



Legislative Report

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Speaking on Behalf of the League? There are Rules.



*Alice Bartelt,
Action Chair*

If you are a League member and find that there are times you would like to speak up on issues, **we encourage you to take action**. But there are rules to follow. As individuals, one should not speak as a League representative without going through the approval process that has been formally adopted at the local, state, and national levels.

At the local level, the general rule is, that the President or a designee acts as spokesperson, and prior board approval for any statement is required. A similar procedure is in place at the state and national levels. **The key thing to remember is that a statement is only issued when a League position exists to support it.** In addition, a member may not mention that he/she is a member of the League when testifying as an individual. Such a statement implies that the testimony is on behalf of the League.

If a local League wishes to take local action based on a state or national position, in most cases, it is necessary to discuss and clarify with the state President or Action Chair how the proposed action will affect the whole League. Likewise, the state League confers with LWWUS leaders on issues of national significance.

The best advice is that when in doubt about the proper procedure, **consult your Action Chair or President**. You may also need to consult LWWOR Policies, Procedures and Guidelines, or your local League bylaws.

Taking action and speaking up on issues is what the League does. The more our voices are heard, as members or as individuals, the more we can accomplish.

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Natural Resource Agency Budgets: Round 2 Week 2



*Peggy Lynch, Natural
Resources
Coordinator*

The Ways and Means Subcommittee on Natural Resources will be reviewing the Policy Option Packages (POPs-new programs agencies are asking for their budgets) and possible reductions in the budgets of the Department of Agriculture ([SB 5502](#)), Oregon Parks and Recreation Department ([HB 5034](#)), Department of Land Conservation and Development ([SB 5530](#)) and Oregon Department of Energy ([HB 5011](#) and [HB 5012](#)).

The Subcommittee will also consider [HB 2253A](#), a bill that requires the Portland State University Population Research Center to issue population forecasts for land use planning that are currently produced by counties. The [fiscal](#) for this bill is \$440,716 General Fund.

The Oregon Department of Fish and Wildlife budget presentation, originally scheduled for April 24, was cancelled until May 6th due to the long House Chamber discussions on [SB 822A](#) relating to PERS reforms and [HB 2456A](#), which would have provided \$275 million in additional revenue for the next biennium.

As each budget is considered again, new information is available on the Oregon Legislative Information System (OLIS) about these POPs and proposed cuts lists. Of special importance to the League is the Parks budget, because they will be asked to fund a study to consider adding additional Scenic Rivers under [SB 401A](#), which we [support](#). The League also wants to be sure that the Department of Land Conservation and Development (DLCD) will have enough staff to engage the public in rulemaking that many policy bills will require.

If you have a program that these natural resource agencies administer that you want kept or cut, now is the time to talk to these [Subcommittee members](#).

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Governance

Fruit Basket Upset: Whither the Revenue?

When the House was gavelled into order on April 24th, the

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program



**"Oregon's Legacy
of Ocean
Stewardship"**

Saturday, May 18,

1:00 pm

presented by

Susan Allen of

[Our Ocean.](#)

RSVP by May 2nd to
order lunch at \$17 or
by May 10th to
reserve a seat
at no cost.

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Women Voters of
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This program is

Speaker and the chair of the House Committee on Revenue expected to pass [HB 2456A](#), the measure to fill the \$275 million gap in the Ways and Means co-chair's budget. Rep. Barnhart (D), the Revenue Committee Chair moved adoption of the bill, which had been sent out on a 5-4 party line vote. After he gave his "do pass" report, Rep. Vicki Berger (R), Vice-Chair of the committee, moved the [Minority Report on HB 2456A](#).

A 15-minute party Caucus was granted.

Thirty minutes later, the Minority Report A (MRA) was adopted unanimously, 60-0. On a second special suspension of the House Rules, [SB 822A](#) was also adopted by a vote of 33-27. The fiscal significance of these two proposals is considerable and leaves open a shortfall for both the Ways and Means Budget and meaningful dollars from PERS reform. The monetary impact falls on public education and social services and programs.

[HB 2456A](#) had been amended several times during its journey through the committee, and the final version would have raised the \$275 million in two parts:

1. phasing out itemized deductions on personal incomes of over \$125,000 (single filer) and \$250,000 (joint filers), excluding charitable contributions, and eliminating the personal exemption for those filers; and
2. modifying the corporation minimum tax for corporations with at least \$100 million in Oregon sales from the current \$100,000 to \$100,000 plus 0.1 percent of the amount of sales above \$100 million, and changing the higher corporation tax bracket and rate from 7.6 percent on taxable income above \$10 million to 7.9 percent on taxable income above \$2.5 million.

