

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

March 4, 1991                      Hearing Room E 8:30 a.m.                      Tapes 54 - 56  
MEMBERS PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair  
Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley  
MEMBER EXCUSED: Rep. Lonnie Roberts VISITING MEMBER:     Rep. Sam  
Dominy, District 44 Rep. Bob Repine, District 49 STAFF  
PRESENT: Randall Jones, Committee Administrator Carolyn Cobb,  
Committee Assistant MEASURES CONSIDERED: HB 2517 - Increases Number  
of Members of Land Conservation and Development Commission, PH HB 2703 -  
Requires Oregon Liquor Control Commission Provide for Signs and Displays  
in Commission Stores, PH HB 2704 - Requires Specified State Agencies and  
Local Governments to Prepare Housing Cost Impact Statement, PH . 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 54, SIDE A

003 CHAIR MARKHAM: Calls the meeting to order at 8:42 a.m.

HB 2517 - INCREASES NUMBER OF MEMBERS OF LAND CONSERVATION AND  
DEVELOPMENT COMMISSION - PUBUC HEARING Witness: Sam Dominy, State  
Representative, District 44

012 SAM DOMINY, STATE REPRESENTATIVE, DISTRICT 44: Explains that while  
the original bill provided for the election of members, for cost and  
other reasons, it was decided it is not the time to do that. Instead  
recommends changing the method of appointment. Submits and reviews LC  
dash one amendments (EXHIBIT A). House Committee on State and Federal  
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-Submits map of Oregon with proposed districts drawn in (EXHIBIT B).

052 REP. FORD: The Commission makeup as it is now, is pretty much  
representative of what this bill is trying to accomplish.

057 REP. DOMINY: That is correct. Reviews how present members fit into  
the proposal.

083 REP. FORD: I think I would rather see this as an independent  
commission, and to bar appointment to the Commission of those holding  
elective office would be appropriate.

088 REP. DOMINY: I would not have a problem with that. Sen. Jolin, the  
other chief sponsor of the bill, concurs with the amendments.

095 REP. NOVICK: Have you seen the chronology of membership for the  
last sixteen years? It appears the last sixteen year's appointments  
closely mirror what you are trying to do.

101 REP. DOMINY: The current board is close to being proportioned  
throughout the state. At times it has been heavily slanted toward the  
northwest portion. In the future I want it to remain balanced as to  
representation of various areas.

112 REP. NOVICK: You don't think the five congressional districts are a  
good representation of the state?

113 REP. DOMINY: If all we had were the five congressional districts, I would feel more comfortable, but we have the additional members who can come from Multnomah County.

115 CHAIR MARKHAM: Why did you split the coast rather than divide parts of Lane and Douglas Counties?

118 REP. DOMINY: We would have to define the districts by other than county lines. I would have no problem with doing that, it just seems easier to use county lines.

127 REP. BELL: One of the things we are trying to do is add confidence in geographic locations. If part of Lane County is involved in the coast district and someone from Eugene is appointed, that is not going to serve the purpose of having a coastal representative. They may not think in the same terms as the people in the coastal regions.

140 REP. FORD: The way the congressional districts are apportioned now, and are likely to be in the next ten years also, conceivably all the commission members could be from west of the Cascades if you just went by congressional districts. 149 REP. NOVICK: If a future governor thinks the coast is the single most important district of the state, does this have the potential of a commission made up of members all from the coast plus Clatskanie?

156 REP. DOMINY: If the Committee would so desire, I would have no problem in redefining the coastal district by splitting off those portions of Lane and Douglas Counties. The commission does not presently have a member from the Eugene, Springfield area.

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169 CHAIR MARKHAM: Could you make the coast one contiguous district?

175 REP. FORD: Is there any reason why the northeast districts are so large and the southwest so small?

185 REP. DOMINY: I just drew the lines to divide the eastern part of the state, and I would have no problem with redoing them.

