

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

May 22, 1991 Hearing Room E 8:00 a.m. Tapes 146 - 147
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: Sen. Joan
Dukes, District 1 Sen. Glenn Otto, District 11 STAFF PRESENT: Randall
Jones, Committee Administrator Carolyn Cobb, Committee Assisht
CONSIDERED: SB 306 - Changes Population Threshold That Governs
Nomination of Board Members, Election Procedures and Consolidation
Procedures for education Service Districts, PH SB 886 - Allows Certain
Water Districts to Notify Users of Water of Supply Cutoff for Specified
Reasons by First-Class Mail or By Posting of Notice on Affected Property
in Place of Notice by Registered Mail, PH, WS SB 953 - Designates
Columbia River Maritime Museum to be Oregon State Maritime Museum, PH,
WS HB 3155 - Prohibits Service of Summons by Person Other Than Sheriff
Unless Person Files \$100,000 Certificate of Errors and Omissions
Insurance With Secretary of State, WS

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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 146, SIDE A

003 CHAIR MARKHAM: Calls the meeting to order at 8:12 a.m.

SB 306 - CHANGES POPULATION THRESHOLD THAT GOVERNS NOMINATION OF BOARD
Hottse Colmitt Be on State and Federal Affairs May 15, 1991- Page 2

MEMBERS ELECTION PROCEDURES AND CONSOLIDATION PROCEDURES FOR EDUCATION
SERVICE DISTRICTS - PUBLIC HEARING Witnesses: Glenn Otto, State Senator,
District 11 Allan J. Thede, Chairman, Legislative Committee of the
Oregon Association of - Education Services Districts

009 ALLAN J. THEDE, CHAIRMAN' LEGISLATIVE COMMITTEE OF THE OREGON
ASSOCIATION OF EDUCATION SERVICE DISTRICTS: Submits and summarizes
written testimony (EXHIBIT A) in support of the measure. 035 REP.
FORD: Why doesn't Washington County Educational Service District (ESD)
want to be able to participate in this? 038 THEDE: I am reluctant to
speak for Washington County ESD on this. They have done an analysis and
they do not believe their election costs would be cut very much by going
to this biennial election. 048 REP. FORD: I would like to be able to
contact my Washington County people on this. There are a lot of statutes
that are coming up this year that are strictly for Multnomah County.
053 REP. BELL: How would this bill be affected by the bill we heard
to eliminate the May election in the off-years? 058 CHAIR MARKHAM:
Aren't there provisions in this bill besides the every other year
elections? 060 THEDE: Essentially that is the major factor in the
bill. 063 REP. NOVICK: When Rep. Ford talks with her folks, they may
just want to change the word "shall" to "may" and leave the 300,000
threshold. 072 CHAIR MARKHAM: If a district wants to have all
directors run "at larger, how do you change it? 075 THEDE: The
provision for whether directors run by zone or "at large" is a statutory
provision, so it would have to be changed in the statute. 076 CHAIR
MARKHAM: By the legislature or by the local district? 077 THEDE: I

believe it could be changed by the local boundary board. Public Hearing on SB 306 re-opens on page 5.

SB 886 - ALLOWS CERTAIN WATER DISTRICTS TO NOTIFY USERS OF WATER OF SUPPLY CUTOFF FOR SPECIFIED REASONS BY FIRST-CLASS MAIL OR BY POSTING OF NOTICE ON AFFECTED PROPERTY IN PLACE OF NOTICE BY REGISTERED MAIL - PUBLIC HEARING Witnesses: Burton Weast, Special Districts Association of Oregon

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106 BURTON WEAST, SPECIAL DISTRICTS ASSOCIATION OF OREGON: The bill changes the way legal notice is provided to shut off water or to notify people of violations of water district rules. -Only recently have most districts become aware of the requirements of the current law. -Asks support for the bill.

146 CHAIR MARKHAM: Does this have anything to do with their not paying their bill?

147 WEAST: Yes it does. The first section of the bill deals with violations of district rules. The second section deals with the cutoff of the supply of water. . 157 REP. FORD: Some water districts must have known because for years in our area people have been getting registered letters. Is that an inconsistent thing?

