

HOUSE COMMITTEE ON GENERAL GOVERNMENT Subcommittee on Government

March 30, 1993 Hearing Room 357 8:30 a.m. Tapes 42 - 44

MEMBERS PRESENT: Rep. Del Parks, Chair Rep. Jim Edmunson Rep. Patti Milne Rep. Sharon Wylie Rep. Cedric Hayden, ex-officio

VISITING MEMBER: Rep. Ken Baker

STAFF PRESENT: Janet Adkins, Committee Administrator Julie Dow, Committee Assistant

MEASURES CONSIDERED: HB 2541 HB 2032 SB 23 HB 2534

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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 42, SIDE A

CHAIR PARKS: Calls meeting to order

WORK SESSION ON HB 2032

JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2032.

REP. EDMUNSON MOVES HB 2032 TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION

IN A ROLL CALL VOTE THE MOTION CARRIES

PUBLIC HEARING ON SB 23 Witnesses: Jody Fisher, Oregon Library Association Mary Ginnane, Oregon State Library Didre Conkling, Lincoln County Library

JODY FISHER, OREGON LIBRARY ASSOCIATION: Testifies in support of SB 23.

94 MARY GINNANE, OREGON STATE LIBRARY: Testifies in support of SB 23 and submits written testimony (EXHIBIT A).

153 DIDRE CONKLING, LINCOLN COUNTY LIBRARY: Testifies in support of SB 23.

WORK SESSION ON SB 23

REP EDMUNSON MOVES SB 23 TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

IN A ROLL CALL VOTE THE MOTION CARRIES. MEMBERS EXCUSED: REP. HAYDEN.

CHAIR PARKS: "We will recess for ten minutes."

WORK SESSION ON HB 2541

JANET ADKINS: Describes HB 2541 and submits (-2) amendments (EXHIBIT B).

REP. EDMUNSON MOVES THE (-2) AMENDMENTS BE ADOPTED TO HB 2541.

HEARING NO OBJECTION THE MOTION CARRIES.

REP. EDMUNSON MOVES HB 2541 TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

IN A ROLL CALL VOTE THE MOTION CARRIES

PUBLIC HEARING ON HB 2534 Witnesses: Rep. Ted Calouri, District 7
Phillip Fell, League of Oregon Cities John Bonn, Portland Urban Services
Department Kenneth Wolfgang, resident Rob Drake, Mayor of Beaverton,
Appearing as a Citizen Edward Hall, CPA Burton Weast, Special Districts
Association Faye McAllister, Citizen Participation Organization Carol
Gearin, Citizen Participation Organization Irma Tromlitz

REP. TED CALOURI, DISTRICT 7: Testifies in support of HB 2534; submits
(-1) amendments and fiscal impact statement (EXHIBIT C).

TAPE 43, SIDE A

79 REP. CALOURI: Continues.

116 REP. HAYDEN: How does this differ from a rural fire
district?; has it ever been discussed to have a city with islands of
urban service?

135 REP. CALOURI: Describes annexation; all this does is draw the
battle line.

165 REP. EDMUNSON: One of the amendments invalidates the urban
services boundaries; does HB 2534 address existing
intergovernmental agreement?

REP. CALOURI: It doesn't address intergovernmental agreements.
It encourages intergovernmental agreements

REP. EDMUNSON: If the city of Portland and Beaverton were to agree that
Portland would extend it's services into that area would that completely
side step this whole process?

REP. CALOURI: I have a little bit harder time dealing with
intergovernmental agreements between the cities; I was thinking more
intergovernmental agreement between all the various other agencies.

REP. EDMUNSON: Let's say an intergovernmental agreement is reached
between the entities; their organized and they are operating in the
area. If everybody agrees is there any need to go through this
election process under HB 2534?

192 REP. CALOURI: There is agreement, because those
intergovernmental agreements do exist between the entities and that
hasn't stopped them.

REP. EDMUNSON: How does HB 2534 affect existing
intergovernmental agreements?

