

Senate Government Operations May 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

May 15, 1991Hearing Room "B" 3:00 p.m. Tapes 91 - 92

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

MEMBERS EXCUSED:Sen. John Kitzhaber

STAFF PRESENT: John Houser, Committee Administrator Julie Muñiz, Committee Assistant

MEASURES CONSIDERED: SB 1214 - Relating to intergovernmental authorities, PH/WS SB 924 - Relating to administration of building codes, WS SB 307 - Relating to counties, WS

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TAPE 91, SIDE A

005 CHAIR OTTO: Called the meeting to order at 3:15 p.m.

(TAPE 91, SIDE A)

PUBLIC HEARING

SB 1214 RELATING TO INTERGOVERNMENTAL AUTHORITIES

Witnesses: Sen. Joyce Cohen, Oregon State Senator, District 13 James Shannon, Municipal Advisory Commission Craig Allen, South Fork Water Board Tom O'Connor, League of Oregon Cities Linda Lynch, City of Eugene

014 JAMES SHANNON, MUNICIPAL ADVISORY COMMISSION: Reads written testimony, Exhibit A.

063 OTTO: The way I understand the bill, a group of government agents would issue one revenue bond and they would pay off that bond.

070 SHANNON: That's correct.

071 OTTO: Rather than going out for more revenue bonds?

073 SHANNON: That's correct. We're attempting to centralize the process to reduce costs and for better management purposes.

078 OTTO: If one unit of government wanted to drop out of the agreement, what would happen?

080 SHANNON: They would be obligated to continue until that debt is paid off.

084 HOUSER: How would the liability be divided if the jurisdictions were different size?

087 SHANNON: Gives an example. Under this proposal, the jurisdictions would come together to create an authority that would issue the bonds. The revenue source would be the intergovernmental agreement creating the authority.

116 BUNN: If you had seven local government and one defaulted, what would happen?

120 SHANNON: They would be responsible for their share of the intergovernmental agreement.

124 BUNN: I assume the remaining six would have to pick up the slack until that was dealt with.

126 SHANNON: No. This would all be set by contract. The revenue source will be identified by contract with each jurisdiction having a different percent of the responsibility. The bonds are to be repaid from the repayments of each jurisdiction. Each jurisdiction has by contract a fixed liability. The bond holders would suffer.

140 BUNN: Until the default was remedied, the bond holder would get a fraction of what was paid?

142 SHANNON: That's correct.

146 CEASE: So the functions of this intergovernmental authority performs are limited to the things listed in the first section of the bill?

151 SHANNON: Section 1 identifies what part is being changed, the bold is what's being added, and the bracketed is what's being taken away.

156 CEASE: Looking at the statutes, we're amending the intergovernmental cooperation part of the statute. The bonds that we're talking about are these things in sub-section 2?

170 SHANNON: Reads sub-section 1.

173 CEASE: So that's what the agreement would cover. What does the reference "this sub-section" in line 19 refer to?

190 SHANNON: Sub-section 2.

191 SPRINGER: Would this permit a metro-like regional government to be created de facto for the purpose of issuing bonds?

203 SHANNON: The only change is to allow the issuance of revenue bonds through an intergovernmental agreement. If a metro-organization is created, so be it.

222 SEN. JOYCE COHEN, OREGON STATE SENATOR, DISTRICT 13: I don't want to take away the statement of intent that was just made. This will help allow existing jurisdictions to gather themselves together and provide services that the revenue bond holders will come forward with.

235 SPRINGER: Say the citizens of a county get a transit organized and want to upgrade their transit. Could they use the revenue to purchase it?

245 SHANNON: Under current law, they can do it. The problem is, how do they finance it? This just says we don't need two bond issues. Let's let the authority issue those bonds utilizing all the safeguards in current statutes. Then once you follow those procedures, those bonds are only payable from the revenue source that's been identified for the payment of those bonds.

263 SPRINGER: There are some school districts that need to limit transportation. I don't think the school district has the authority to issue revenue bonds. But if they linked with a transit authority, the district may be able to reimburse this entity for their services. That may be a good deal for all concerned.

273 SHANNON: Under current law, you must have revenue producing facility.

289 CEASE: So if cities wanted to, they could go together and form an intergovernmental authority and pledge the revenue of that system to do that. What you're really doing is taking the ability to broaden the base.

314 SHANNON: Our intent is not to broaden any authorities.

316 CEASE: I don't mean the authorities, I mean the potential base for repayments of the bonds.

318 COHEN: In the potential use of buying bonds, the authority is going to be looking at the problem and make sure that it's workable. You'll see all of that sorted out by anyone who's going to buy a bond.

339 CEASE: Is there any need to define an intergovernmental authority? There needs to be some identifiable accountability to the voter.

360 COHEN: We're really talking about units of local government. This gives them an opportunity to be efficient and effective in their costs. I've been convinced that what we're doing is appropriate for enhancement of the opportunity to provide effective services.

397 SMITH: Would an intergovernmental authority be created for each of the projects, or if you create an intergovernmental authority does it live forever until someone makes it go away.

409 SHANNON: The intergovernmental authority would be created by intergovernmental agreement. They can limit it to one project or they can create it all the time in case they need it.

435 COHEN: (I'd ask you to read section 5.) Reviews section 5.

450 SMITH: The public purpose couldn't be to facilitate any projects they dream up?

456 SHANNON: I would be reluctant to indicate that would be sufficient satisfaction of the statute.

461 SMITH: So they need to have some specific projects in mind?

467 SHANNON: Exactly. If you had three water districts getting together they could have a general purpose, but it's focused on providing the water.