196 REP. BELL: We want a person appointed who more represents the type of land mass in the district.

203 REP. DOMINY: I tried to draw the boundaries as much as possible by population, as well as land mass.

215 REP. FORD: Deschutes County is going to be out of place, wherever you put it.

222 REP. DOMINY: I will put it together with the other amendments and let the Committee decide about Deschutes County.

229 REP. BELL: This is not meant to be a radical reformation of LCDC, it is simply a method to offer a structure that can give a little more trust and confidence in the system that plans the uses of our land.

247 REP. FORD: The people in Columbia County might not wish to be included in the tri-county area. Their outlook is closer to that of Clatsop County residents.

260 REP. DOMINY: We want LCDC to function, and in order to do that you need to have all geographical areas of the state to be able to have their input.

HB 2703 - REQUIRES THAT OREGON LIQUOR CONTROL COMMISSION PROVIDE FOR SIGNS AND DISPLAYS - PUBLIC HEARING Witnesses: Brian Boe, Distilled Spirits Council of the United States Rob Douglas, Seagrams, Inc. Karen Gregory, Director of Store Operations, Oregon Liquor Control Commission Rick Willis, Director of Merchandising, Oregon Liquor Control Commission

285 BRIAN BOE, DISTILLED SPIRITS COUNCIL OF THE UNITED STATES: This bill addresses a situation that has developed out of the initial enabling statutes that created the Oregon Liquor Control Commission (OLCC), which contained a ban on the advertising of distilled spirits. An informal opinion of the Attorney General's office concluded that under the current wording of the statutes, it is not within the Commission's discretion to establish in-store displays. This bill would change the statutes in that regard, but would reinforce the prohibition against any external advertising. The contemplated displays are not so much advertising as they are customer information. Explains the different types of displays that would be used. 387 CHAIR MARKHAM: Do you and your members have a problem with the OLCC setting parameters as to what can be done in this area?

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393 BOE: Those are policy decisions, we are neutral in that regard. 400 REP. FORD: Do you have any suggestions as to who should make the decisions regarding the size of the signs?

412 BOE: There are some standards, and you have before some regulations of the Bureau of Alcohol, Tobacco, and Firearms (EXHIBIT C). We are not sure if there are adequate directions in the federal regulations that addresses size of the advertising material. We would like to develop an amendment to the bill that would address that matter. -Suggests an amendment that would in the first sentence of the new language substituting the word "allow" for the word "provide",

TAPE 55, SIDE A

023 REP. NOVICK: The size issue is not addressed in the federal regulation.

031 REP. BELL: I was concerned about the use of the word "shall". Would you clarify if the bill allows the advertising to be optional at the discretion of individual agent? 037 BOE: Yes, it is at the discretion of the individual agent. 058 ROB DOUGLAS, SEAGRAMS, INC.: States he is appearing in support of the bill. On line 21, we would also like the words "provide for" removed and the word "allow" inserted. On line 28 suggests deleting the language after the period relating to size. Agrees the OLCC should have some rule-making authority and have

some control over the appearance of the advertising. We would not like the agency to take rule-making action which makes the bill more restrictive than envisioned or the federal standards. Submits some examples of the type of displays that Seagrams would like to see used.

100 KAREN GREGORY, DIRECTOR OF STORE OPERATIONS, OREGON LIQUOR CONTROL COMMISSION: Submits and summarizes written testimony (EXHIBIT D) supporting passage of the bill with an amendment clarifying the commission's role in the regulation of in-store advertising.

139 CHAIR MARKHAM: What would be unacceptable advertising?

141 RICK WILLIS, DIRECTOR OF MERCHANDISING, OREGON LIQUOR CONTROL COMMISSION: Something that would encourage drinking or show that it has some curative effect, or enhances athletic abilities. 144 GREGORY: Resumes written testimony. 153 REP. NOVICK: Are your current rules regarding advertising more restrictive than those of the Bureau of Tobacco, Alcohol and Firearms (13ATF)? 160 WILLIS: They are more restrictive in that currently, we do not allow it at all. The rule that is referred to in the bill is for licensed premises, bars and restaurants.

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170 REP. NOVICK: Would you have a problem with language in the bill saying rules would comply with BATF regulations, but not be more restrictive?

173 WILLIS: The Board of Commissioners has not discussed that. I think they would like to hold rule hearings, getting input from all the interested parties, and come out with the rules.

