

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

May 6, 2005 Hearing Room 343

8:30 A.M. Tapes 69 - 70

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Scott Bruun, Vice-Chair

Rep. Jeff Merkley, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

Rep. Chuck Riley

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2349 – Work Session

HB 2399 – Public Hearing and Work Session

HB 3123 – Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/# Speaker Comments

TAPE 69, A

002 Chair Lim Opens the meeting at 9:27 a.m. Opens a work session on HB 2349.

HB 2349 – WORK SESSION

005 Jim Stembridge Committee Administrator. Explains HB 2349, which reduces total cost requirement for exemption from property tax for eligible projects under strategic investment program. Submit and summarizes -2 amendments (**EXHIBIT A**).

024 Arthur Fish Business Incentives Coordinator, Oregon Economic and Community Development Department (OECDD). Explains how -2 amendments impact rural communities.

049 Chair Lim Closes the work session on HB 2349. Opens a public hearing and work session on HB 2399.

HB 2399 – PUBLIC HEARING AND WORK SESSION

055 Jim Stembridge Committee Administrator. Explains HB 2399, which requires Governor to obtain approval of Legislative Assembly prior to approving siting of Indian tribal gaming establishment on lands acquired by Indian tribe after October 17, 1988. Submits information packet on HB 2399 which includes written testimony of Michael Mason and Questions and Answers Report from People Against a Casino Town (**EXHIBIT B**).

063 Rep. Tom Butler House District 60. Testifies in opposition to HB 2399.

106 Chair Lim Expresses concern regarding the negative effect of gambling on Oregonians.

138 Chair Lim Questions whether the Governor has the constitutional authority to establish casinos.

147 Rep. Butler Addresses how problem gambling programs continue to be cut by the state, meanwhile tribal nations continue to increase funding for problem gambling programs.

187 Rep. Butler

Speaks to the constitutional authority of the Governor and sovereign rights of Indian Nations to establish gaming and gambling facilities.

- 260 Chair Lim Cites Article 15 of the Oregon Constitution as evidence that the Governor does not have the single authority to establish casinos.
- 300 Rep. Butler Explains why HB 2399 does not give the legislature the authority to regulate gaming of sovereign nations without a constitutional referral.
- 365 Michael Mason Lobbyist, Confederated Tribes of Warm Springs. Submits and summarizes written testimony in opposition to HB 2399 (**EXHIBIT C**).

TAPE 70, A

- 020 Tom O'Connor Director, Oregon Municipal Electrical and Utilities Association. Testifies in opposition to HB 2399.
- 038 Rep. Nelson Verifies that the subsequent law created by HB 2399 takes effect affect January 1, 2006.
- 046 Rep. Nelson Asks whether the legislative authority granted by HB 2399 would be retroactive or if it applies only to decisions made after January 1, 2006.
- 057 Chair Lim States that the intention of HB 2399 is to effect the establishment of a casino in Cascade Locks.
- 064 Rep. Nelson Clarifies the actions that would be necessary for HB 2399 to become retroactive.
- 077 Rep. Dallum Asks if there was ever state involvement in the transfer of land from Indian control to dominant cultural control.
- 084 Mason Explains there has not been direct state involvement in any previous land transfer.
- 090 Rep. Dallum Verifies that there was never any in change of responsibility involved when land was transferred from Indian control to federal or state government.

100	Rep. Dallum	Verifies that there has never been a relationship between the state and Native Americans, for the purpose of land transfers, as opposed to the “myriad of relationships” between Native Americans and federal government.
108	Mason	Addresses the myriad of restoration acts governing land transfer and the application of state law on Indian land.
122	Rep. Dallum	Asks if all of the provisions for trust land have been followed with regards to siting the casino in Cascade Locks.
130	Mason	States that all of the substantive requirements of state law have been followed regarding the siting of the casino.
144	Rep. Dallum	Confirms that HB 2399 is the first time that the state has inserted itself into the approval process for establishing casinos on Native American lands.
155	Michael Lang	Conservation Director, Friends of the Columbia Gorge. Testifies in support of HB 2399.
223	Lang	Speaks to the opposition of citizens in Cascade Locks to the building of a casino in Cascade Locks.
260	Lang	Explains how the building of a casino sets a precedent to allow future off-reservation casinos.
306	Chair Lim	Closes the public hearing and work session on HB 2399.
317	Chair Lim	Recesses the meeting at 10:15 a.m.
318	Chair Lim	Reconvenes the meeting at 10:19 a.m.
322	Chair Lim	Opens a public hearing on HB 2399.