REP. CALOURI: I don't think it affects them. The language that you are looking at here on the (-1) amendment is directed toward the current activity going on. Urban services boundary that was adopted after January 1, 1993 is invalid.

REP. EDMUNSON: What I am talking about with intergovernmental agreements is where everybody agrees; even with the (-1) amendments does this in any way affect existing or the future opportunities of people to get along? REP. CALOURI: I think not. Refers to picture drawn by Rep. Kevin Mannix.

245 REP. EDMUNSON: Cost of the election; how is it shared or is it shared between the various agencies that are affected?

REP. CALOURI: I don't know. It will be conducted by the county.

REP. EDMUNSON: Chinese menu approach; you could end up with narrow margin of victory by a minority of electors; do you have any interest in having a run-off?

REP. CALOURI: You are right on track; idea of having a run-off is acceptable.

280 REP. WYLIE: Is there anything in HB 2534 that would end up encouraging more special service districts and more layers of government? I speak because I'm from east Multnomah County and there has been a little issue of sewers; it seems to me that if you get an agreement that this is where the urban services boundary is we are narrowing the choices. I'm wondering if this isn't going to result in just as much community dissatisfaction down the road.

312 REP. CALOURI: I think it not; it shifts the discussion and the argument and all the energy (refers to drawing).

345 REP. WYLIE: When those boundaries are set, one of the issues of providing sewers or capacity is the cost; is it just up to the cities to take that into consideration when they make that agreement?

REP. CALOURI: I would say that is true.

REP. WYLIE: So this mandates that they have to make this agreement ahead of time?

REP. CALOURI: No, I don't think it does.

REP. WYLIE: How does that process work? tell me about the process for drawing the line?

REP. CALOURI: The people get to decide; the process is through the city council.

REP. WYLIE: It's up to them to decide whether to draft their proposal for the boundary based on where their votes are or how the cheapest water system could go in.

382 REP. CALOURI: I suppose you could make that argument. 398 CHAIR PARKS: Do you want to talk about HB 2533 while you are here?

REP. CALOURI: Addresses HB 2533.

TAPE 42, SIDE B

REP. CALOURI: continues.

PHILLIP FELL, LEAGUE OF OREGON CITIES: Testifies in opposition to HB 2533 and HB 2534.

57 JOHN BONN, PORTLAND URBAN SERVICES DEPARTMENT: Testifies in opposition to HB 2533 and HB 2534; submits written testimony and informative material (EXHIBIT D).

CHAIR PARKS: Under 1973, the last sentence says voters still had no direct say in the process; explain that to me.

101 BONN: It was the triple 2/3 and the triple majority were strictly property owner involvement. A majority of the assessed value and a majority of the property owners.

CHAIR PARKS: If they signed a petition that dispensed with the need for an election?

BONN: That's correct.

REP. HAYDEN: Under the double majority; is it election held or is it just a form that is filled out by a registered voter?

113 BONN: There is no election. It is an annexation consent form.

CHAIR PARKS: Do you pay by the hour?

130 BONN: Yes.

160 CHAIR PARKS: What other methods do you use?

BONN: There are about eight methods that are available to cities in the metropolitan area and there are slight differences outside of boundary commission areas; for example a city council may simply initiate the annexation of an area by adopting a resolution - nothing more.

CHAIR PARKS: Then what happens?

171 BONN: Then there may be a remonstrance; it is subject to a 45 day remonstrance period and subject to those remonstrance standards, if 10% of the voters or 100 voters, whichever is less, remonstrate then it goes to a vote. There is another called the 10% voter initiated method.

CHAIR PARKS: Your objection is just that this requires an election when in your judgment in most instances it is not really sought by the people?

193 BONN: There is no method of annexation in Oregon that takes the annexation question directly to the ballot.

CHAIR PARKS: What is your objection to HB 2533?

