

Senate Government Operations March 15, 1991 Page 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.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

March 15, 1991Hearing Room "B" 3:00 p.m. Tapes 43 -44

MEMBERS PRESENT:Sen. Glenn Otto, Chair Sen. Jane Cease, Vice-Chair
Sen. Jim Bunn Sen. Ron Grensky Sen. Dick Springer

MEMBERS EXCUSED:Sen. John Kitzhaber Sen. Tricia Smith

STAFF PRESENT: John Houser, Committee Administrator Jayne
Hamilton, Committee Assistant

MEASURES CONSIDERED: SB #313 - Relating to payroll
deductions, PH SB #163 - Relating to powers of the Governor, WS

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TAPE 43, SIDE A

005 CHAIR OTTO: Called the meeting to order at 3:10.

(TAPE 43, SIDE A)

PUBLIC HEARING

SB 313 RELATING TO PAYROLL DEDUCTIONS

Witnesses:Bob Kintigh, Senator, District 14 Rod Johnson, Representative, District 45 Glen Fahs, Executive Department Bob Muir, Department of Justice James Gourley, Local 1189 United Paperwork International Union Terry Witt, Oregonians for Food and Shelter Fred VanAtta, Association of Oregon Loggers Rachel Teston, Citizen Thermal Smith, Oregon State Grange

009 BOB KINTIGH, SENATOR, DISTRICT 14: "I wish to speak in opposition to SB 313 , because I think that it will take away money from worthy charities that need every dollar they can raise. With ever increasing numbers of homeless, unemployed and displaced timber workers, United Fund and it's members, are unable to care for all of the people who seek help. The word charitable according to our dictionary, means benevolent or liberal in benefactions to the needy. Always charity refers to relationships to people. As worthy as some of the other causes may be, the bottom line with me is that people come first, when money is limited. I urge you to reject this bill."

020 OTTO: I don't know how we could draft a bill that would exclude certain groups, and approve other groups.

031 KINTIGH: My understanding of the present law is that it's charitable and I would say to leave it at that.

033 OTTO: What does the statute say now about contributions?

037 KINTIGH: It says, "engaged in charitable and public health and welfare services" I like that limitation.

044 CEASE: The new language says "distribution to organizations engaged in charitable activities"

059 BOB MUIR, DEPARTMENT OF JUSTICE: Read written testimony, Exhibit B. Reviewed written amendments, Exhibit A.

204 GLEN FAHS, EXECUTIVE DEPARTMENT: Read written testimony, Exhibit C.

279 OTTO: You mentioned charitable organizations. Are these

contributions limited to just charitable contributions?

281 FAHS: Yes. The rules specifically say that they need both state and federal charitable tax status.

285 OTTO: I have received numerous letters in opposition to this bill, due to the concern that the money would be turned over to various environmental groups.

292 FAHS: There is a Federation called The Environmental Federation of Oregon that participates. The money is restricted to charitable purposes according to the law. Any lobbying activities conducted are separate organizations and the money does not go to that.

305 MUIR: I just learned yesterday that HB 3385 is also proposing amendments to one of the two statutes referred to in this bill. It proposes amendments to ORS 292 .067 and would place restrictions on what monies could be deducted for.

320 HOUSER: Distributed written testimony from Paul Morehead, Exhibit D, and Sen. Brennehan, Exhibit E.

329 JAMES GOURLEY, LOCAL 1189 UNITED PAPERWORK INTERNATIONAL UNION: Read written testimony, Exhibit F.

TAPE 44, SIDE A

020 GOURLEY: Continued with written testimony.

049 ROD JOHNSON, REPRESENTATIVE, DISTRICT 45: I've created a bill, HB 3385, that will limit these deductions to union dues, union political action committees, personal direct financial obligations such as mortgages, and charitable organizations, that are those that provide direct aid for persons in need. No deduction can be authorized to be made to any organization, regardless of the tax status, engaged in any political activities. The point here is we have a dispute in this state that's being waged.

094 CEASE: I don't see the Sierra Club listed on the list of charitable organizations.

095 JOHNSON: The Sierra club is a member of the Environmental Federation which is included amongst the participants of the program.