HB 2399 – PUBLIC HEARING

323	Chair Lim	Explains why HB 2399 is valuable and why it is important to prevent the expansion of state-sponsored gambling.
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- 349 Rep. Merkley Acknowledges the importance of addressing gambling issues.
- 360 Rep. Riley Comments on the importance of examining gambling issues.
- 368 Rep. Nelson Acknowledges the community stewardship of tribal communities in Oregon.

TAPE 69, B

- 001 Rep. Dallum Comments on the value of bringing gaming and gambling issues “to the table” for discussion.
- 009 Chair Lim Closes the public hearing on HB 2399. Opens a work session on HB 2349.

HB 2349 – WORK SESSION

- 014 Arthur Fish Business Incentives Coordinator, Oregon Economic and Community Development Department (OECDD).
- 019 Chair Lim Asks whether OECDD and Association of Oregon Counties (AOC) support -2 amendments.
- 023 Doris Penwell Policy Coordinator, AOC. Testifies in support of -2 amendments.
- 029 Ron Papsdorf Representative, City of Gresham. Testifies in support of -2 amendments.
- 031 Rep. Nelson Questions whether there is a sunset clause attached to the Strategic Investment Program (SIP).
- 042 Fish Explains that there is no operational sunset on this program.
- 050 Rep. Nelson MOTION: Moves to ADOPT HB 2349-2 amendments dated 05/05/05.**
- 059 Rep. Bruun Objects to the motion.
- 070 Chair Lim Asks if -2 amendments apply only to future SIP projects.

074	Fish	Explains how the effect of -2 amendments is prospective.
089	Rep. Dallum	In reference to -3 amendments, asks if the 3 percent annual increase was in the original legislation.
093	Fish	Explains that the 3 percent annual increase does already exist in law.
109	Rep. Dallum	Clarifies that -2 amendments only changes the investment cap.
115	Fish	Summarizes how the sliding scale benefit plan applies to investments under the provisions in -2 amendments.
135	Rep. Bruun	Asks if -2 amendments decrease tax incentives.
143	Fish	States that -2 amendments do decrease tax incentives of SIP.
150	Rep. Merkley	Summarizes the purpose of -2 amendments.
195	Chair Lim	Speaks to the goals of -2 amendments.
211		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Lim	The motion CARRIES.
218	Rep. Nelson	MOTION: Moves HB 2349 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Revenue by prior reference.
246		VOTE: 7-0-0
		AYE: In a roll call vote, all members present vote Aye.
	Chair Lim	The motion CARRIES.
249	Chair Lim	Closes the work session on HB 2349. Opens a work session on HB 3123.

HB 3123 – WORK SESSION

- 256 Chair Lim Explains what action will be taken on HB 3123.
- 267 Rep. Merkley Recommends sending the bill with a “do pass recommendation.”
- 270 Rep. Bruun Concurs that it should be referred with a recommendation.
- 283 Rep. Buckley Questions the necessity of the subsequent referral to the Budget committee.
- 300 Chair Lim Question whether the bill could be specifically referred to a subcommittee.
- 304 Jim Stembridge Committee Administrator. States that there is not any precedent for sending to subcommittee.
- 316 Rep. Bruun **MOTION: Moves HB 3123 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on BE RESCINDED and BE REFERRED to the committee on Budget.**
- 347 **VOTE: 7-0-0**
AYE: In a roll call vote, all members present vote Aye.
- Chair Lim **The motion CARRIES.**
- 350 Chair Lim Closes the work session on HB 3123.

The following written information is submitted for the record without public testimony:

- Mike Salsgiver Legislative Affairs Manager, Oregon Economic and Community Development Department. Submits written information in support of HB 3123 (**EXHIBIT D**).
- 351 Chair Lim Adjourns the meeting at 10:49 a.m.

EXHIBIT SUMMARY

- A. **HB 2349, -2 amendments, staff, 3 pp**
- B. **HB 2399, information packet, staff, 10 pp**
- C. **HB 2399, written testimony, Michael Mason, 5 pp**

The following written information is submitted for the record without public testimony:

- D. **HB 3123, written information, Mike Salsgiver, 3 pp**