160 WEAST: It was very inconsistent. It was the attorney for Wolf Creek that pointed out to us that it was being done wrong. As time went on practice began to vary from the way the law was written.

179 REP. NOVICK: Are we setting ourselves for a situation where there may be an absentee landlord who may not realize there is a problem if you just post something on the house?

181 WEAST: What this bill really does is to allow the district to do both. In practice, generally they post, but if it is an absentee landlord they send a letter as well. It is our belief this is not going to cause a problem for absentee landlords.

SB 886 - ALLOWS CERTAIN WATER DISTRICTS TO NOTIFY USERS OF WATER OF SUPPLY CUTOFF FOR SPECIFIED REASONS BY FIRST-CLASS MAIL OR BY POSTING OF NOTICE ON AFFECTED PROPERTY IN PLACE OF NOTICE BY REGISTERED MAIL - WORK SESSION

193 MOTION: REP. BELL moved SB 886 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Sowa, and Chair Markham voting AYE. Rep. Oakley and Rep. Roberts were excused. Work session on SB 886 re-opens on page 8.

SB 953 - DESIGNATES COLUMBIA RIVER MARITIME MUSEUM TO BE OREGON STATE MARITIME MUSEUM - PUBLIC HEARING Witnesses: Garry Breckon, Columbia River Bicentennial Commission Sen. Joan Dukes, District 1 Jerry Ostermiller, Chief Executive Officer, Columbia River Maritime Museum

215 JERRY OSTERMILLER, CHIEF EXECUTIVE OFFICER, COLUMBIA RIVER

MARITIME MUSEUM: Submits copy of brochure distributed by the Museum (EXHIBIT B). . . . Minutes contain materials which paraphrase and/or summarize the document 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 House Committee on State and Federal Affairs May 15, 1991- Page 4

-The intent of this bill is to develop recognition by the State of Oregon of the Columbia River Maritime Museum as an institution serving the maritime heritage needs of the citizens of Oregon. -The purpose is not a name change, but recognition that the museum deserves this honor. -Gives brief history of museum and a description of its accreditation.

231 CHAIR MARKHAM: Who does the accreditation?

232 OSTERMILLER: The American Association of Museums. Describes the operation of the museum.

245 CHAIR MARKHAM: Do you have a tax base to help you?

246 OSTERMILLER: No sir, we do not, we are a 501 (c) 3 non-profit organization and we do not receive state or federal support.

250 CHAIR MARKHAM: Do your admissions cover two-thirds of your costs?

251 OSTERMILLER: Pretty much. We have an endowment that helps with about one-third, corporate sponsors help with a third, and admissions and membership helps with the rest. 274 JOAN DUKES, STATE SENATOR, DISTRICT 1: In 1987 this legislature created the Columbia Riva Bicentennial Commission. As part of the celebration of the 200th anniversary of the discovery by Captain Robert Gray of the Columbia Riva, the Commission asked that I introduce this bill. They felt the elevation to be the Oregon State Maritime Museum was appropriate. It is truly representative of the maritime history of the State of Oregon.

324 GARY BRECKON, DIRECTOR, COLUMBIA RIVER BICENTENNIAL COMMISSION: -The museum has outstanding exhibits, collections and programs. -They will be hosting next year the annual meeting of the Council of American Maritime Museums. -SB 953 will recognize and confirm the leadership role the Columbia Riva Maritime Museum plays nationwide. Locally, with this recognition the museum will be able to expand and improve its already outstanding programs. 360 REP. FORD: Under Section 1, subsection 2, what is the role of the Department of Transportation? 369 SEN. DUKES: That is existing language. They have never had an involvement, so we do not know what that is either. We have received no state funding, don't anticipate any and have not asked for any. 390 REP. FORD: Will this bill change the name of the museum? 399 OSTERMILLER: It is not our intention to change the name. It will assist our corporate fund raising and visitation, which is already increasing each year. 409 REP. FORD: Will you put something on these brochures to let the public know?

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411 OSTERMILLER: Certainly.

