

HOUSE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 9, 2003 Hearing Room D
1:00 PM Tapes 40 - 42

MEMBERS PRESENT: **Rep. Patti Smith, Chair**
 Rep. Vicki Berger, Vice-Chair
 Rep. Mary Gallegos, Vice-Chair
 Rep. Mark Hass
 Rep. Dave Hunt
 Rep. Steve March
 Rep. Dennis Richardson

STAFF PRESENT: **Kimberly A. Medford, Committee Administrator**
 Linda K. Gatto, Committee Assistant

MEASURE HEARD: **HB 3031 Public Hearing**
 HB 2299 Work Session
 HB 3391 Public Hearing
 HB 3613 Public Hearing
 HB 3545, HB 3546, HB 3547 and HB 3548 Public Hearing

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 40, A		
004	Chair Smith	Calls the meeting to order at 1:05 p.m. and opens a public hearing on HB 3031.
<u>HB 3031 PUBLIC HEARING</u>		
009	Rep. Steve March	HD 46. Submits written testimony, (EXHIBIT A) and explains HB 3031-1 amendments, (EXHIBIT B) .
047	Rep. March	Discusses non-smoking venues for players. States for the record that this bill does not hamper the Lottery Commission's nor the Liquor Commission's ability to establish their own rules and regulations.
075	Rep. Hunt	Asks if it is correct to characterize this as turning a stick approach into a caret approach.
080	Rep. March	Responds affirmatively.
087	Jeff Marotta, Ph.D.	Problem Gambling Services Manager, Department of Human Services. Submits (EXHIBIT C) and explains that HB 3031 may have unintended negative consequences.
125	John Feuerstein	Submits (EXHIBIT D) in favor of HB 3031.
154	Rep. Richardson	Asks if Mr. Feuerstein sees a negative impact on society with this bill and why.
159	Feuerstein	Responds that 75% of his customers are repeat customers and he does not believe the small addition of added games will impact them.
168	Brenda Rocklin	Director, Oregon Lottery. States the Oregon Lottery is not prepared to take a position on HB 3031-1 amendments today.

States there are policy issues and they would like to discuss this with the governor's office, the liquor control commission, and members of the Oregon Lottery Commission before moving forward.

224 Rep. March Asks do current rules allow for the number of machines to be restricted.

229 Rocklin Responds that machines can be restricted by space locations and profit.

248 Rep. Berger Asks are there rules regarding vendors in the same proximity.

255 Rocklin Responds that other retailers may be interested in voicing an opinion.

265 Rep. Hunt Asks what process the commission usually follows.

277 Rocklin Responds the Lottery Commission would make the determination based on independent studies and retailer information.

302 Rep. Hunt Asks does the commission look to the legislature to establish the benchmark.

315 Rocklin Responds the commission takes direction from the legislature to generate revenue.

377 Steve Novick Legislative Coordinator, ODE, representing Superintendent Castillo. Suggests that the legislature review the compensation rate and states there is evidence that a significant amount of money could be raised for schools and public services by limiting the commission the lottery retailers make. Submits **(EXHIBIT E)**.

TAPE 41, A

019 Chair Smith Closes the public hearing and opens the work session on HB 2299.

HB 2299 WORK SESSION

027 Rep. Gallegos MOTION: Moves to ADOPT HB 2299-4 amendments dated 04/08/03, (EXHIBIT F).

030 Rep. March Asks if Tri-Met is considered a Special District and does the language address Tri-Met or Metro.

034 Mike Burton Assistant Director, Oregon Economic and Community Development Department, (OECDD). Responds that the Special Districts are referred to under the Strategic Investment Program. States that he was told there are no Special Districts in Multnomah County but there are in Washington County.

055 Kimberly A. Medford Committee Administrator. Clarifies the HB 2299-4 amendments include only the -3 amendments and restore the language that had left the blank for E-commerce Zones; does not include the -2 amendments.

062 Rep. Hunt Refers to rural lands that are included in an expanded Urban Growth Boundary and asks would it be a problem to define a property located in a rural area as of 2002.

077 Burton Responds that he will research the question.

080 VOTE: 6-0

080 Chair Smith Hearing no objection, declares the motion CARRIED.

080 Rep. March MOTION: Moves HB 2299 with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Revenue by prior reference.

090 Rep. March Notes the possibility of technical amendments in the next committee.

VOTE: 7-0

Chair Smith

Hearing no objection, declares the motion CARRIED.

