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report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

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HOUSE COMMITTEE ON LEGISLATIVE RULES AND REAPPORTIONMENT

March 7, 1991Hearing Room E 5:00 p.m.Tape 18

MEMBERS PRESENT:Rep. Greg Walden, Chair Rep. Peter Courtney,
Vice-Chair Rep. Ray Baum Rep. Larry Campbell Rep. Margaret Carter Rep.
Ron Cease Rep. Beverly Clarno Rep. Carl Hosticka Rep. Bill Markham Rep.
Randy Miller

MEMBER EXCUSED: Rep. Mason Rep. Parkinson

STAFF PRESENT: Greg Leo, Committee Administrator Mary Walling,
Committee Assistant

MEASURES CONSIDERED: HB 2167 - Relating to Oregon Ethics
Commission HB 2817 - Relating to state investments

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TAPE 18, SIDE A

005 CHAIR WALDEN: Calls the meeting to order at 5:00 p.m. Convenes as a subcommittee.

(Tape 18, Side A) HB 2167 - RELATING TO OREGON ETHICS COMMISSION, PUBLIC HEARING Witness: Patrick Hearn, Executive Director, Oregon Ethics Commission

018 PATRICK HEARN: HB 2167 would apply the same procedures for enforcement of penalties for violation of lobby laws as currently provided for enforcement of penalties imposed for violation of government ethics laws.

>Presently, this means that if an individual is fined by the Oregon Government Ethics Commission for violation of lobby laws and refuses to pay that fine, the state must initiate a law suit in the circuit court in order to enforce collection of the fine.

>Government ethics law establishes due process for notice and hearing to the person whom a civil penalty is imposed against as a result of a fine and a violation.

>Existing law further provides that if the amount of penalty is not paid within ten days after the order becomes final the order may be recorded with the county clerk in any county in the state.

> The penalty provision of ethics law provides the state with an effective vehicle for the collection of monies lawfully due. In addition the provision is fiscally sound as it eliminates costs associated with civil litigation in the circuit court.

053 REP MARKHAM: Is the way the state wants to collect the money for fines any different than any other process? What do you have to do if DEQ fines you? What is the process?

055 HEARN: I don't know. If you contested it, there would either be some kind of appeals procedure set forth or you would take it to a circuit court depending on the amount of the fine.

060 REP. MARKHAM: Is the process you want different from what the ordinary citizen has to go through?

061 HEARN: No, the average citizen could not do this. However, there is certainly a number of other precedents established, particularly in administrative proceedings, for collection of penalties imposed for violation of government ethics laws.

066 REP. MARKHAM: In an ethics violation, can you get your money quicker than any other debtor in this state?

HEARN: I don't believe it would be quicker.

>This would merely put a lien if the debtor owned property.

>The lien would not be satisfied until if and when that property were sold or otherwise conveyed.

067 CHAIR WALDEN: Convenes as full committee. Basically what this does is allow you to bypass having to go to court each time. Instead you work it through your administrative process?

071 HEARN: Yes, that is correct. It is to provide consistency with the penalty enforcement position that currently exists relative to our jurisdiction in ethics laws. It would be appealable as is any administrative action taken.

075 CHAIR WALDEN: All the traditional appeals that are available under administrative law are available under this. This is boiler plate

language that appears elsewhere.

088 REP. COURTNEY: Are you having trouble getting these penalties?

090 HEARN: I don't believe there is a tremendous number of instances where it arises. I believe that the intent here is to provide consistency with existing statute and also to provide a method that would be more cost efficient to the state. There would be no cost to the Government Ethics Commission for counsel costs and lawsuits.

166 CHAIR WALDEN: Closes public hearing on HB 2167 and opens public hearing on HB 2817.

(Tape 18, Side A) HB 2817 - RELATING TO STATE INVESTMENTS, PUBLIC HEARING Witnesses: Rep. Carter, House District #18 Michael Ryan, Exec. Asst. to State Treasurer

175 REP. CARTER, HOUSE DISTRICT #18: Two sessions ago I sponsored a bill that would make it mandatory that the State of Oregon dispense with activities in South Africa. We passed a law making it mandatory that the State of Oregon would be totally divested from South Africa by June of 1991. The state treasurer has acted quite responsibly towards the obligations of this bill. However, since that time, the country of Namibia has won its independence from South Africa and as such ought to be exempt from sanctions we have imposed upon them. The country should be rewarded for abolishing apartheid and is in need of economic development. This removal would enable them to start rebuilding their financial conditions again.

In addition, this bill provides that if South Africa meets requirements set aside by the federal government that all the sanctions be lifted and we can direct the treasurer to reinvest state funds in South Africa.

Proposed LC HB 2817-2 amendments (Exhibit A) lists the standards that must be met: -release of political prisoners -allow democratic parties to be formed -repeal the group areas act which talks about what apartheid is -allows for negotiations with representatives of the black majority

225 MICHAEL RYAN, EXEC. ASST. TO STATE TREASURER: We are in complete support of the amendments (Exhibit A) as proposed by Rep. Carter.

>Basic dilemma is the potential for rapid continued change in South Africa including the complete removal of apartheid while you, the members of the Board of Directors are not in session, and at the same time the calendar for the complete divestiture requirements on the state treasurer would in fact still require divestiture.

>A creative and responsible way for the State of Oregon under certain circumstances with the abolishment of apartheid in South Africa, while the legislature is not in session, for us to take prudent action along those lines. I believe the bill will accomplish this for the legislature.

265 REP. CLARNO: Under section 9 (c) of HB 2817-2 amendments, would you explain to me the meaning of the word "unban".

RYAN: They used the language from the anti-apartheid act of 1986 passed by the Congress. This is a mirror image of what is in federal law.

Discussion followed and it was felt the language should remain as "unban" indicates the ban has been removed.

HB 2817 - RELATING TO STATE INVESTMENTS, WORK SESSION

311 MOTION: REP.COURTNEY moves to adopt the LC HB 2817-2 amendments dated 3/7/91 (Exhibit A).

VOTE: Hearing no objection, Chair Walden so moves. Rep. Mason and Parkinson were excused.

MOTION: REP. COURTNEY moves HB 2817 to the floor as amended with a do pass

recommendation.

VOTE: In a roll call vote, the motion carried with all members present voting aye. Rep. Mason and Parkinson were excused. REP. CARTER will carry the bill.

350 CHAIR WALDEN: Adjourns meeting at 5:35 p.m.

Submitted by: Reviewed by:

Mary Walling Greg Leo Assistant Committee Administrator

EXHIBIT LOG:

A - LC HB 2817-2 amendments, 2 pages