102 CEASE: But the political activities of the organization are not allowed to use any of the money?

104 JOHNSON: As I understand the witness from the Executive Department, that is correct. The last point I want to make is not only are state tax dollars being used, and I would challenge the validity of that assumption that those funds could be segregated out so that we're not suffering from these funds that are raised under this. If you're not a person that considers yourself on the side of the timber dependant communities and the families that live there, if you're just concerned about such things as human services, down town Portland and school support, you need to be concerned about preserving the income and the income taxes that the timber industry created in this state. It's not appropriate for hard working loggers' taxes to be used to support the organizations that are shutting down our forest.

124 CEASE: I believe there are probably taxes of mine that go for people on welfare in every corner of the state. I think it's probably wiser not to get geographical about the attack.

130 JOHNSON: I just want to point out that the timber industry is important to this state regardless of what area you're from or what point of interest you have.

133 CEASE: I fully support having my property tax dollars be higher because of agriculture and forest exemptions. That's a long standing state policy that a lot of us have supported for years and years. I don't think it does any good to come in and imply that down-town Portland doesn't support timber.

140 JOHNSON: I realize there are people who are supportive of timber in Portland. That wasn't my point. My point was that if you live in a community that is not normally thought of as timber dependant, it does not mean that you shouldn't also be concerned about the manner in which these organizations, that are supported by this payroll system, are shutting down timber industry.

147 SPRINGER: How much was the timber harvest last year in Oregon?
About eight billion board feet?

150 JOHNSON: Eight sounds familiar, but I wouldn't want to be quoted on it.

151 SPRINGER: I don't see that as shutting down the timber industry in Oregon.

152 JOHNSON: First off you have to recognize that there has been a reduction in the amount of timber already, and there is currently a tentative decision by a judge in Seattle that will shut it down completely.

158 SPRINGER: A Federal Judge decided a Federal agency violated Federal law. I don't think there's much we can do about that.

160 JOHNSON: The people who brought that law suit are supported by this kind of effort, that's the point.

161 SPRINGER: Any citizen is entitled to bring law suit.

162 JOHNSON: Any citizen is entitled to do anything they want including employees who are entitled to contribute to what ever they want. The question in this bill is whether or not we as tax payers of this state, who don't agree with this policy, should help raise money by saving them the cost of a stamp. That's the point.

166 SPRINGER: I don't think that suggesting that these groups are shutting down the forest will contribute a whole lot to a meaningful discussion of the issue.

167 JOHNSON: I respectfully beg to differ. That's the point of the whole thing.

177 ROD HARDER, OREGON LANDS COLLISION: We are in opposition of SB 313. We are in strong support of United Way and of all the truly charitable organizations.

201 CEASE: Are you in support of the other bill?

205 HARDER: I have not had an opportunity to look at Rep. Johnsons' bill thoroughly but if what I hear is the total essence of the bill then yes we would support it.

209 CEASE: The other bill doesn't do anything as I see in the copy to remove from the statute the part that the court found unconstitutional, that covers the United Fund.

212 HARDER: We support addressing that, as I said in the beginning of my testimony. We support truly charitable organizations being allowed to do the same thing that United Way does.

261 TERRY WITT OREGONIANS FOR FOOD AND SHELTER: Read written testimony, Exhibit G.

445 CEASE: You don't have objections to United Way and charities that fit the description of the kind of things that the federal program allows?

452 WITT: That's correct.

460 CEASE: In Oregon we require people to register to lobby according to the amount of time they have spent. Therefore there are United Way people who qualify for any number of other charities. It doesn't matter if you're paid or not, if you're influencing legislation you're lobbying, just like you are. That might be pretty complicated if you're going to start defining on the basis of a registered lobbyist, particularly when some of those organizations have to hire someone or find a volunteer to come in when their bill is addressing their tax status. Do you have any suggestions about that?

TAPE 43, SIDE B

022 WITT: It is difficult to define those groups that do have true charitable groups that perhaps need to lobby for budget purposes or whatever, verses those that are in the business of obstructing, what I believe to be, worthwhile state or private activities.

