of different rules and regulations to commercial drivers.

488 REP. EDMUNSON: We could explain the reasons as being the protection of the health and safety of our citizens. I'm not opposed to this bill. I

think the first time we write a ticket and someone takes us to court the first place they'll look is the transcript of the hearings in both chambers. We need to say they're more dangerous, we need to protect them, they don't stop as quickly, there's more weight, when they crush a volkswagen it's really flat.

TAPE 69, SIDE A

030 SEN. DUKES: They carry larger, heavier loads and indeed, from the beginning, this has been placed as a safety issue for the State of

Oregon. There is not enough enforcement out there, so there is a problem with these larger, heavier loads being able to violate the law. I refer to this bill as "the law breakers paying to get caught." This bill simply says those people breaking the law will pay an additional

\$40 which will go into a fund which will do a pilot program to fund some overtime for State Police officers to be able to slow them down.

056 REP. BAKER: If we're concerned about speeding trucks, why don't we do a photo radar set up and catch them at the next mile station and assess

them a penalty?

059 SEN. DUKES: We don't have the money to do photo radar throughout the State of Oregon or even on I-5 consistently. It is not legal yet in

Oregon. There's a bill in the Senate that has been amended that a police officer has to operate it.

071 REP. BAKER: We could put a decal reader bar code on each truck coming into Oregon, readable by long-range scan and they stop at mile weigh

station. The system is already there at minimal cost and would be effective. This bill wouldn't be needed.

076 SEN. DUKES: The system is there, its not a minimal cost to the

truckers who have to install the equipment. Interstate they are working on the

transponder system. The speed violators are not people who belong to

the Oregon Truckers Association, they are people passing through or who do very little business in Oregon.

093 REP. BAKER: In Section 3 of the bill, what is the logical reason some of these funds would go to boating safety, state wildlife fund, or

Department of Human Resources?

096 SEN. DUKES: We didn't do this list. This is the uniform assessment they do with traffic tickets.

107 REP. SAM DOMINY, DISTRICT 44: Testifies in opposition of SB 784 . Submits a letter from a constituent. (EXHIBIT O) > Impacts independent truckers > Why are we singling out truck drivers > Statistics don't show that truck drivers are the major cause of

highway accidents

166 SEN. DUKES: Unless you get permits, there are laws about impeding traffic. > Legislature put speed limit for trucks at 55 m.p.h. > Safety reasons

199 REP. ROBERTS: There are some things I would like to do with this bill that are going to take time. I would like to see this on another day in a Work Session.

WORK SESSION ON SB 95

212 JULIE DOW, COMMITTEE RESEARCHER: Gives overview of SB 95.

242 MOTION: REP. HOSTICKA MOVES SB 95 BE MADE FIRST ORDER OF BUSINESS AT THE NEXT MEETING

249 VOTE: HEARING NO OBJECTION SO ORDERED

PUBLIC HEARING ON SB 690

260 JANET ADKINS, COMMITTEE ADMINISTRATOR: Gives overview of SB 690 . Submits (-2) Amendments proposed by City of Eugene (EXHIBIT P), (-1)

Amendments proposed by Oregon Bankers Association (EXHIBIT Q), Staff Measure Summary and Revenue Impact Statement (EXHIBIT R), and SB 460 Staff Measure Summary (EXHIBIT S)

298 CHAIR HAYDEN: Submits testimony from Jim Hill, State Treasurer. (EXHIBIT T)

308 LINDA LYNCH, CITY OF EUGENE: Testifies in support of SB 690 and submits written testimony. (EXHIBIT U) > Local governments will have

funds available for investment > Have greater tax receipts in December
> First payments on bonds when we issue G.O. bonds > State transfer
payments roll-in at different times > What to do with that money while
you have it > Keep it liquid > Try to earn money for you > Invest
wisely > City investments are six months or less > Submits proposed
amendments (EXHIBIT V)

424 REP. ROBERTS: Do you want to do away with the -2 under that A-2?

426 LYNCH: No, you still want to leave it, that would be a closer
rating to describe commercial paper, so you want to add in "or A"

430 REP. ROBERTS: It says now, "or A-2".

LYNCH: Right.

431 REP. ROBERTS: Delete A-2, put an A?

LYNCH: No. Starting on line 44, it would read, "Corporate indebtedness
that is rated P-2 or A or better by Moody's Investors Service or A-2 or
A or better by Standard & Poor's Corporation."

439 CHAIR HAYDEN: How about AAA or better?

440 LYNCH: That's a very high bond rating. No Oregon corporate debt
would be available at that rating.

446 REP. ROBERTS: You'd restrict it so badly, it would be no use
trying to invest.

448 LYNCH: That's correct.

449 CHAIR HAYDEN: How about AA or better.

LYNCH: In the subsection (13) we offer Aa or better. Outside of the
Northwest requires a more secure bond rating.

457 CHAIR HAYDEN: Section 13 refers to AA or better?

458 LYNCH: Yes, under our corrected amendment, that's what we'd do.

463 REP. ROBERTS: Are we working on the (-3) Amendments?

465 CHAIR HAYDEN: No, we're working on the bill with Linda
Lynch's amendments.

467 REP. ROBERTS: Her amendments are which ones?

468 CHAIR HAYDEN: (Shows Rep. Roberts the unmarked proposed
amendments) (Exhibit V)

470 LYNCH: I had the (-2) amendments drafted to address this
question, but I was wrong.

476 REP. ROBERTS: Why wasn't this addressed in the Senate?

480 LYNCH: It wasn't addressed in the Senate because the Treasurer's
office didn't point it out and I didn't know that I needed to do a

parallel

bond rating for corporate notes and bonds.