098

Chair Smith

Closes the work session on HB 2299 and opens the public hearing on HB 3391.

HB 3391 – PUBLIC HEARING

106

Rep. Patti Smith

HD 52. Introduces the reasons for sponsoring the Buy Oregon concept.

149

Rep. Macpherson

HD 38. Testifies in support of the Buy Oregon concept. States that Oregon agriculture and dairy industries have been negatively impacted by the forces of global competition.

186

Chair Smith

Asks for his opinion on why Oregon farmers are having difficulty making a profit.

190

Rep. Macpherson

Responds that there are cheap imports from outside the state as well as outside the country.

218

Peter Bloome

Member, Oregon Environmental Council Board and OEC Agriculture Advisory Committee. Submits testimony, **(EXHIBIT G)**. States that Buy Oregon could be considered an economic recovery strategy by rural communities. Expresses concern that the bill lacks public accountability, measurable goals, evaluation, and has no sunset provision. Adds that the bill offers no assistance to DAS.

Compares HB 3391 with HB 3554 and expresses support for HB 3554.

309

Chair Smith

Asks why there needs to be a sunset provision.

311

Bloome

Answers that a sunset provides public accountability and clearly stated timelines.

319

Chair Smith

Asks what are the legal issues regarding purchase preference.

320

Bloome

Answers that it is his understanding that legal issues could exist for a mandated program.

332

Carol A. Whipple

Manager the Rock and Sea Ranch, Oakland. Submits **(EXHIBIT H)**. States there is a need for a significant increase in Oregon grown agricultural products being purchased. Discusses broad based support from producers, processing, distributors, and agency purchasers. Suggests a work group.

357

Whipple

Testifies in support of a work group.

394

Rep. Hass

Asks about accountability issues.

403

Bloome

Answers that accountability should be based on benchmark increases.

420

Karen Lewotsky

Ph.D., JD Program Director, Oregon Environmental Council. Submits **(EXHIBIT I)**. Suggests that an advisory group be developed to identify how a Buy Oregon program would be implemented.

TAPE 40, B

013

Rep. Gallegos

Asks how much time a task force should be afforded to resolve these issues.

018

Lewotsky

Answers up to one and one-half years; with a policy in place by two years.

027

Rep. Hunt

Asks are there any specific recommendations that would enhance the bill.

030

Lewotsky

Answers rather than establish a mandate recommends leaving the purchase preference open for development.

069

Deanna Dyksterhuis

Farmer. Submits testimony opposing HB 3391, **(EXHIBIT J)**. Discusses Buy Oregon promotions already in place.

115	Barry Bushue	President, Oregon Farm Bureau. Testifies in support. Expresses that the issue needs discussion about the pros and cons of a Buy Oregon proposal. Requests an interim forum to address concerns.
154	Steve Stuart	Former State Policy Director for 1000 Friends of Washington. Explains that HB 3031 is similar to legislation in Washington last session. Provides a brief history on how the legislation came about. Explains reciprocity.
203	Stuart	Continues, discusses the support behind the Washington bill. Suggests adding a sub-section similar to what was included in the Washington legislation. Recommends an accountability measure.
263	Chair Smith	Notes the Washington report, (EXHIBIT K) .
266	Rep. March	Asks how long it took to implement the program.
268	Stuart	Responds that the legislation was passed into law in early summer and the first report was due in December. Recommends against a sunset.
300	Dugan Petty	Deputy Administrator for Procurement, Fleet and Surplus Services, Department of Administrative Services, (DAS). Submits testimony noting that DAS is neutral on the bill, (EXHIBIT L) .
425	Rep. Richardson	Comments that the goal is to be practical and provide way for Oregon produce to be purchased.
459	Petty	Describes customary practices.
489	Mitch Morrow	Assistant Director for Institutions, Department of Corrections. Submits testimony in support of the goals of HB 3391, (EXHIBIT M) . Recommends an interim work group.

TAPE 41, B

044	Dalton Hobbs	Oregon Department of Agriculture, (ODA). Testifies in support of the goals of HB 3391 and the formation of a work group to discuss the details. Describes how ODA already promotes Oregon produce.
116	Sen. Ted Ferrioli	SD 30. Supports the concept of the bill. Explains the concept of the original Buy Oregon program. States there needs to be a mechanism to connect local producers with institutional buyers for just-in-time deliveries.
173	Sen. Ferrioli	Advises the committee against unnecessary market constraints on producer or purchaser.
212	Terry Witt	Executive Director, Oregonians for Food and Shelter. Submits testimony in favor of HB 3391, (EXHIBIT N) .