030 CEASE: Aren't there people who are valid even if you disagree with them? Isn't that the bill of rights?

032 WITT: I believe it is the bill of rights. I also believe it is my right as a tax payer that our tax dollars should be going towards what I consider to be worthwhile and beneficial. I don't believe that is what most of the general public believe their tax dollars are being used for.

039 CEASE: There's the example of the agricultural farm deferral taxes that I mentioned, that costs all of us money.

042 WITT: I don't see any farm advocacy groups trying to masquerade as charities and gaining benefits from that avenue. That's our concern.

045 CEASE: I understand that, but my property taxes are higher because of farm deferral property in Multnomah County. I don't object to that, but there are people who do. I think when you open up one thing you may have trouble with the other.

051 SPRINGER: You made reference to a litigation against the state. What litigation were you referring to?

052 WITT: There are several. Northwest Collision for Alternatives to Pesticides is involved in litigations against the Department of Environmental Quality relative to water standards and P.D.S. standards. There are several others of that type.

067 SPRINGER: Let's just step back a minute and look at the big picture. People can keep fighting on different fronts but sometime we're all going to have to sit down and work it out person to person. Do you think that the people who have come here today to raise this fight are getting us closer to the day when we're going to sit down and work this out? What's the point of making a fight over SB 313? Does that get us any closer to a resolution to these issues that are tearing up the fibers of this state? I don't think so!

080 WITT: I think the same question can be asked of those groups who are attempting to change the system for their own personal benefit. Does that bring the system any closer to a system where we can sit down and work out our differences?

084 SPRINGER: How do you mean change the system for their own benefit?

085 WITT: The original problem that was focused on charitable contribution program did not involve the environmental community. It involved the Black United Fund. The Black United Fund based on my understanding meets the qualifications of a charity as the rule was written at the time of the challenge. The point being, is this a proper use of government funds and government time? I don't happen to believe it is.

118 SPRINGER: This seems like such a small issue to have a fight over. We really should be spending our time and our energy on the far larger areas.

122 WITT: I believe it may be a small issue to you, but I think it is one that does not deserve turning our back on.

133 FRED VANATTA, ASSOCIATION OF OREGON LOGGERS: Our membership asked me to come here and express their opposition to this legislation.

178 RACHEL TESTON, CITIZEN: "I am strongly opposed to this legislation."

200 THERMAL SMITH, OREGON STATE GRANGE: We oppose this bill. Charity is the basic foundation on which our organization was founded. We oppose funds going to any organization where there is a possibility it might release other funds for other activities that are not actively charitable.

(TAPE 43, SIDE B)

WORK SESSION

SB 163 RELATING TO POWERS OF THE GOVERNOR

Witnesses: David Cassel, Assistant Administrator of the Emergency Management Division of the Executive Department

223 HOUSER: Distributed proposed amendments to SB 163, Exhibit H, and reviewed the bill and the amendments for the committee.

240 DAVID CASSEL, ASSISTANT ADMINISTRATOR OF THE EMERGENCY MANAGEMENT

DIVISION OF THE EXECUTIVE DEPARTMENT: Read written testimony, Exhibit I, and reviewed the amendments for the committee.

276 OTTO: What you're saying is that there would not be any predetermined person to notify the Secretary of State, right?

279 CASSEL: The way I understand it is that the Executive of the Department would be able to do it if that person were here. If that person wasn't here the Governor couldn't designate someone else.

Meeting adjourned at 4:30

Submitted By:

Jayne Hamilton
Assistant

Reviewed By:

Joan Green
Assistant

EXHIBIT LOG

A - Written Amendments to SB 313, Bob Muir, 1 page B - Written testimony to SB 313, Bob Muir, 2 pages C - Written testimony to SB 313, Glen Fahs, 5 pages D - Written testimony to SB 313, Paul Morehead, 2 pages E - A letter written to Sen. Otto in regards to SB 313, Sen. Brenneman, 1 page F - Written testimony to SB 313, James Gourley, 9 pages G - Written testimony to SB 313, Terry Witt, 5 pages H - Proposed amendments to SB 163, staff 2 pages I - Written testimony to SB 163, David Cassel, 2 pages