489 CHAIR HAYDEN: Committee is excused. We are continuing in Public Hearing.

TAPE 70, SIDE A

034 FRANK BRAUNER, OREGON BANKERS ASSOCIATION and STATE CHARTERED BANKS OF OREGON: Testifies in support of SB 690 and submits written testimony.

(EXHIBIT W) > Provides more flexibility for local governments to invest their

surplus funds > Benefits > local governments > tax payer patrons > our region > Reviews SB 460 > Amends ORS 294.035 > Permits investment of bond funds in a money market mutual fund > Did not expand investment

079 CHAIR HAYDEN: For the record we are in Subcommittee

080 BRAUNER: Continues. > Local governments have a list of permissible investments > State Treasurer's local government investment pool > Treasury is a competitor of banks for local government surplus

dollars > Invest 97% of those dollars outside the State of Oregon > Provides no deposit insurance > Doesn't pledge collateral as security

127 REP. NORRIS: Are you proposing this as an amendment to SB 690?

128 BRAUNER: Yes.

130 CHAIR HAYDEN: Amending SB 690 will fix the perceived problem for SB 460?

131 BRAUNER: That is correct.

132 JANET ADKINS: He's talking about the (-1) amendments and his changes are visible on page 5.

137 REP. BAKER: The North Clackamas School Board took the excess funds and negotiated with local banks in Oregon for investing reasons. We would

still be able to do that, but we would have other options under this

bill so we wouldn't be forced to put it in a State pool.

143 BRAUNER: Absolutely. We didn't change the list. We are looking at accommodating those idle bond funds for a period of time and presenting an option.

158 REP. BAKER: Does the State Treasury charge my school district an administration fee that's not charged by the local bank?

161 BRAUNER: Hopefully we're competitive and I will not tell you we don't charge a fee for certain services of local school districts or any local government. In the past we had all their business and now we

don't.

The State Treasury does charge a fee.

169 REP. BAKER: The change in the ratings numbers, do you agree with that information?

170 BRAUNER: Yes, we support those changes, but we did not think they were necessary.

200 HARVEY ROGERS, CHAIRMAN, OREGON SHORT TERM FUND BOARD: Testifies on SB 690 and submits written testimony (EXHIBIT X) > Concerned local governments don't get the short end > The bill permits a lot wider range of options than what Oregon

Bankers Association wants to do > Does not agree with (-1) Amendment

241 JANET ADKINS: Are you referring to the essence of SB 690 or SB 460?

242 ROGERS: The essence of SB 460. The original SB 690 provisions I had a hand in getting the ratings in, that was a technical defect in the bill. That is an example of much narrower Legislation that has rate in

criteria and limitations that offer some substantial protection to local governments. The essence of SB 460 does not have those kinds of

limitations or protections.

249 CHAIR HAYDEN: SB 460 is now law. What remedies would you propose?

251 ROGERS: I believe the best thing to do would be repeal the essence of SB 460 and come back next Legislative Session with comprehensive review unless people who have more detailed investment knowledge than I can

come up with some provisions that provide investor protections. The

amendment that is offered to deal with the constitutional issue does

not. It is circular and exposes local government investment officers to the risk that they'll make a mistake. If they do, they are personally

liable.

RANDALL EDWARDS, EXECUTIVE ASSISTANT, OREGON STATE TREASURY: Does not

testify but submits testimony and amendments for the record (EXHIBITS Y, Z, AA, BB, CC)

Meeting adjourned at 12:15 p.m.

Submitted by:

Reveiwed by:

Priscilla Boyle
Administrator

Janet Adkins Assistant

EXHIBIT LOG:

A - Testimony on SB 447 - Parker - 20 pages B - Amendments to SB 447 - Staff - 1 page C - Fiscal Impact Statement on SB 447 - Staff - 3 pages D - Staff Measure Summary on SB 447 - Staff - 1 page E - Summary on SB 447 - Oregon Veterans' Home - 2 pages (not mentioned) F - Letter on SB 447 - Lyall Fraser - 1 page (not mentioned) G - Testimony on SB 447 - Sen. Yih - 4 pages (not mentioned) H - Letter on SB 447 - Virginia Hershey - 1 page (not mentioned) I - Amendments/Hand-engrossed Bill on HB 2910 - Staff - 3 pages J - Fiscal Impact Statement and Amendments on HB 2280 - Staff - 31 pages K - Memo on HB 2280 - Nina Johnson - 2 pages L - Newspaper article on HB 2280 - Staff - 1 page (not mentioned) M - Staff Measure Summary on SB 784 - Staff - 2 pages N - Letters on SB 784 - Staff - 14 pages O - Letter on SB 784 - Rep. Dominy - 2 pages P - Amendment to SB 690 - Staff - 1 page Q - Amendment to SB 690 - Staff - 5 pages R - Staff Measure Summary and Revenue Impact Statement on SB 690 - Staff - 2 pages S - Staff Measure Summary on SB 690 - Staff - 1 page T - Letter on SB 690 - Rep. Hayden - 2 pages U - Testimony on SB 690 - Linda Lynch - 3 pages V - Amendment on SB 690 - Linda Lynch - 1 page W - Testimony on SB 690 - Frank Brawner - 10 pages X - Testimony on SB 690 - Harvey Rogers - 3 pages Y - Testimony on SB 690 - Randall Edwards - 2 pages Z - Amendments on SB 690 - Staff - 5 pages AA - Letter on SB 690 - Randall Edwards - 9 pages BB - Letter on SB 690 - Randall Edwards - 1 page CC - Letter on SB 690 - Randall Edwards - 2 pages