

## **2010 supplemental session ends with mixed results, mixed feelings**

By Cindy Robert, AIA Oregon lobbyist

The 2010 supplemental legislative session ended in late February. For me it comes with a sense of sadness. Why? Because more than the session ended today in my mind. The Oregon legislative process as I have known it for the last 20 years seems gone. The statesmen are few, the influence of money is immense, the party disputes are center stage, and now, the tensions between the caucuses as well as the House and Senate have emerged as a callous purveyor of political gamesmanship of the most disrespectful kind. The process has been sullied.

During the debate on annual sessions, Senate President Peter Courtney made the most mesmerizing speech. He spoke about the camaraderie, work and depth of feeling the Senate members have for each other. He spoke about “our Oregon,” the sanctity of our way of life and the Legislature’s collaborative role in improving it. Not many current legislators have been around for as long as I have, but President Courtney has been a public servant for twice as long as I have roamed the halls of the Capitol. His words of passion for the process reminded me of why I am there along with him – to do good for our Oregon. His passion for our great state is infectious, but it is also the source of my sadness.

For at other times, I saw glimpses of a different kind of political body. One that denied Sen. Courtney his hard-fought, annual session bill and morphed his difficult and tireless work on consensus building and solidarity into a confrontational debate. One that seemed less about the people and passion, and more about politics and power. One where the House leader has come under fire in the media for strong-arming and manipulating groups ranging from Head Start to Oregon’s district attorneys. And one where grassroots activists claim they can’t make headway because they do not have bank accounts, and those with hefty PACs seemed to garner special attention.

Two different views, two different possibilities for the future – hence my sadness. One where I am reminded of what was and what should be, and I am proud. The other, where it is revealed what could be, and I am worried.

### ***Results for our state***

The two most important issues for the short session were the budget and the culmination of our annual meeting experiment.

With the passage of Ballot Measures 66 and 67 just days before convening, the session was not wracked with the turmoil some expected. Budget reductions of 5 percent to 10 percent waiting in the recesses of the Ways & Means Committee did not need to be realized. However, a week after commencement, the new revenue forecast came in with predictions of \$182 million less revenue than what the current biennium budget is based on. Balancing the budget with tweaks and twists became the key, and sweeping

of agency account balances and mopping up the Business Energy Tax Credit mess brought the state books back into balance.

This quick appraisal and swift action is the major argument for the second major issue of the session: annual convening of the Legislature. The Legislature has referred to Oregonians, during the November election, a constitutional change calling the session in even numbered years for 35 days and in odd number years for 160 days, for a total of 195 days.

Proponents argue that modern Oregon needs a modern Legislature and that the issues before our citizenry have become too numerous and serious to be put on hold. Opponents argue a citizen Legislature should continue to be part time and that annual sessions will make holding other jobs even more difficult. The fact is, while Oregon meets only biennially, our constitution does not limit the length. As the state, especially its finances, become more complicated and the needs of the citizens more diverse, I can envision our odd-numbered-year sessions dragging even longer (we went 227 days in 2003) and our special sessions more numerous (we had five in 2002, totaling 52 extra days). Limiting the days and increasing the required frequency should result in more efficient lawmaking and less instability within a two-year budget cycle.

### ***Results for AIA***

The issues affecting architects specifically were kept at bay by limitations on the number of bills to be introduced, and the proclamation that nothing contentious or costly was to be discussed. But one debatable theme did catch on in both the House and Senate: *Buy local*. **SB 1050** required buildings being publicly subsidized to use U.S. products. **HB 3604** required public contracts to give preference to procuring goods that are manufactured close to the location where the goods will be used and to goods for which lifecycle analysis shows that methods and materials used in manufacturing, using and disposing of goods will help state meet greenhouse gas reduction targets.

The trade unions brought both bills forward. On the House bill, they stressed the environmental effects of bringing products and people long distances, so I saw a good opening to argue for other sustainable design standards and advocated for the economic development possibilities that came with building green. The union reps and the legislative sponsors were intrigued and supportive. Due to session time constraints, the two concepts are being rolled into a work group and AIA Oregon had been asked to collaborate on a possible 2011 bill. This issue has a bevy of hurdles - business, legal and procurement policies - but I look forward to participating in the conversations.