187 CHAIR MARKHAM: Are these available only for only post-off items?

190 WILLIS: As written it would be for any bottle in the store. That could be clarified by administrative rule.

213 CHAIR MARKHAM: Asks the interested parties to get together on amendments to the bill.

HB 2704 - REQUIRES SPECIFIED STATE AGENCIES AND LOCAL GOVERNMENTS TO PREPARE HOUSING COST IMPACT STATEMENT - PUBLIC HEARING Witnesses: Fred Van Atta, Oregon Homebuilders Association Don Miner, Oregon Manufactured Housing Association Lynn Schoessler, Deputy Director, Housing Agency Marge Kafoury, City of Portland Philip Fill, League of Oregon Cities Gordon Fouts, Organization of Oregon Counties

234 FRED VAN ATTA, OREGON HOMEBUILDERS ASSOCIATION: Appears in support of the bill which was introduced at the request of the Oregon Homebuilders Association. Discusses the impact of the actions of governments on the costs of homes in Oregon, and the opportunities for home ownership. -The effect of the bill is to get jurisdictions to think how their actions will affect the cost of housing. -Describes the principal provisions of the bill. -The dwelling that fits the criteria of the bill, drives the whole pricing structure of the housing market.

356 CHAIR MARKHAM: A number of years ago there was a bill that before an agency can promulgate rules they must disclose the economic impact.

366 VAN ATTA: Yes, that is precisely what I am referring to. Under this bill, they would still have to do the fiscal and economic impact statement required by that statute, but in addition they would have to look at the cost to this specific low-end dwelling.

383 CHAIR MARKHAM: Are we looking at the electrical, plumbing and structural side?

397 VAN ATTA: In section 2, we have listed the agencies to which it applies. It only applies to those state agencies that adopt rules that have an effect on the cost of housing.

406 CHAIR MARKHAM: Would one of those be where a city council decides it does not want a mobile home in certain parts of town? ~ - .

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414 VAN ATTA: Gives examples of the situations where the measure would apply.

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020 REP. NOVICK: Is the idea that if they do this impact statement, they will see the error of their ways, and not adopt these rules?

024 VAN ATTA: To the credit of local governments around the state, they are becoming increasingly aware there is a serious housing shortage in their communities. I am not sure they have made the connection, that with a housing shortage, they are still trying to build all their middle class values into all dwellings. The purpose of this bill is to try to help them make a connection.

032 BOB REPINE, STATE REPRESENTATIVE, DISTRICT 49: Our Housing Committee is trying to get a feel for what Oregon's housing needs are, and what constitutes costs, and what constitutes affordable housing. Our Committee would like to see this bill considered favorably. -Discusses the effect of mandated property improvements on the cost of a house.

067 CHAIR MARKHAM: This won't prevent that, but just get it out in the open?

071 REP. REPINE: The whole purpose of this bill is to try to identify costs and relative costs to housing, because the public needs to understand what causes those costs to rise.

078 CHAIR MARKHAM: An example is the Department of Energy may rule no fireplaces or wood stoves may be installed.

082 REP. REPINE: Gives example of how environmentally mandated improvements could increase the cost of a dwelling.

114 REP. NOVICK: Who adopted the new building code?

118 VAN ATTA: It was adopted by the Energy Conservation Board and the Structural Codes Advisory Committee in December and goes into effect January 1, 1992.

147 REP. NOVICK: Did your organization participate in the hearings leading to the adoption of the new building codes?

151 VAN ATTA: We were present, but no one paid any attention to us. Explains this bill would not have affected what they did. -Describes actions of the Northwest Power Council and the Bonneville Power Administration with regard to the adoption of standards and codes.

233 CHAIR MARKHAM: Could they have gotten that through the legislature?

236 VAN ATTA: No, they could not have.

262 CHAIR MARKHAM: Give us a summation of what the bill will do.

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265 VAN ATTA: It will require state agencies and local governmental jurisdictions that make administrative rules or ordinances, to think through the impact on the cost of housing. We do not see this requiring the hiring of a high priced consultant to come in and do a multithousand dollar study. It would not have a major impact on the agency.

