

Senate Government Operations May 20, 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 20, 1991Hearing Room "B" 3:00 p.m. Tapes 95 - 96

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 Joan Green, Committee Assistant

MEASURES CONSIDERED:HB 2017 - Relating to nonprofit gaming; declaring an emergency, PH/WS HB 2044 - Relating to state employee fidelity bonds, PH/WS HB 2184 - Relating to historic property, PH/WS HB 2257 - Relating to public land transactions; appropriating money, PH/WS

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 95, SIDE A

005 CHAIR OTTO: Called the meeting to order at 3:17 p.m.

(TAPE 95, SIDE A)

PUBLIC HEARING

HB 2017 RELATING TO NONPROFIT GAMING; DECLARING AN EMERGENCY

Witnesses:Ross Laybourn, Department of Justice, Assistant Attorney General Jack Elder, Oregon Supports Action

014 Staff measure summary and fiscal analysis, Exhibit B, distributed.

017 ROSS LAYBOURN, DEPARTMENT OF JUSTICE, ASSISTANT ATTORNEY GENERAL: Reviews history leading to the 1987 legislation regulating bingo and raffles. Reviews written testimony, Exhibit A.

106 JACK ELDER, OREGON SUPPORTS ACTION: Submits testimony, Exhibit C. Supports HB 2017. Our organization requested the increased wages and hours amendments. With the increased wage we could keep good quality personnel.

129 OTTO: What is your workers compensation rate?

130 ELDER: I don't know what it is currently, at one time we were about a \$1/1,000. We have a low accident rate.

137 OTTO: You carry liability insurance?

138 ELDER: Yes, we carry liability on the building and property around it. Each licensee must also carry liability.

144 OTTO: The other four licensees operate basically 40-50 hours a week?

146 ELDER: Currently we are operating at 60.5 hours a week. Seven evenings a week, two late nights and three day time sessions.

154 OTTO: How many people attend a bingo game?

155 ELDER: We can seat up to a maximum of 298 people. On New Years Eve we pack the house. On a regular Wednesday evening, for example, we have 230-240.

(TAPE 95, SIDE A)

PUBLIC HEARING

HB 2044 RELATING TO STATE EMPLOYEE FIDELITY BONDS

Witnesses:Dave White, Risk Management Division, Department of General Services, Administrator

172 HOUSER: Distributes staff measure summary, Exhibit D.

176 DAVE WHITE, RISK MANAGEMENT DIVISION, DEPARTMENT OF GENERAL SERVICES, ADMINISTRATOR: Reviews written testimony, Exhibit E.

197 SMITH: When this occurs, and an agency reports this loss, does the report include some sort of disposition of the employee?

201 WHITE: Not at all. The disposition of the employee comes through 2-3 possible mechanisms. The Department of Justice becomes involved.

207 SMITH: Who is we?

208 WHITE: The Risk Management Division and the Audit Division together. Many agencies are involved in this at once.

209 SMITH: If this bill passes and the Audit Division doesn't investigate . . .

211 WHITE: Then the Risk Management Division would hand it over to the Department of Justice for the same purpose.

213 SMITH: The purpose of the Division of Audits investigation is to try to recover the loss?

215 WHITE: No, it is to determine the full nature and extent of the loss. Then it is turned over to the bond company, which is us if it is under \$50,000 and the commercial bond company if it is over \$50,000. The agency is made whole and then we subrogate to the rights against that employee. The criminal charge is up to the District Attorney, the civil case is brought by either the Risk Management Division or the surety.

228 SMITH: If you investigate.

227 WHITE: There will be an investigation. The question is whether the Audit Division must investigate in every case.

235 SMITH: If the Audit Division doesn't investigate, Risk Management will investigate?

235 WHITE: Yes. Continues with review of testimony, Exhibit E.

272 OTTO: Approximately how many cases of dishonesty by state employees do you get per year?

275 WHITE: We have had 44 claims for approximately \$500,000,000 in the last seven or eight years. It can vary widely. We have had as little as one claim in a year and this year we already have ten. Losses can be as low \$5,000 to as high \$161,000. I'm concerned about the losses we haven't discovered yet.

WORK SESSION

299 MOTION: SEN. SMITH MOVED HB 2044 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

303 VOTE: MOTION CARRIED, 6-0. EXCUSED: SEN. KITZHABER. CHAIR OTTO WILL LEAD THE FLOOR DISCUSSION.

(TAPE 95, SIDE A)

WORK SESSION

HB 2017 RELATING TO NONPROFIT GAMING; DECLARING AN EMERGENCY

318 MOTION: SEN. CEASE MOVED HB 2017 A-ENGROSSED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

323 VOTE: MOTION CARRIED, 5-1. EXCUSED: SEN. KITZHABER. (VOTING NO: SEN. BUNN) SEN. SPRINGER WILL LEAD THE FLOOR DISCUSSION.

(TAPE 95, SIDE A)

PUBLIC HEARING

HB 2184 RELATING TO HISTORIC PROPERTY

Witnesses: Cecil Edwards, Historian Cameron Birnie, Department of General Services, Transportation and Distribution Division, Administrator Layne Sawyer, Member of Historic Properties Commission, Deputy State Archivist

343 HOUSER: Distributes staff measure summary and fiscal analysis, Exhibit G.

344 CECIL EDWARDS, HISTORIAN: Reviews written testimony, Exhibit F.

441 OTTO: When I was on the Historical Properties Commission with Debs Potts we recovered the old columns from the burnt Capitol. They are now displayed on the east grounds of the Capitol.