The new [HB 2456 MRA](#) completely replaces the original bill. It requires corporations that file an Oregon tax return and are a member of a unitary group and incorporated in certain countries, to include income from those countries in the Oregon tax return. It requires the Department of Revenue to report to the Legislature every other year on potential changes to the list of such countries. It also requires that any revenue raised from this policy be deposited into the Mental Health Services Fund established by ORS 430.197.

The policies proposed in this bill are modeled after a Montana statute; Alaska and West Virginia have similar provisions. The measure is estimated to capture corporate tax revenue totaling \$18 million in 2013-15 and \$42



Kappy Eaton,
Governance
Coordinator

presented during the
Oregon State
League Of Women
Voters Convention
in Coos Bay.

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May 22
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11am - 4pm
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Oregon State Capitol

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Gun Safety Bills

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on the **four bills**

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in support of

million in 2015-17. The monies will be appropriated to the Oregon Health Authority, the Department of Human Services and the Department of Corrections, for the purpose of providing mental health services to institutionalized individuals, emergency psychiatric care paid for by a county, and certain drug and alcohol programs.

[SB 822A](#) is now on its way to the Governor. It will capture \$455 million, about half of what the Governor requested in his budget proposal for use towards funding a \$6.75 billion K-12 education package. His plan would have continued a 2 percent cost of living adjustment for PERS retirees receiving benefits of under \$24,000 annually and phased out, by income levels, the rest, ending at 0.25 percent for the highest level. The Republican plan, [SB 754](#), set the COLA at 1.5 percent for every one over \$20,000, and raised about \$1 billion.

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SB 306: Another Switcharoo

[SB 306](#) started out as a proposal to modify the corporate kicker provision to match the amendment to the Oregon Constitution (2012), and retain the excess corporate income and excise tax revenues in the General Fund for K-12 programs. The -4 amendments, calling for the creation of a Task Force on Clean Air Revenue, were vigorously discussed in the Senate Committee on Finance and Revenue on April 24. The Task Force would submit a report by December 1, 2014, for the 2015 Legislature, with recommendations related to a "clean air fee or tax or a public purpose charge" aimed at reducing greenhouse gas. By November 1, 2013, the Legislative Revenue Office (LRO) is to prepare background information and report to the Task Force.



The amendment would replace the original bill. In its analysis, LRO reports that the concept of a tax on harmful emissions has been examined economically at both the theoretical and empirical level for years. Harmful carbon emissions are an example of a negative externality - a cost to society not factored into market prices. Taxation of negative externalities is one way to build these costs into market decisions. The large utilities in Oregon, such as PGE and Pacific Power, testified in opposition to a neutral carbon tax. Support came from the Northwest Project (British Columbia model), Portland's Metro, and EWEB (Eugene Water and Electric).

Reduction of greenhouse gas emissions and development

common-sense
gun reform in Oregon

The League's
Action Team
has been busier than
bees.



Mid-way through the
2013 Legislative
session
The Action Team
monitored
hundreds of bills,
delivered
65 testimonies,
and sent out
5 Action Alerts.

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Alert!
Keystone Pipeline is
ALL Risk,
NO Reward

The League opposes
the KXL Pipeline.
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of alternative energy/clean air is the purpose of the proposal. The debate also will include whether or not any fee, tax or charge would be revenue neutral.

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Local Governments in Crisis: State Control

The House Task Force on Oregon and California (O and C) Counties will review legislation relating to temporary control of county and municipal governments on May 1. Currently, several Oregon counties and cities face fiscal shortages that could result in their inability to provide such services as elections and tax assessments and collection, as well as services to veterans. [HB 2206](#) would authorize the Secretary of State to assume election-related duties, functions or powers of county clerks when the Governor has declared a public services emergency in a county due to fiscal stress. Also authorized would be action by the Department of Consumer and Business Services to combine resources by agreement, for the purpose of administration and enforcement of municipal building inspection programs.

[HB 3453](#) calls for the unanimous consent of the Senate President, House Speaker and the Minority leaders of each chamber for the Governor to proclaim a public safety emergency in fiscally affected counties. It allows for the consolidation, or merger, of units of local government and for intergovernmental agreements for the purpose of providing services. As a result of those actions, an income tax assessment on the residents of the affected counties, with a maximum rate, could be specified in the emergency proclamation. It will be interesting to hear the comments from the stakeholders, which include the League of Oregon Cities, the Association of Oregon Counties, the Elections Division, the Oregon Building Codes Division, and the Department of Revenue.