303 REP. SOWA: This looks like a good idea, but I do not see any language in the bill that says that they have to pay any attention to the cost after it has been calculated. 316 VAN ATTA: There is not an enforcement clause in the bill. There may be a reason for the rule and cost is not important. The only thing we can do here is to try to make people understand the costs and hope common sense prevails. Too many times, policy makers are making these decisions without understanding the cost involved.

336 REP. BELL: It also makes the cost impact available to the public. I believe with this information available, the pressure will come from the public.

TAPE 55, SIDE B

017 DON MINER, OREGON MANUFACTURED HOUSING ASSOCIATION: We support this bill and think it long overdue. -Describes study done by the Land Conservation and Development Commission (LCDC) on housing costs. -Describes actions being contemplated by Jefferson County and Klamath County with regard to manufactured homes. -Describes ordinances of the City of Keizer with regard to the locating of manufactured homes. -The bill does not prohibit local government from taking an action, it only requires that they look at the impact. -Urges support of the measure.

070 LYNN SCHOESSLER, DEPUTY DIRECTOR, HOUSING AGENCY: We support this bill in concept. As I read this bill, it appears there is a duplicate statement required. As an agency we welcome the precise definition of the house to be costed. Working with the industry to establish the statement format would not be a burden, and we would work with all involved to get that prepared as expeditiously as possible. 093 CHAIR MARKHAM: Tells us about the Housing Agency. 094 SCHOESSLER: Describes the Housing Agency and its functions. 120 CHAIR MARKHAM: What amendments to this bill do you want? 121 SCHOESSLER: I do not have a

specific modification, I would just have this housing cost impact be reflected for state agencies in the administrative rules, the statement of need and fiscal impact, so it is clear that this is the standard that it will be based upon. 134 PHIL ABEL, LEAGUE OF OREGON CITIES: Speaks in opposition to the bill. -It is a rare local government that does not already do what this bill requires us to do. -You may need to add language that says there is no local government liability if the required

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estimate is incorrect. -We view this bill as proposing another mandate on local government. 170 MARGE KAFOURY, CITY OF PORTLAND: We join the League in saying that affordable housing is a laudable goal. -Cites examples of what the City of Portland has done to promote affordable housing.

211 CHAIR MARKHAM: Did you have to nudge the bankers a little to get them involved?

213 KAFOURY: Yes, we did, but many of the banks are being very responsible now and are very much involved in this effort with us. Describes the city's major code rewrite which was meant specifically to encourage affordable housing. -If this bill had been in place, it would have had the unintended effect of adding to the cost of the code rewrite and thus to the cost of housing. -This bill looks like one of those meaningless paper work exercises.

247 GORDON FOUTS, ASSOCIATION OF OREGON COUNTIES: A number of the ordinances we would adopt in the land use area might be as a result of having a comprehensive plan from LCDC. If they are going to do an impact statement at their level, do we have to do a subsequent one at our level? We are concerned about the cost involved in terms of the mandate. It would seem that housing cost impact is something the local homebuilders would present to cities and counties anyway. 268 REP. NOVICK: When the City of Portland adopts ordinances dealing with the density of row houses, would it be fair to say the housing cost impact that deals with a single family, 1,200 square foot home would be relative useless? 274 KAFOURY: Yes, it is. We do not even have a 6,000 square foot lot in our code, so we would have to do something to translate the model to affordable housing in the city. 298 REP. BELL: I would like to see more willingness on the part of counties and cities to cooperate in this effort to do something about a major problem. 309 FOUTS: Our concern is the cost and whether we are getting another mandate. The question is how much can we do and what should be the appropriate priorities. 318 ABEL: We are extremely concerned about the cost of housing and the lack of affordable housing in our communities. Submitted by:

Reviewed by:

Carolyn Cobb Randall Jones Assistant Administrator

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EXHIBIT LOG:

A - Amendments to HB 2517 - Rep. Dominy - 2 pages B - Testimony on HB 2517 - Rep. Dominy - 1 page C - Testimony on HB 2703 - Brian Boe - 14 pages D - Testimony on HB 2703 - Karen Gregory - 2 pages

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