BONN: I feel the double majority methodology is already extremely intensive; I do not believe that cities would use double majority any longer under those circumstances; we've already done the work; it's very expensive just to get the numbers on double majority.

223 REP. HAYDEN: With measure 5 and the limited resources available to cities, we often hear about the difficulty of delivering the services that the cities need - why would cities want to annex territory? Why wouldn't they be encouraging districts to secede from the city?

BONN: Rep. Calouri has made compelling arguments along those lines; Portland property tax payers were paying more in county taxes than Portland residents were receiving in county services; approximately seventy cents on the dollar in taxes; we believe that it is bad government to duplicate services.

262 FELL: The issue is cost on the election.

CHAIR PARKS: If this bill past you just wouldn't be doing that any more, you would just have to have an election and that would be it.

BONN: It sounds to me like you would still have to do the complete double majority process and then it would still go to an election.

CHAIR PARKS: Asks administrator is that the way you understand it?

JANET ADKINS: Yes, but you also said that you probably wouldn't use the double majority any more.

276 BONN: Right, because it is so costly. Back when we had triple majority the issue was voters didn't have a say in the process, now that we are using double majority I hear frequently from property owners, "you mean those people who live in that apartment house have a say in this process?"; if the election requirement is added to double majority you would be excluding any property owners who do not reside in the affected territory from having a final say.

293 REP. BAKER: How large is your department; how many employees do you have and what's your budget?

BONN: I am one of three full time employees and my budget is \$246,000 for this fiscal year.

REP. BAKER: So if we were able to pass this we could eliminate you and your department effectively and you wouldn't have to be out there knocking on doors; so it goes to a ballot.

BONN: Yeah, that one way of looking at it?

REP. BAKER: Is that all your department does?

BONN: My department; my focus is to develop support for annexations. Part of that includes coordinating the delivery of services to annexed areas, developing intergovernmental agreements with the county and with the number of single purpose special service districts.

314 REP. WYLIE: If the issue was automatically to go to the ballot, would there be a difference under current election law in what you could say or not say to people?

BONN: Absolutely. I could go out and talk to a citizen about annexation up until a proposal is actually submitted for the ballot;

once any measure is in election mode, I and any government is prohibited from speaking on the issue of annexation. I have been advised to be silent during that period because just about anything you say could be challenged as unduly influencing the election process.

333 REP. WYLIE: How costly is that type of a challenge?

BONN: It is quite costly.

REP. WYLIE: What is involved in that kind of challenge; even when you are purely providing facts but somebody claims you are campaigning?

BONN: The challenge goes to Secretary of State's office and they conduct an investigation and make a determination on whether or not we have unduly influenced the election process.

REP. WYLIE: Does the city attorney get involved in that?

BONN: Yes.

REP. WYLIE: How many Portland staff hours would be involved in that kind of a challenge; estimate?

BONN: I would estimate 40 hours. Plus the Secretary of State's time.

REP. WYLIE: Of those challenges, how have they come out?

BONN: We have been cleared in all instances.

REP. WYLIE: Under this law every thing you say would be challengeable because every annexation process would be automatically headed for the ballot, correct?

BONN: That's correct.

364 CHAIR PARKS: Calls five minute break.

CHAIR PARKS: continue hearing next week.....asks Bonn to come next week.

382 KENNETH WOLFGANG, RESIDENT: Testifies in support of HB 2534.

CHAIR PARKS: Where does metro fit in?

Wolfgang: Metro has already hired an attorney to begin to collect information from persons involved, i.e. CPO groups and so forth, and to make a fact finding back to Metro so that they can decide what the next step might be.

CHAIR PARKS: What is metro?

WOMAN IN AUDIENCE: It is a tri-county government layer in Portland that includes Clackamas, Washington and Multnomah counties and they are responsible for regional growth and development and planning.

CHAIR PARKS and woman talk back and forth.

TAPE 43, SIDE B

38 WOLFGANG: Continues.

CHAIR PARKS: Then you disagree with the concept that the man from Portland was espousing that getting people to sign petitions is a satisfactory way as opposed to having them vote on it?