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Social Policy

Affordable Care Act Alignment

The Ways and Means Human Services Subcommittee on April 17, heard four bills that align Oregon with the federal Affordable Care Act. The federal Children's Health Insurance Program will cover children up to 300% of the federal poverty level (FPL), so children in the subsidized

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Healthy Kids Connect program will be transferred to the Oregon Health Plan, where they will be covered under Medicaid. Low income adults up to 138% of the FPL will be included in the Medicaid expansion plan. Adults above 138% and children above 300% can purchase insurance through Cover Oregon, the new Health Insurance Exchange.



Karen Nibler, Social Policy Coordinator

[HB 2091A](#) transfers children enrolled in private plans to the Oregon Health Plan in October 2013. The 1% insurance premium tax that supported Healthy Kids Connect will sunset October 2013. The Oregon Health Authority (OHA) will transfer children in the private option to another medical assistance program (Coordinated Care Organization) before June 30, 2015.

[HB 2240A](#) abolishes the Office of Private Health Partnerships and the Family Health Insurance Assistance Program (FHIAP) and allows purchase of insurance through Cover Oregon, the Health Insurance Exchange. FHIAP supports 5,333 now and approximately 82% will be eligible for the Oregon Health Plan (OHP) and 18% can purchase through Cover Oregon. The bill covers insurance adjustments.

[HB 3458A](#) establishes the Oregon Reinsurance Program. The Oregon Medical Insurance Pool (OMIP) will be phased out at the end of December 2013, and the insured will be reinsured in other health benefit plans under the OMIP Board for 2014 through 2016. This is a transition program for those who could not get insurance due to pre-existing conditions by covering exceptional claims under new plans. The cost will be funded by insurer assessments during 2014 to 2016.

[HB 2859A](#) defines medical assistance, sets up a grievance procedure, outlines application processes and transfer of information. The bill requires the Oregon Health Authority to fund pilot projects to improve patient engagement and accountability for one's own health. The bill establishes a Task Force on Individual Responsibility and Health Engagement and requires the task force to submit recommendations to an interim legislative committee by November 1, 2013.

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Open Public Meetings Supported

[HB 2960A](#) requires that the governing body of Coordinated

Care Organizations (CCO) dedicate a portion of the meeting for explaining decisions and taking public comment. Each CCO must have a Community Advisory Council, which meets once every 3 months and is open to the public. Some CCO administrators objected to this requirement.

The League [supported SB 412](#), which required open public meetings, but that bill was not advanced. [HB 2960A](#) was amended, passed out of the House Health Care committee on April 17, and should be scheduled for a House floor vote. The League can support this bill on open public meetings.

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Public Health Future

[HB 2348A](#) creates a Task Force on the Future of Public Health Services to study the regionalization and consolidation of public health services. This bill was amended and passed out the Health Human Services Committee on April 17 and should be scheduled for a House floor vote as well. The Task Force is due to sunset upon the convening of the 2016 Session.



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School-Based Health Centers

[HB 2445A](#) requires the Oregon Health Authority (OHA) to adopt criteria for certification, suspension or decertification of school-based health centers. The bill also requires that OHA set up a work group to report recommendations to an interim health committee by December 31, 2013. This bill was amended and passed out of the House Health Care Committee on April 18, the very last day for bills to be heard in the originating chamber's policy committee.

[SB 436](#), on school-based health centers, was amended and passed out of the Senate Health Care and Human Services on April 16. School-based health centers have the capability of treating Medicaid eligible children on site, with the support from the regional Coordinated Care Organization (CCO).

Both bills were referred to the Ways and Means Human Services Subcommittee.

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Mental Health Treatment Sooner

[HB 2594A](#) modifies the standard for court commitment of a person with mental illness. The old standard of mental illness was a person who is dangerous to self or to others, is unable to provide for basic personal needs and is not receiving such care as is necessary for health and safety.

The new standard would be, unless treated, will continue to a reasonable medical probability, to physically or mentally deteriorate. The amended bill establishes outpatient treatment in the community in the least restrictive placement. This bill passed out of House Judiciary on April 18, the last day for bills in that chamber. The bill will be referred to Ways and Means due to the fiscal impact.

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Fitness of Youth to Proceed in Court



[HB 2836](#) establishes standards for determining (mental) fitness of youth to proceed on a delinquency petition. The bill requires the Oregon Health Authority to develop guidelines for evaluation and programs to provide restorative services to youth who are not fit to proceed. Youth are often placed in the Children's Farm Home for mental health treatment in this situation.