474 SMITH: Sounds like you only need one big water district and not a lot of little ones. I understand the need, I'm concerned about the broadness.

482 COHEN: We've been trying to get a consolidation of those smaller districts and we haven't made much progress.

TAPE 92, SIDE A

035 CRAIG ALLEN, SOUTH FORK WATER BOARD: This bill allows the simplification of the process of issuing the bonds. It doesn't create any new authorities for governments to do things they couldn't do already. We believe appropriate safeguards have been included in the bill. Some of the questions I've raised point to the issues that have been addressed by the bill. Asks for support.

076 TOM O'CONNOR, LEAGUE OF OREGON CITIES: There are two things attractive about this legislation: a) provides the opportunity for small cities to go together and provide for efficient provision of services, b) it allows a first step for cities to work together for jointly solving problems and obtain more efficient solutions.

104 LINDA LYNCH, CITY OF EUGENE: Gives support for the bill. We're really good at identifying with problems but don't have an efficient tool with dealing with these problems. This is a good tool. With it we can finance something together and not have to deal with who's in charge, who's going to issue the bonds, or how to finance.

(TAPE 92, SIDE A)

WORK SESSION

SB 1214 RELATING TO INTERGOVERNMENTAL AUTHORITIES

146 MOTION: SEN. CEASE MOVED SB 1214 TO THE FLOOR WITH A DO PASS RECOMMENDATION

160 VOTE: MOTION CARRIED, 5-1. VOTING NO: SEN. BUNN. (EXCUSED: SEN. KITZHABER). SEN. COHEN WILL CARRY THE BILL.

(TAPE 92, SIDE A)

WORK SESSION

SB 924 RELATING TO ADMINISTRATION OF BUILDING CODES

Witnesses: Sen. Paul Phillips, Oregon State Senator, District 4.

157 SEN. PHILLIPS, OREGON STATE SENATOR, DISTRICT 4: Reviews history of the bill and past testimony.

175 OTTO: What are the actual costs?

177 PHILLIPS: Costs were calculated on what it cost to complete the job -- equipment, hours, management time, whatever.

186 OTTO: Does actual costs take into account appreciation, for example?

190 PHILLIPS: It's my interpretation that it will be based on a reasonable rate and that the costs of the expense to process the permit application.

200 SPRINGER: It's been suggested that schools are having designer model school designs and not utilizing the simpler models that would reduce architectural fees. Do you have any response to that?

213 PHILLIPS: That's a very lame analysis of why someone would propose this bill.

216 SMITH: Could we limit the number of these requests per year in actual costs?

229 PHILLIPS: Anyone who has gone through the permit process would want to limit the number of times they apply because of the costs of managing those permits.

238 BUNN: I've gone to our county planning department several times and each time I had to pay for the plan check. Wouldn't this help the school with the generic models because the actual costs would be lower?

252 PHILLIPS: Absolutely. It would be considerably more convenient.

256 BUNN: So if you put in identical units, their time involved in this is lower.

262 PHILLIPS: Absolutely.

267 OTTO: If the school districts are being overcharged, I think the local government involved keeps close check. If we limit this bill, who picks up the other costs?

280 PHILLIPS: Government provides a service and the service of processing applications for permits should not have any hidden fees. They shouldn't be transferring costs to private sectors.

299 SPRINGER: Is there a concern some local governments are attempting to piggy-back their planning costs?

312 PHILLIPS: The issue here is the permitting. They've worked very tightly. They haven't used this to shoot at some jurisdiction.

328 BUNN: Without this bill, can the city set up a double billing system or do they have to charge people the same rate for the same service?

337 PHILLIPS: I can't answer that.

339 BUNN: I assumed that the building department had to charge the same rate for the same service.

347 PHILLIPS: Reviews -1 amendments, Exhibit C.

360 BUNN: Is there a problem if we don't adopt the -1 amendments?

263 PHILLIPS: They're all encompassing.

370 MOTION: SEN. BUNN MOVED THE -1 AMENDMENTS FOR SB 924. MOTION CARRIED BY ACCLAMATION.

390 MOTION: SEN. BUNN MOVED SB 924 TO THE FLOOR AS AMENDED WITH A DO PASS RECOMMENDATION.

399 VOTE: MOTION CARRIED, 4-1. VOTING NO: SEN. CEASE. (EXCUSED: SEN. KITZHABER, SEN. OTTO). SEN. PHILLIPS WILL CARRY THE BILL.

(TAPE 92, SIDE A)

WORK SESSION

SB 307 RELATING TO COUNTIES

428 MOTION: SEN. BUNN MOVED SB 307 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

442 BUNN: This is a straightforward effort to deal with the population shift for Washington and Clackamas County.

453 SPRINGER: I don't disagree. Unfortunately, the counties have an agenda, and the two counties are not participating in those issues. The leadership of the two counties that want this bill are the leadership of the Association of Oregon Counties. There are other issues that the counties are negatively affecting. I'm voting no until those counties participate productively on broader issues.

483 BUNN: There's a difference in opinion over what is productive. This is positive and productive. Let's move it out.

TAPE 91, SIDE B

036 VOTE: MOTION FAILED, 3-3. VOTING NO: SEN. CEASE, SEN. SMITH, SEN. SPRINGER. (EXCUSED: SEN. KITZHABER).

039 Meeting adjourned at 4:15 p.m.

Submitted
By:

Reviewed By:

Julie Muñiz
Green
Assistant
nt

Joan

Assista

EXHIBIT LOG

A - Written testimony, James Shannon, 2 pgs. B - SB 924 Fiscal Analysis, Staff, 1 pg. C - SB 924-1 amendments, Sen. Phillips, 1 pg.