SB 953 - DESIGNATES COLUMBIA RIVER MARITIME MUSEUM TO BE OREGON STATE MARITIME MUSEUM - WORK SESSION

418 MOTION: REP. FORD moved SB 953 to the floor with a "do pass" recommendation.

VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Sowa, and Chair Markham voting AYE. Rep. Oakley and Rep. Roberts were excused.

Work session on SB 953 re-opens on page 8.

TAPE 147, SIDE A

SB 306 - CHANGES POPULATION THRESHOLD THAT GOVERNS NOMINATION OF BOARD MEMBERS, ELECTION PROCEDURES AND CONSOLIDATION PROCEDURES FOR EDUCATION SERVICE DISTRICTS - PUBLIC HEARING

020 GLENN OTTO, STATE SENATOR, DISTRICT 11: The problem arises from the fact that Washington County has increased its population to over 300,000, and many of our statutes are written with 300,000 as the threshold. Washington County now has a population of about 316,000 which makes many of our laws obsolete. The bill does not change the law, it only changes the population threshold. Urges approval of SB 306.

042 REP. FORD: Why is it necessary to have so many laws different for counties with populations over 300,000?

045 SEN. OTTO: I think there is a bill being sponsored by the Association of Counties that goes through and identifies those counties where you have a population threshold. We cannot name a county in Oregon laws, we have to refer to it by some other means.

059 REP. FORD: Was it just that there was something different in Multnomah County or was it because of the large population that some of these laws were put in?

063 SEN. OTTO: I think was because of the large population. It would seem to me that most of our laws dealing with county government should be the same for all counties. Multnomah County is the only county that has a Tax Supervising and Conservation Commission. That has had advantages over the years because we have never had to publish our reports of county expenditures in the newspaper.

092 REP. NOVICK: If we did not pass this bill, Washington County would go to the biennial election for their Education Service District. Would that be a problem for them?

094 SEN. OTTO: I think yes. If you go to biennial elections, it would be very easy for a group to

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control the elections. That is why I favor annual elections for school board members and ESD members.

104 REP. FORD: Is there any reason not to leave in the 300,000 or put 500,000 and change the word "shall" to "may"? 107 SEN. OTTO: I think that would be acceptable. However, "shall" is positive, and "may" is a

little less than positive and as a result people can play games with it. I do not see any great harm in changing "shall" to "may". 114 REP.

FORD: Is there any problem with repealing this entire statute?

116 SEN. OLTO: I do not know. It was not discussed in our committee.

119 REP. FORD: In that case, Multnomah County would have to join the other counties in having the annual elections. 122 SEN. OTTO: I do not know if it would pose more problems than that or not.

125 VICE CHAIR SOWA: There is a section of the 1987 law that is repealed in this bill. Do you know what that refers to? 126 SEN.

OTTO: I do not think that was discussed in our committee.

HB 3155 - PROHIBITS SERVICE OF SUMMONS BY PERSON OTHER THAN SHERIFF
UNLESS PERSON FILES \$100.000 CERTIFICATE OF ERRORS AND OMISSIONS
INSURANCE - WORK SESSION

144 BOB KEYSER, OREGON ASSOCIATION OF PROCESS SERVERS: Submits and summarizes written testimony (EXHIBIT C) giving examples of improper service of process. -Submits and reviews proposed hand-engrossed dash one LC amendments dated 5/3/91 (EXHIBIT D).

198 CHAIR MARKHAM: The attorneys have signed off on these amendments?

199 KEYSER: That is correct.

203 REP. BELL: If the purpose of this bill is to require the servers to protect themselves, I do not see the purpose in the bill. It is not generally the policy of the state to require citizens to purchase any kind of insurance. When we do require insurance, it is usually to protect an innocent victim. As I understand this law, it will not do that.

213 KEYSER: It will in that, for example, if you were to going to make a claim in small claims court, if the process server you hired made some mistake in the service, making the service and your claim invalid, you have a course of action against the server. There may be some who do not care about the mistakes they make because they go into business one day and out the next. Collection agencies and individuals could be harmed by that. Even though you have a course of

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action against that process server, if they do not have insurance you may not be able to collect any damages. 234 REP. BELL: It was my understanding that ultimately the attorney who prepares the papers would be the one who is liable. 237 KEYSER: Not all papers are prepared by attorneys. 238 REP. BELL: Or whoever prepares the papers or hires the server. 241 KEYSER: Some papers are prepared by collection agencies. They may have to forgive that debt if the papers are served improperly. So it would protect the collection agency. 248 REP. BELL: They need to provide their own protection and probably most legitimate collection agencies do that. The ultimate liability is not with the server.

