



Legislative Bulletin

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SB 400 Goes Back To Committee

By Steve Bryant, Interim Legislative Director

During its floor session Thursday, the House sent SB 400, the public safety collective bargaining bill, back to the Business and Labor Committee chaired by Representative Mike Schaufler (D-Happy Valley).

Following a tight vote on the floor Wednesday, it was clear by Thursday morning there was interest on both sides of the aisle to move the bill back to committee for consideration of other compromise amendments which might garner increased support for eventual passage. A motion to that effect quickly passed on a voice vote.

The House gallery was overflowing Wednesday with off-duty firefighters and other interested parties, while lobbyists and legislators worked furiously in the hallways to make last-minute arguments. Floor speeches were passionate on both sides of the issue and it was clear that the vote was going to be extremely close (see box on page 4).

Previously, the House Business and Labor Committee adopted amendments to the bill to remove the words "potential" and "and the workload," but the League continued to argue against language concerning "staffing levels" and a wide range of "safety issues" that would become new mandatory subjects of bargaining.

Members who spoke from the floor on Wednesday in support of cities and in opposition to the bill included Representatives Vicki Berger (R-Salem), Andy Olson (R-Albany), Sal Esquivel (R-Medford), Chuck Burley (R-Bend), Fred Girod (R-Stayton), and Jerry Krummel (R-Wilsonville).

Several Representatives indicated that they might support the bill if the provisions for mandatory bargaining over "staffing levels" were taken out. Staffing levels remain a primary concern for local governments, and are likely to become the center of attention during the upcoming committee discussion.

City officials made their voices heard throughout this debate, and many comments were heard from legislators about contact they had received from cities in their districts.

Hometown Action



Please contact your legislators and urge them to support the governor's recommendation to use \$100 million in lottery backed bonds for infrastructure programs in OECDD's budget (see article on page 2).

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OECD Budget Considered

By Willie Tiffany, Senior Associate, Governmental Relations

The Ways & Means Subcommittee on Transportation and Economic Development, chaired by Senator Betsy Johnson (D-Scappoose), conducted a series of hearings this week on SB 5508, the Oregon Economic and Community Development Department (OECD) budget.

In his recommended budget for OECD, Governor Kulongoski proposed a continued investment in local communities: \$100 million into the Community Development Fund for local infrastructure projects.

Because the 2007-09 recommended budget from the Ways and Means co-chairs that was presented late this week is still in summary format, it is unknown whether or not the governor's proposed investment in infrastructure will be part of that budget.

The \$100 million investment would come from the sale of revenue bonds backed by the state lottery. Once allocated to local communities, they are paid back over time through low interest loans, which can then revolve around again for assistance to other local communities.

Federal resources for infrastructure have dwindled significantly over the past two decades. Fortunately, the state operates programs to help cities address much needed infrastructure improvements. The Community Development Fund within the OECD budget houses most of these programs, including the Special Public Works Fund, the Water/Wastewater Fund and the Brownfield Redevelopment Fund. While these funds have been very effective in leveraging local revenue to build projects, the number of projects needing assistance outweighs the ability of the fund to address local community needs.

Ways and Means Co-Chairs Provide Budget Outline

By Andy Shaw, Associate, Governmental Relations

The Joint Ways and Means Committee co-chairs, Representative Mary Nolan (D-Portland) and Senator Kurt Schrader (D-Canby), presented their recommended budget Thursday before members of the House and Senate. The details of the plan were not provided by the co-chairs and must still be worked out in the Ways and Means subcommittees.

The co-chairs' budget focuses on K-12 schools, adding \$240 million to what Governor Kulongoski proposed, bringing total state spending for schools to \$6.25 billion. At \$13.8 billion, the co-chairs budget is \$10 million smaller than the budget the governor proposed.

In addition to the school funding increase, noteworthy budget items include:

- \$100 million in lottery-backed bonds for ConnectOregon II;
- A transfer of \$50 million from ODOT highway funds to counties losing federal timber revenues;
- \$250 million for commuter light rail projects; and
- Funding for 100 new state police officers.

It is currently unclear how the co-chairs' budget will address funding for community infrastructure (see article on OECD budget, above). Governor Kulongoski's recommended budget included a major LOC priority: \$100 million in lottery backed bonds to infuse the OECD Community Development Fund. However, the co-chairs' allocation of total lottery bonds has not been released.

The Community Development Fund is the major state program used by local communities to finance vital water, sewer, road, industrial site, and utility infrastructure projects.