Written testimony was submitted for the record by Tim Annala, **(EXHIBIT O)**

220	Chair Smith	Closes the public hearing on HB 3391* and opens the public hearing on HB 3613.
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*See Tape 42, A #210

HB 3613 PUBLIC HEARING

272	Chair Smith	Closes the public hearing on HB 3613 and opens the public hearing on HB 3545, HB 3546, HB 3547 and HB 3548.
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HB 3545, HB 3546, HB 3547 and HB 3548 PUBLIC HEARING

279	Rep. Richardson	HD 4. Explains that all four bills focus on developing economic relations with China.
321	David Welsh	NW Environmental Business Council. Provides an overview of the council. States that the opportunities oversea are immense. Explains that Oregon companies tend to be small companies and to pursue endeavors oversea would be expensive and time

385	Rep. March	consuming.
390	Welsh	Asks if CH2M HILL is a member of the council Responds they are a current member and a founding member. Explains that CH2M HILL is not representative of the majority of the members.
423	Rep. Richardson	Explains the goal of HB 3545 and the -1 amendment, (EXHIBIT O) . Notes a possible duplication between OECDD and HB 3546 and suggests leaving it alone for the moment. Explains the goal of HB 3547 and the -1 amendments, (EXHIBIT P) .
465	Rep. Richardson	States that the Chinese market would like to be consumers as well as producers.
495	Rep. March	Asks if the Oregon gets involved, wouldn't the state be competing with private business brokerages.
TAPE 42, A		
030	Rep. Richardson	Explains the intention is for government to be the catalyst.
057	Rep. Richardson	Explains the goal of HB 3548.
091	Rep. Richardson	Introduces Jin Lan and asks Mr. Lan to share his opinion of the status and potential of Oregon economic development with China.
120	Jin Linn	(via conference call) - Responds that China is a potential investment source and an educational opportunity.
190	Chair Smith	Closes the public hearing on HB 3545, HB 3546, HB 3547 and HB 3548.
202	Chair Smith	Reopens the public hearing on HB 3391.
<u>HB 3391 PUBLIC HEARING</u>		
210	John McDonald	Farmer, Hillsboro. Testifies in support of HB 3391. Notes that he is grower of hazelnuts and relates his experience with international trade and Oregon products. Explains that 99% of the hazelnuts in the United States are grown in Oregon but Oregon has 3% of the world supply. Explains that Oregon has little input on price and supply and notes that Turkey, France, Italy and Spain are all subsidized.
240	McDonald	Notes that Turkey can ship hazelnuts into New York city for 15-cents more than it takes for him to grow them.
255	Chair Smith	Closes the public hearing on HB 3391 and adjourns the meeting at 3:10 p.m.

EXHIBIT SUMMARY

- A. HB 3031, written testimony, Representative Steve March, 1 p**
- B. HB 3031-1 amendments dated 3/24/03, staff, 1 p**
- C. HB 3031, written testimony, Jeff Marotta, 2 pp**
- D. HB 3031, written testimony, John Feuerstein, 1 p**
- E. HB 3031, prepared testimony, Steve Novick, 36 pp**
- F. HB 2299-4 amendments dated 4/8/03, staff, 13 pp**
- G. HB 3391, written testimony, Peter Bloome, 2 pp**
- H. HB 3391, written testimony, Carol Whipple, 8 pp**
- I. HB 3391, written testimony, Karen Lewotsky, 3 pp**
- J. HB 3391, written testimony, Jerry and Deanna Dyksterhuis, 1 p**
- K. HB 3391, 2002 Report to the Legislature (Washington), Rep. Patti Smith, 14 pp**
- L. HB 3391, written testimony, Dugan Petty, 2 pp**

- M. HB 3391, written testimony, Mitch Morrow, 2 pp**
- N. HB 3391, written testimony, Terry Witt, 1 p**
- O. HB 3391, written testimony, Tim Annala, 1 p**
- P. HB 3545-1 amendment dated 4/8/03, Rep. Richardson, 1 p**
- Q. HB 3547-1 amendment dated 4/7/03, Rep. Richardson, 1 p**