256 KEYSER: I believe that information is incorrect. 264 REP. BELL: I really worry about requiring insurance. I just do not know if it is proper to require everyone who offers a service to have this kind of insurance that costs them \$1,000 a year. 275 KEYSER: But what we are

talking about is people who serve legal papers. Because of that, there are situations that may arise where people are damaged. 289 REP. BELL: The person being served has nothing to lose because if they are not served properly they just do not have to go to court. 292 KEYSER: The person the papers are being served for could be damaged. 293 REP. BELL: And those folks have their liability covered through the people they hire to prepare the papers. 294 KEYSER: Small claims papers are prepared by the claimant themselves. 296 REP. BELL: If we are talking small claims, I don't know we need a hundred thousand dollars worth of errors and omissions insurance. 300 CHAIR MARKHAM: I think the testimony showed it comes with their general liability insurance for most of them. 303 KEYSER: It does not necessarily come with it, but it is available as a rider. 306 REP. BELL: The people who have the ultimate liability don't see the need for the bill, when they are already covered. 311 REP. FORD: The attorneys are amended out of this bill now, so it is a moot question.

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315 MOTION: REP. FORD moved to adopt the hand-engrossed dash one LC amendments dated 5/3/91 to HB 3155 (EXHIBIT D). 317 VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Sowa, and Chair Markham voting AYE. Rep. Oakley and Rep. Roberts were excused. 338 MOTION: REP. FORD moved HB 3155 as amended to the floor with a "do pass" recommendation. 346 VOTE: In a roll call vote, the motion carried, with Rep. Ford, Rep. Novick, Rep. Sowa, and Chair Markham voting AYE. Rep. Bell voting NAY. Rep. Oakley and Rep. Roberts were excused.

SB 886 - ALLOWS CERTAIN WATER DISTRICTS TO NOTIFY USERS OF WATER OF SUPPLY CUTOFF FOR SPECIFIED REASONS BY FIRST-CLASS MAIL OR BY POSTING OF NOTICE ON AFFECTED PROPERTY IN PLACE OF NOTICE BY REGISTERED MAIL WORK SESSION 351 REP. OAKLEY: Requests unanimous consent that the rules be suspended to allow her to be recorded as voting AYE on the motion to move SB 886 to the floor with a "do pass" recommendation. 353 CHAIR MARKHAM: Hearing no objection, it is so ordered.

SB 953 - DESIGNATES COLUMBIA RIVER MARITIME MUSEUM TO BE OREGON STATE MARITIME MUSEUM - WORK SESSION 354 REP. OAKLEY: Requests unanimous consent that the rules be suspended to allow her to be recorded as voting AYE on the motion to move SB 953 to the floor with a "do pass" recommendation. 355 CHAIR MARKHAM: Hearing no objection, it is so ordered.

HB 3155 - PROHIBITS SERVICE OF SUMMONS BY PERSON OTHER THAN SHERIFF UNLESS PERSON FILES \$100,000 CERTIFICATE OF ERRORS AND OMISSIONS INSURANCE WITH SECRETARY OF STATE - WORK SESSION 356 REP. OAKLEY: Requests unanimous consent that the rules be suspended to allow her to be recorded as voting AYE on the motion to move HB 3155 to the floor with a "do pass" recommendation. 358 CHAIR MARKHAM: Hearing no objection, it is so ordered.

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Submitted by: Reviewed by: Carolyn Cobb Randall Jones
Assistant Administrator

EXHIBIT LOG:

A - Testimony on SB 306 - Allan J. Thede - 1 page B - Testimony on SB
953 - Jerry Ostermiller - 2 pages C - Testimony on HB 3155 - Bob Keyser
- 2 pages D - Amendments to HB 3155 - Bob Keyser - 2 pages

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