A PowerPoint presentation of the co-chairs' budget is available online at:
www.leg.state.or.us/comm/lfo/2007_2009_cochair_budget.pdf.

Hearing Scheduled for Cancer Presumption Bill

By Lynn McNamara, Deputy Director, City County Insurance Services

Are cancers diagnosed in firefighters work-related? SB 560 presumes that a wide range of cancers are, and thus would be subject to workers' compensation benefits. The bill will have its first hearing Monday (March 26) in the Senate Commerce Committee, chaired by Senator Floyd Prozanski (D-Eugene). The League opposes the bill in its current form as it would recognize some common forms of cancers as job-related injuries without considering other factors, such as lifestyle or family history.

SB 560 duplicates services already available to many firefighters who receive health and disability coverage from their employers. And it may have unintentional, negative consequences for firefighters themselves. For cities, the cost implications are significant, even before any claims are made.

As described in SB 560, firefighters with more than five years of service who are diagnosed with cancer of the brain, skin, or digestive, hematological (blood and blood-producing organs), and genitourinary (reproductive and waste-producing organs) systems would be presumed to have a work-related condition, and could receive payments for medical care and time-loss from the workers' compensation system.

Firefighters who develop a job-related cancer are already eligible for workers' compensation benefits. However, unlike most other workers' compensation claims, SB 560 shifts the burden of proof from the employee to the employer. The employer would have to provide "clear and convincing medical evidence" to show that a pre-hire or subsequent physical had identified that cancer, or to prove that the cancer was not work-related.

The Management Labor Advisory Committee (MLAC), which is part of the Oregon Department of Business and Consumer Services and reviews workers' compensation legislation, has discussed SB 560 twice, but has not, at this writing, developed a formal recommendation. The League recognizes that this is a complicated issue involving conflicting scientific studies, and is supportive of MLAC's desire to review the matter further.

SB 560 raises substantial concerns for all cities providing fire services, as well as for the firefighters the bill seeks to help:

- While there is no question that firefighters are subject to health risks, the emotion behind the bill is much stronger than the science. While some studies have found possible relationships between a few cancers and firefighting exposures, it is far from the definitive relationship for a sweeping range of cancers that SB 560 presumes.
- Medical care for firefighters may be compromised because of the natural disconnects between the health insurance and workers' compensation systems. Health problems not directly related to the cancer would not be paid for by workers' comp; meanwhile, the medical carrier may not voluntarily pay for treatment where a workers' comp claim is active. The afflicted employee may be left in the middle, forced to deal with the legal and billing problems that result.
- Workers' compensation costs will increase, driven by an expectation of new medical costs, as well as time-loss costs during treatment, and potential disability awards at the end of a claim. In the Employee Benefits Services health program in 2004-05, 13 of the claims in excess of \$100,000 were for cancers that would be compensable under SB 560; the average cost was \$168,000 in that year. The cost of a permanent partial disability award is estimated at \$200,000 to \$300,000.
- There will be a new, significant cost of pre-employment and subsequent testing of firefighters for a wide and diverse range of cancers. The procedures themselves are likely to be invasive and unpleasant for the employee.

Firefighters are valued public servants whose dedication is not at issue. What is at issue is whether cities should have to assume a costly mandate for a benefit that, when warranted, is already provided.

Save the Date

Wednesday, April 25th is City Hall Day at the Capitol. This is an opportunity for city officials from across the state to come to Salem to advocate for issues that are priorities for Oregon cities. This event is part of Hometown Voices, the League's grassroots advocacy program. On this day, city officials will demonstrate their collective strength by joining together to illustrate how issues being decided in Salem impact their communities.



The day's activities will include a briefing on legislative issues, discussion with legislative leadership, and most important, a chance for city officials to meet one-on-one with their Senators and Representatives. **Don't miss this important event!** Registration information is coming soon.

This week SB 400 A-engrossed (collective bargaining) was referred back to committee for further discussion (read more on page 1).

The League thanks city officials for your advocacy efforts with legislators. Your efforts are making a difference! Please remain in close contact with legislators as work on SB 400 continues.

Bill to Eliminate Municipal Court Jurisdiction over DUIs Gets Hearing

By Scott Winkels, Associate, Governmental Relations

The House Judiciary Committee, chaired by Representative Greg Macpherson (D-Lake Oswego), will hear HB 3163 on Friday, March 23. The bill would eliminate municipal court jurisdiction over DUIs in most cases.

Proponents of HB 3163 argue that municipal courts that are not courts of records do not always report DUII cases to the state, and as a result persons with multiple DUII convictions are being sentenced to diversion when they should be sentenced as repeat offenders.