The bill was passed out of the House Judiciary Committee on April 9 with a do pass recommendation and referral to the Ways and Means Committee. The bill was submitted in prior sessions, but did not pass out of the Ways and Means Committee.

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Natural Resources - Energy

Half Time Update on Energy Bills

Steady Progress in Energy Efficiency

Five of eleven energy efficiency bills are active after the April 18th deadlines; the League submitted testimony in support of three of these. Even though these bills

represent a consensus between industry and environmental groups, they are passing on party line votes. As such, the League will remain active as these pass into the second Chamber:



*Theresa Gibney,
Natural Resources
Energy Volunteer.*

- [HB 2801A](#), Establishes standards and licensing for setting the valuation of buildings for energy efficiency. Allows cost effectiveness standard that includes bundling of measures. (Merged [HB 2801](#), [HB 2817](#) and [HB 2793](#)) It passed the House, 35-25.
- [SB 692A](#), Establishes minimum energy efficiency standards for TV's, battery chargers, some outdoor lighting and plumbing fixtures. It passed the Senate, 19-9. League [testimony](#).
- [SB 840A](#), Establishes minimum water efficiency standards for plumbing fixtures. The bill will include [SB 692](#) plumbing fixtures in the House version. An issue has arisen regarding how these fixtures work with city sewer systems that involve pumping rather than just gravity feed. It passed the Senate, 19-9.

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Distributed Renewable Energy (DRE) Generation Programs

Few distributed generation or renewable energy programs made it out of Committee this session. [HB 2893A](#), while modestly extending the Feed In Tariff program, is merely a study bill that could lead to either a contraction or an expansion of solar incentive programs. The League was indirectly involved in the bills listed below, largely through education of Legislators on the issues:

- [HB 2893A](#), Extends the Feed In Tariff pilot program capacity by 10% to 2016; requires the Public Utility Commission (PUC) study of solar incentive programs. It passed, 55-4-1.
- [HB 3169A](#), Allows geothermal systems to meet the requirement for renewable energy in new buildings/renovations of state agency or local government buildings funded with state funds. It passed to Ways and Means.

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Renewable Energy Facility and

Transmission Infrastructure

The category with the highest percentage of bills that passed unanimously (77%) is renewable energy facility and transmission infrastructure. The League participated only indirectly in three of the nine bills. Called out in the [Governor's Ten Year Energy Plan](#), a bill of special interest is:



- [HB 2345A](#), Establishes an Infrastructure Exchange Task Force to enable climate change adaptation work with California, Washington and British Columbia. It passed the House, 59-1.

This bill and others in this category show how much preparing for climate change and infrastructure for economic development can have in common.

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Wave Energy and Territorial Sea Plan

Five bills seeking to lay a foundation for ocean policy decision making are still alive. Ocean advocates are utilizing the League's new *Coastal and Nearshore Management position* as support for building this decision-making foundation.

To learn more about this, the public is invited to attend a luncheon program entitled, "Oregon's Legacy of Ocean Stewardship" presented as part of the League's Convention, May 18 at 1:00 pm in Coos Bay. For details to attend see [sidebar](#).

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Alternative Fuels and Vehicle Infrastructure

Two bills enabling electric vehicle infrastructure have passed out of Committee, while the alternative fuels bill linked to carbon reduction is alive but struggling. The League submitted written [testimony](#) in support of [SB 488](#), which has been moved to the Rules Committee to keep it alive.



[SB 488](#), Repeals sunset on low carbon fuel standards, a program that requires that fuel suppliers reduce the carbon content of their supplied energy or pay fees. For example, a gasoline station that also provided natural gas or electric charging would qualify as having reduced the

carbon content of their supplied energy.

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Greenhouse Gas Emission Reductions and Fossil Fuels Mitigation

Groundbreaking climate bills were presented to "get the conversation going" this session. Because these bills were introduced as "conversation only" bills, the League did not submit testimony on them, despite a strong national League position. Three climate change bills are alive, but struggling:

- [HB 3337A](#), Encourages payments for conservation use of lands (ecosystem services) and requires the Governor's office to review conservation plans for opportunities to provide these payments. It passed to Ways and Means. ([fiscal](#))
- [SB 242A](#), Requires Greenhouse Gas (GHG) standards to apply to facilities providing power to Oregon and the Public Utility Commission to align OR with federal standards (when passed). It passed, 28-0-2, and moved to House Energy and Environment where it is being contested (lobbied against) by a Washington coal fired power plant company.
- [SB 844](#), Allows utility programs to reduce greenhouse gases. It was referred to Senate Rules.

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