WOLFGANG: Yes.

64 CHAIR PARKS: It does seem to me there is a little bit of a fairness issue when the people that want the election are in such a situation they are not in a taxing district that would allow you to...

WOLFGANG: Why would anybody under the constraints of measure 5 want to bring anybody into the fold? We need to be able to make the case and foot the bill to close the deal. It is incumbent on either party to cooperatively foot the bill for that.

75 ROB DRAKE, MAYOR OF BEAVERTON, APPEARING AS A CITIZEN:
Testifies in support of HB 2534.

CHAIR PARKS: Does the City of Beaverton annex in the areas now?

DRAKE: We have; our annexation process has slowed down a lot in the last two years; Beaverton has gone through the voting method.

CHAIR PARKS: So you favor HB 2533?

DRAKE: Yes. I think people should be able to annex to an area if they want.

105 CHAIR PARKS: Without the requirement of an election?

DRAKE: Yes.

CHAIR PARKS: Do you agree, with this particular area that we are talking about, that the cost is very high?

110 DRAKE: We have not discussed what cost would be at a local level; I think if you are going to initiate an annexation though, or an urban service issue like this, I think you should help pay for the cost.

JANET ADKINS: HB 2534 talks about a negotiation process between the cities to come up with three proposed lines, is that what you...which way...?

DRAKE: As I understand HB 2534, it would be either side would need to approve the other's urban service boundary.

CHAIR PARKS: Can you comment on what is the mechanism for if you just arbitrarily refuse to agree?

143 DRAKE: I think we would have to respect whatever line they drew within reason and let the people in the area decide.

161 EDWARD HALL, CPA: Testifies in support of HB 2534; submits informative material (EXHIBIT E).

214 CHAIR PARKS: What would it be if this was annexed?

HALL: If Beaverton were to take over that area, it would be a very long time before Beaverton would annex. I believe that 15 minutes after the urban services boundary is set, Portland would annex.

BURTON WEAST, SPECIAL DISTRICTS ASSOCIATION: Discusses funding for Metro.

CHAIR PARKS: How much are these folks with business going to pay?

WEIST BACK AND FORTH WITH CHAIR PARKS ABOUT FEES.

244 CHAIR PARKS: So Portland really has a gross receipts tax.

HALL: It is a gross receipts tax. A friend of mine is a CPA in the City of Portland, his hourly rates are roughly ten percent (10%) higher than mine; and they are solely for the covering of all the additional taxes he is subjected to in the City of Portland.

330 FAYE MCALLISTER, CITIZEN PARTICIPATION ORGANIZATION: Testifies in support of HB 2534, submits written testimony (EXHIBIT F).

378 CAROL GEARIN, CITIZEN PARTICIPATION ORGANIZATION 1: Testifies in support of HB 2534, submits written testimony and informative material (EXHIBIT G).

TAPE 44, SIDE A

GEARIN: Continues.

IRMA TROMLITZ: Testifies in support of HB 2534.

Meeting adjourned at 11:05 a.m.

Submitted by:

Reveiwed by:

Timothy Marshall

Janet Adkins Clerk

Administrator

EXHIBIT LOG:

A - Testimony on SB 23 - Ginnane - 1 page B - Amendments on HB 2541 - Staff - 2 pages C - Amendments and Fiscal Impact Statement on HB 2534 - Staff - 2 pages D - Testimony on HB 2534 - Bonn - 6 pages E - Testimony on HB 2534 - Hall - 1 page F - Testimony on HB 2534 - McAllister - 1 page G - Testimony on HB 2534 - Gearin - 38 pages H - Staff Measure Summary and Fiscal Impact Statement on SB 23 - Staff - 2 pages I - Fiscal Impact Statement and Miscellaneous Materials on HB 2533 - Staff - 2 pages J - Testimony from Waltemath, M.D. on HB 2534 - Staff - 3 pages