The League is opposing HB 3163, as it would have the unintended consequence of diverting DUII cases to already overbooked circuit courts, thereby delaying adjudication of these cases to an unacceptable period of time.

SB 400 House Floor Vote March 21, 2007

Representatives who voted NO (27):

Barker, Berger, Boquist, Burley, Butler, Cameron, Cowan, Dallum, Esquivel, Flores, Garrard, Gilliam, Gilman, Girod, Hanna, Jenson, Krieger, Krummel, Lim, Maurer, Morgan, Olson, Richardson, Scott, P. Smith, Thatcher, Whisnant

Representatives who voted YES (29):

Barnhart, Beyer, Bonamici, Bruun, Buckley, Cannon, Clem, Dingfelder, C. Edwards, D. Edwards, Galizio, Gelsner, Greenlick, Holvey, Hunt, Komp, Kotek, Macpherson, Speaker Merkley, Nathanson, Nolan, Read, Riley, Roblan, Rosenbaum, Schaufler, Shields, Tomei, Witt

Representatives Excused:

Boone, Minnis, Nelson, and G. Smith

(The bill needed 31 "yes" votes for passage.)

Transportation Funding Package Taking Shape, Building Momentum

By Andy Shaw, Associate, Governmental Relations

A transportation funding package is taking shape that envisions modest current revenue increases and a plan to make major future investments. Having received long-anticipated input and guidance on transportation priorities from business leaders, an informal group of legislators is now working to put a transportation funding plan on paper.

Senator Rick Metsger (D-Welches), chair of the Senate Business, Transportation and Workforce Development Committee, is seeking the input of transportation stakeholders on a five-point, multi-legislative session plan to shore up support for significantly increased transportation resources (posted on LOC's Web site). Representative Terry Beyer (D-Springfield), chair of the House Transportation Committee, plans to hold hearings on state and local transportation needs within the next two weeks.

Next week, the statewide "cost of congestion" study, commissioned by the business community and transportation stakeholders, will be released along with a call for increased annual transportation funding in the range of \$350 million. Simultaneously, the League will publish a report on the state of city roads and the need for a significant investment in the local transportation infrastructure.

New Proposal on School Impact Fees Emerges

By Andy Shaw, Associate, Governmental Relations

SB 366, the proposal to establish a capped school impact fee, was heard Wednesday in the Senate Finance and Revenue Committee, chaired by Senator Ryan Deckert (D-Beaverton). The previous hearing on SB 366 occurred in a Beaverton High School library room packed with school advocates. However, Wednesday's hearing was decidedly low key, as the committee chair had made it clear prior to the hearing that he would be introducing an alternative proposal to fund school capital costs through a construction excise tax.

The new proposal, which will be introduced in bill form within days, is sponsored by the Oregon Home Builders Association, which opposes the school impact fee and has proposed combining any new school charge with park SDCs in the past. The excise tax would be assessed on new construction and capped at an unspecified percentage, with the goal of raising approximately \$100 million for school construction. The proposal would also preempt local governments from imposing a construction excise tax for any other purpose or in excess of the capped amount.

Senator Deckert plans to hear both proposals in committee and pledged to move forward a proposal that increases growth-related revenues for school capital costs.

The *Legislative Bulletin* is published weekly by the League of Oregon Cities.

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For a wealth of city-related legislative information, go to the LOC home page and click on "Legislative."

The new and improved legislative page gives quick access to the summaries, text and status of all of the bills of interest to cities. Other page features include:

- ✓ Legislative Alerts
- ✓ Legislative Bulletin
- ✓ List of legislators by city
- ✓ All cities in a legislative district
- ✓ Legislator contact information
- ✓ District maps

Selected Bill Summaries

The following are bills of city interest. Summaries are included weekly to outline the issues that may be discussed in hearings during the session.

The bills are categorized by city concern, using the League's standing and issue committee titles. The bill's number is followed by an identifying title and a summary of the salient features.

