

SENATE COMMITTEE ON JUDICIARY

June 16, 2003
8:00 AM

Hearing Room 343
Tapes 164-165

MEMBERS PRESENT: **Sen. John Minnis, Chair**
 Sen. Ginny Burdick, Vice-Chair
 Sen. Ted Ferrioli
 Sen. Charlie Ringo
 Sen. Charles Starr
 Sen. Vicki Walker

STAFF PRESENT: **Craig Prins, Counsel**
 Bill Joseph, Counsel
 Jane Bodenweiser, Committee Assistant

MEASURE/ISSUES HEARD: **SB 620 Work Session**
 HB 2696A Work Session
 HB 2770A Work Session
 HB 2094A Work Session
 HB 2368B Work Session
 HB 3329B 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 164, A		
003	Chair Minnis	Calls the meeting to order at 8:15 a.m. and opens work sessions on SB 620, HB 2696A and HB 2770A.
<u>SB 620, HB 2696A AND HB 2770A WORK SESSIONS</u>		
008	Sen. Walker	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the previous votes on SB 620, HB 2696 and HB 2770. VOTE: 6-0
017	Chair Minnis	Hearing no objection, declares the motion CARRIED .
018	Sen. Walker	MOTION: Moves to RECONSIDER the vote by which SB 620 was passed out of committee. VOTE: 6-0
022	Chair Minnis	Hearing no objection, declares the motion CARRIED .
025	Sen. Walker	MOTION: Moves SB 620 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED . VOTE: 6-0
028	Chair Minnis	Hearing no objection, declares the motion CARRIED . SEN. WALKER will lead discussion on the floor.
034	Sen. Walker	MOTION: Moves to RECONSIDER the vote by which HB

2696A was passed out of committee.

VOTE: 6-0

038 Chair Minnis
042 Sen. Walker

Hearing no objection, declares the motion **CARRIED**.
MOTION: Moves HB 2696A to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.

VOTE: 6-0

047 Chair Minnis
047 Sen. Walker

Hearing no objection, declares the motion **CARRIED**.
SEN. BURDICK will lead discussion on the floor.
MOTION: Moves to RECONSIDER the vote by which HB 2770A was passed out of committee.

VOTE: 6-0

050 Chair Minnis
052 Sen. Walker

Hearing no objection, declares the motion **CARRIED**.
MOTION: Moves HB 2770A to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.

VOTE: 6-0

055 Chair Minnis
060 Chair Minnis

Hearing no objection, declares the motion **CARRIED**.
SEN. MINNIS will lead discussion on the floor.
Closes the work sessions on SB 620, HB 2696A and HB 2770A and opens work sessions on HB 2094A and HB 2368B.

HB 2094A & HB 2368B WORK SESSION

082 Jim Gardner

Philip Morris. Submits testimony and testifies in support of HB 2094A that requires tobacco product manufacturers to report certain information to Attorney General (**EXHIBIT A**). Recommends passage of the -A5 and -A10 amendments (**EXHIBIT B and C**). Testifies on HB 2368B and notes there are technical amendments.

226 Vice Chair Burdick
231 Gardner

Asks for elaboration of the -A10 amendments.
Explains the two principal purposes of the -A10 amendments.

254 Mark Nelson

R.J. Reynolds Tobacco. Submits testimony and testifies in support of HB 2094A (**EXHIBIT D**).

448 John Valley

American Heart Association. Submits testimony and testifies in opposition to the amendments to HB 2094A (**EXHIBIT E**).

TAPE 165, A

022 Courtni Dresser

American Cancer Society. Submits testimony and testifies in opposition to HB 2368B (**EXHIBIT F**). Asks that the committee support and pass the -B22 amendments (**EXHIBIT G**).

065 Sen. Walker

Asks if the Attorney General supports these amendments.

070 Dresser

Replies that he does.

099 Sen. Ferrioli

Discusses his concern with the approach of the American Cancer Society and the American Heart Association.

125 Dresser

Says she definitely supports enforcement but also supports the need to have prevention programs.

140 Sen. Ferrioli

Says illegal operators are taking funds directly out of the programs of the Heart and Cancer Associations.

149 Valley

Says their concerns are with the funding of the task force.
Continues testimony on the -B16 and -B18 amendments to HB 2368B (**EXHIBIT H and I**).

239 Marshall Coba

Independent Tobacco Manufacturers of America. Submits testimony and testifies in support of the -B17 amendments to HB

2368B (EXHIBIT J).

462	Sen. Ringo	Asks if they accept the Center for Disease Control numbers presented by Mr. Nelson.
TAPE 164, B		
028	Coba	Says he is not familiar with the numbers.
034	Sen. Ringo	Suggests that there has been significant leakage of revenues.
038	Coba	Discusses the cost differences across state borders.
043	Sen. Ringo	Asks how we solve the problem of independent auditors not doing audits.
047	Coba	Says he does not know what the solution is, but feels it is important to understand that they are not auditing.
054	Chair Minnis	Asks what this discussion has to do with this legislation.
058	Coba	Believes that it is relevant because we are making policy decisions based on revenue needs and concerns.
068	Chair Minnis	Contends that it is pretty clear that the state is losing money based on the allocable share scheme.
078	Dave Redmond	Chief Executive Officer, Carolina Tobacco Co. Discusses the concept of the Master Settlement Agreement with regard to the non-participating manufacturers.
124	Chair Minnis	Wonders about assumptions made in the Attorney General's draft of the Master Settlement Plan. Asks if Idaho, Montana and Washington have currently passed the allocable share amendment.
140	Redmond	Understands that the allocable cap may be successfully challenged.
155	Sen. Walker	Asks about public health members being part of the task force.
160	Coba	Says if there are suggestions to make it better, he is open to that.
165	Coba	Concludes his testimony by discussing market share and "big tobacco's" price increases.
183	Chair Minnis	Closes the work session on HB 2094A and HB 2368B, says these bills will be back on the agenda on Wednesday, June 18, and calls for a short recess at 9:30 a.m.