**BETC** changes were inevitable after the interim pandemonium over the dramatically underestimated costs of the program. **HB 3680** protects credits for developing green industries, expands the renewable energy system, and increases the effectiveness and efficiency of the BETC program while reducing the impact to the state's general fund. The legislation recovers \$54 million in the 2009-2011 biennium and an additional \$97 million in the 2011-2013 biennium. Key provisions of HB 3680 include:

- Increased accountability through adoption of Department of Energy emergency rules;
- A \$300-million cap on the renewable program;
- A \$200-million cap on manufacturing based on pre-certification credit costs, meaning that in any biennium the state will not be obligated to more;
- An allowance for additional BETCs to be given to companies that begin a new, distinct manufacturing operation that provides new jobs;
- A limitation on the total credit costs on individual wind projects; and,
- An extension of the manufacturing BETC sunset date to Jan. 1, 2014, and extends all other BETCs to 2012.

**HB 3675** clarifies provisions of the energy-efficiency and sustainable technology loan program (EEAST). In 2009, the Legislature passed House Bill 2626, which directed ODOE to establish and administer the EEAST loan program to provide low-cost loans to individuals for projects to increase energy efficiency in homes and small businesses. HB 3675 authorizes ODOE and the Public Utility Commission to begin implementing the program through pilot projects, and to begin the full program after the pilot programs have been deemed successful without returning to the Legislature for approval.

The bill also authorizes the director to establish a base efficiency package fee for EEAST, and requires that the fee not exceed 10 percent of estimated economic benefits for the base efficiency package. It requires, at least once every six months, that the director estimate anticipated demand for loans and submit a written declaration to the state treasurer. It stipulates that the current limit of \$40,000 for an EEAST loan is for residential dwellings served by a single utility meter and does not apply to other buildings, such as multifamily housing and mixed-use structures.

In addition, the bill requires all investor-owned utilities to establish on-bill financing systems. It establishes that cities, counties and metropolitan service districts may be project managers. And, at the request of the director, it requires investor-owned utilities and consumer utilities to make available repayment performance information, default rates, energy-savings data and any other information that the director adopts by rule.

**SJR 44/48** – AIA had Senate Joint Resolution 44 on its list of bills to support because it opened up funding possibilities for state use of sustainable design standards in its construction. SJR 44 ran into minority report chaos and was tabled, but the issue was resurrected with amendments to SJR 48. SJR 48B proposes an amendment to the Oregon Constitution to create Article XI-P, which would allow the state to incur general obligation indebtedness to finance or refinance costs associated with real or personal property that is, or will be, owned or operated by the state.

It also permits the state to incur indebtedness to finance costs of (a) acquiring, constructing, remodeling, repairing, equipping, or furnishing real or personal property that is, or will be, owned or operated by the state, including facilities and systems, (b) infrastructure related to real or personal property, or (c) indebtedness incurred pursuant to Section 7, Article XI. Currently, Section 7, Article XI of the Oregon Constitution

prohibits the state from incurring debt, except under specified circumstances. The amendment proposed by SJR 48 would authorize the creation of bonded indebtedness notwithstanding those limitations. General obligation bonds are the most inexpensive form of debt and permit the state to save on interest costs. The XI-P bonds would not be backed by property taxes, but would be backed by the full faith and credit of the state and its taxing authority. Additionally, the total bond principal under the proposed section is limited to one one-hundredth of the real market value of the property in the state. The issue is referred to the people for their approval or rejection during the next regular general election.

Another construction-related bill that passed directs the Building Codes Structures Board and the Residential and Manufactured Structures Board to adopt radon mitigation standards for new public buildings and certain new residential buildings by Jan.1, 2011.

**SB 1025** directs the Department of Consumer and Business Services to make standards applicable for new residential building permits on April 1, 2011, and for new public building permits on April 1, 2013. It also instructs the Real Estate Agency to develop information concerning radon in one- and two-family dwellings and to make the information available to potential buyers of such dwellings by Jan. 1, 2011.