454 GRENSKY: Why is so much of the burnt Capitol in the creek?

461 EDWARDS: On April 25, 1935 the creek was not so much in the City of Salem, as it is now. It was close and . . .

466 SMITH: An illegal dump site.

467 GRENSKY: Basically because it was a hole in the ground?

467 EDWARDS: No, they thought it would be a kind of revetment to the banks. I think mostly it was close. The Highway Department sold Model-T Ford trucks for something like \$5/each to Mr. Steinbach, who got the contract to haul the debris. He wasn't making as much as he could so he didn't haul any further than he had to.

481 GRENSKY: So now it's being dredged back up?

484 EDWARDS: So to speak.

TAPE 96, SIDE A

035 LAYNE SAWYER, MEMBER OF HISTORIC PROPERTIES COMMISSION, DEPUTY STATE ARCHIVIST: Reviews testimony, Exhibit H.

064 CAMERON BIRNIE, DEPARTMENT OF GENERAL SERVICES, TRANSPORTATION AND DISTRIBUTION DIVISION, ADMINISTRATOR: Reviews testimony, Exhibit I.

WORK SESSION

089 MOTION: SEN. CEASE MOVED HB 2184 TO THE FLOOR WITH A DO PASS RECOMMENDATION.

092 VOTE: MOTION CARRIED, 6-0. EXCUSED: SEN. KITZHABER. SEN. CEASE WILL LEAD THE FLOOR DISCUSSION.

(TAPE 95, SIDE A)

PUBLIC HEARING

HB 2257 RELATING TO PUBLIC LAND TRANSACTIONS; APPROPRIATING MONEY

Witnesses: Bill Nickleberry, Department of General Services, Facilities Division, Lands Manger Maynard Hammer, Department of General Services, Facilities Division, Administrator

103 HOUSER: Distributes staff measure summary and fiscal analysis, Exhibit K.

109 BILL NICKLEBERRY, DEPARTMENT OF GENERAL SERVICES, FACILITIES DIVISION, LANDS MANGER: Reviews testimony, Exhibit J.

WORK SESSION

197 MOTION: SEN. CEASE MOVED HB 2257 A-ENGROSSED TO THE FLOOR WITH A DO PASS RECOMMENDATION.

201 SMITH: There is no uniform procedure for the sale of buildings on state owned property. Will this bill take that circumstance into one procedure, as well as the land itself?

212 MAYNARD HAMMER, DEPARTMENT OF GENERAL SERVICES, FACILITIES DIVISION, ADMINISTRATOR: This bill will provide a process to address the building, as well as the property, for any agency that must use the Department of General Services to dispose of surplus property. If it is a dedicated fund or a particular type of property that a state agency is empowered to own, in its own name . . .

224 SMITH: What do you mean "if it is a dedicated fund", if the agency is a dedicated fund?

225 HAMMER: Yes.

225 SMITH: Oregon Department of Transportation (ODOT) for example?

226 HAMMER: Correct. Several state agencies are empowered to own real property in their own name and they might or might not have to use the Department of General Services process to dispose of that property. Much would depend on the kind of property.

233 SMITH: I was hoping you would tell me this bill would pull everyone together under the same set of rules. Particularly for the disposition of real property on land. We are losing a lot of potential housing stock because people cannot follow the state's rules.

247 HAMMER: I agree. We attempted in this bill to create a process that was explainable. We did not attempt to disrupt any existing authorities in law. More agencies are using our process because Bill has the ability to use the process quickly and give advice on it. I believe much of what you wish will be attained, but this bill does not empower us to force an agency to use this process.

261 OTTO: I think Sen. Smith's original question was what happens if you move a state-owned building off of state grounds, then how is it disposed of?

267 SMITH: You sell it first and then the purchaser moves it, right?

The problem is some agencies advertise them for sale and then give 15-30 days to make a proposal. That is not adequate time to compile a proposal of that type. Other agencies, like General Services, have been very cooperative in allowing purchasers to put a proposal together and present it to the agency. We have been able to save quite a bit of housing in the Salem area as a result of that cooperation. With the widening of I-5, that is coming more into play.

287 VOTE: MOTION CARRIED, 6-0. EXCUSED: SEN. KITZHABER. SEN. SMITH WILL LEAD THE FLOOR DISCUSSION.

298 Meeting adjourned at 4:03 p.m.

Submitted
By:

Joan Green
Muñiz
Assistant
nt

Reviewed By:

Julie

Assista

EXHIBIT LOG

A - Testimony, Laybourn, 3 pgs. B - Staff measure summary and fiscal analysis, Staff, 2 pgs. C - Testimony, Elder, 3 pgs. D - Staff measure summary, Staff, 1 pg. E - Testimony, White, 1 pg. F - Testimony, Edwards, 4 pgs. G - Staff measure summary and fiscal analysis, Staff, 2 pgs. H - Testimony, Sawyer, 1 pg. I - Testimony, Birnie, 1 pg. J - Testimony, Nickleberry, 2 pgs. K - Staff measure summary and fiscal analysis, Staff, 2 pgs.