187	Chair Minnis	Reconvenes the meeting at 9:45 a.m. and opens a work session on HB 3329B.
<u>HB 3329B WORK SESSION</u>		
189	Bill Joseph	Committee Counsel. Introduces HB 3329B that authorizes Department of Justice to initiate and participate in efforts to prepare for, and to assist in delivery of, services to individuals traumatized by acts of mass violence, and the –B10 amendments (EXHIBIT K). Says the only other amendments under consideration are the –B8 amendments (EXHIBIT L).
226	Kate Richardson	Chief of Staff, Oregon State Treasury. Testifies in support of HB 3329B. Discusses section 3 of the bill.
280	Fred Boss	Oregon Department of Justice. Testifies in support of HB 3329B.
309	Vice Chair Burdick	Asks for clarification that it will be limited to securities.
317	Boss	Says it is narrowly crafted solely to securities class actions litigation.
322	Sen. Walker	Asks if the Private Securities Litigation Reform Act is a federal act.
327	Boss	Says, yes.
329	Chair Minnis	Asks for clarification of the time notice.
337	Joseph	Explains there was a 30-day notice in the original contract.
351	Cheryl Pellegrini	Department of Justice. Agrees with the explanation given.
377	Vice Chair Burdick	Discusses the –B8 amendments that have been added to HB 3329B.
396	Julie Brandis	Associated Oregon Industries. Expresses concerns about the –B8 amendments that address telemarketing.
434	Vice Chair Burdick	Says the source of the constitutional issues are that there are exemptions in the bill.
450	Vice Chair Burdick	MOTION: Moves to ADOPT HB 3329B-B10 amendments dated 6/13/03.
457	Sen. Ferrioli	Discusses his concerns about the timing of when the contract runs out.
TAPE 165, B		
045	Joseph	Discusses the possibility of breach of contract in the –B10 amendments and suggests a change in the wording of the amendment.
070	Sen. Walker	Believes that this is not needed.
072	Pellegrini	Explains the procedure to be followed if this legislation passes. Says she concurs with the change of wording in the amendment.
112	Chair Minnis	Asks for clarification of the wording change in the amendment.
113	Joseph	Says in the -B10 amendments, page 1, line 4, after vision of the contract, insert “absent stipulation of the parties to the contract.”
126	Vice Chair Burdick	Withdraws her original motion.
130	Vice Chair Burdick	MOTION: Moves to SUSPEND the rules for the purpose of Conceptually amending the -B10 amendments to HB 3329B.
		VOTE: 6-0
133	Chair Minnis	Hearing no objection, declares the motion CARRIED.
138	Vice Chair Burdick	MOTION: Moves to AMEND HB 3329B -B10 AMENDMENTS on page 1, in line 4, after "vision of the contract," insert "absent stipulation of the parties to the contract,"
		VOTE: 6-0

148	Chair Minnis	Hearing no objection, declares the motion CARRIED.
156	Vice Chair Burdick	MOTION: Moves to ADOPT HB 3329-B8 amendments dated 5/22/03. VOTE: 5-1 AYE: 5 - Burdick, Ferrioli, Ringo, Starr C., Walker NAY: 1 - Minnis
159	Chair Minnis	The motion CARRIES.
163	Vice Chair Burdick	MOTION: Moves HB 3329B to the floor with a DO PASS AS AMENDED recommendation. VOTE: 6-0
165	Chair Minnis	Hearing no objection, declares the motion CARRIED. SEN. BURDICK will lead discussion on the floor.
167	Chair Minnis	Closes the work session on HB 3329B and adjourns the meeting at 10:15 a.m.

EXHIBIT SUMMARY

- A – HB 2094A and HB 2368B, printed material submitted by Jim Gardner, 13 pp**
- B – HB 2094A, -A5 amendments submitted by staff, 6 pp**
- C – HB 2094A, -A10 amendments submitted by staff, 1 p**
- D – HB 2094A, printed material submitted by Mark Nelson, 7 p**
- E – HB 2368A, written testimony submitted by John Valley, 1 p**
- F – HB 2368A, written testimony submitted by Courtni Dresser, 2 pp**
- G – HB 2368A, -B22 amendments submitted by staff, 5 pp**
- H – HB 2368A, -B16 amendments submitted by staff, 1 p**
- I – HB 2368A, -B18 amendments submitted by staff, 3 pp**
- J – HB 2094A and 2368A, printed material submitted by Marshall Coba, 5 p**
- K – HB 3329B, -B10 amendments submitted by staff, 1 p**
- L – HB 3329B, -B8 amendments submitted by staff, 5 pp**