Finance & Tax: Property Tax

HB 3417 Historic Commercial

Property: Creates a "main street property" incremental tax credit of one-third of the increase in assessed property value for owners rehabilitating historic commercial property.
(By Rep. Butler)

Finance & Tax: SSR

HB 3370 OLCC Liquor

Revenues: Directs the OLCC to transfer from the revenues to be distributed to the state, an amount equal to five percent of gross revenues derived from the sale of distilled liquor to the Oregon Criminal Justice Commission Account. Dedicates these revenues to the operation of drug court programs and substance abuse and mental health treatment.
(By Rep. Nathanson)

HB 3421 Beer Tax Increase: Increases the tax on malt beverages each year over a five-year period and dedicates the revenues to fund state police operations (80%) and county treatment programs (20%). (By Reps. Esquivel and Buckley)

Parks

HB 3418 Main Street Program - Historic Commercial Property:

Creates the Oregon Main Street Program within the State Parks and Recreation Department. Requires the department to provide services to local communities to preserve the historic character of commercial neighborhoods.
(By Rep. Butler)

Transportation Funding

SB 1021 Vehicle Registration Fees

- Fuel Efficiency: Decreases vehicle registration fee for "fuel-efficient vehicles", defined as vehicles with a fuel efficiency rating of 40 miles-per-gallon. Increases registration fees for sport utility vehicles with fuel efficiency of 16 miles-per-gallon or lower. (By Senate Committee on Business, Transportation, and Workforce Development)

HB 3413 ODOT Funding:

Programs of Statewide Significance: Appropriates \$50 million to ODOT from the state general fund to support projects of statewide significance. (By Reps. Thatcher and Hunt)

Hearing Schedule

All hearings are held at the Capitol unless otherwise noted.

Monday, March 26, 2007

Re: HB 3298. Expansion in Number of Enterprise Zones

Where: HR C - Workforce And Economic Development

When: 8:00 a.m.

Re: HJR 14. Double Majority Reform

Where: HR E - Elections, Ethics And Rules

When: 8:30 a.m.

Re: HB 2385. Auto Coverage for Permissive Drivers

Where: 357 - Judiciary

When: 8:30 a.m.

Re: HB 2761. Allows Local Instant Run-Off Elections

Where: HR E - Elections, Ethics And Rules

When: 8:30 a.m.

Re: HB 3262. Local Investment Pool

Where: HR A - Revenue

When: 1:00 p.m.

Re: HB 2626. Electronic Waste

Where: HR C - Energy And The Environment

When: 1:00 p.m.

Re: SB 560. Disease Presumption for Firefighters

Where: HR B - Commerce

When: 3:00 p.m.

Re: HB 2715. Employment Verification of Undocumented Workers

Where: HR D - Business And Labor

When: 3:00 p.m.

Re: HB 2422. Cigarette Tax Shared Revenue

Where: HR 357 - Transportation

When: 3:00 p.m.

Re: HB 2033. County Road Funding Deficit Program

Where: HR 357 - Transportation

When: 3:00 p.m.

Tuesday, March 27, 2007

Re: SB 615. Boundary Appeals in Metro

Where: HR B - Education And General Government

When: 8:15 a.m.

Re: HB 2963. Oregon Tax Expenditure Commission

Where: HR A - Revenue

When: 1:00 p.m.

Re: HJR 26. Tax Expenditures

Where: HR A - Revenue

When: 1:00 p.m.

Re: SB 838. Renewable Power Standard

Where: HR B - Environment And Natural Resources

When: 3:00 p.m.

Wednesday, March 28, 2007

Re: HB 2133. Late Post-Conviction Appeal

Where: 357 - Judiciary

When: 8:30 a.m.

Re: HB 2508. Photo Radar Expansion

Where: 357 - Judiciary

When: 8:30 a.m.

Re: SB 544. Arbitration for Removal Fill Final Orders

Where: 343 - Judiciary

When: 1:00 p.m.

Re: SB 554. Written Response for Public Records Request

Where: 343 - Judiciary

When: 1:00 p.m.

Hearing Schedule *(continued)*

Re: SB 671. Limiting Attorney Client Privilege

Where: 343 - Judiciary

When: 1:00 p.m.

Re: HB 2871. 36% APR for Consumer Loans

Where: HR E - Consumer Protection

When: 1:00 p.m.

Re: HB 2712. Task Force on Land Division

Where: HR D - Business And Labor

When: 3:00 p.m.

Re: HB 2713. Utility Easements

Where: HR D - Business And Labor

When: 3:00 p.m.

Re: HB 2541. Limits City's Business License Authority

Where: HR D - Business And Labor

When: 3:00 p.m.

Re: HB 2443. Off Premise Sales

Where: HR D - Business And Labor

When: 3:00 p.m.

Thursday, March 29, 2007

Re: SB 417. Lane County Boundary Commission

Where: HR B - Education And General Government

When: 8:15 a.m.

Re: SB 775. Oregon Governance Council

Where: HR B - Education And General Government

When: 8:15 a.m.

Re: HB 3126. Municipal Audits

Where: HR E - Government Accountability And Information Technology

When: 1:00 p.m.