

## SENATE COMMITTEE ON RULES

June 12, 2003  
3:00 P.M.

Hearing Rooms HR D, B  
Tapes 61 - 64

**MEMBERS PRESENT:**     **Sen. Kate Brown, Co-chair, Presiding**  
                                  **Sen. Bev Clarno, Co-chair**  
                                  **Sen. Jason Atkinson Vice-chair**  
                                  **Sen. Ginny Burdick Vice-chair**  
                                  **Sen. Roger Beyer**  
                                  **Sen. Tony Corcoran**

**VISITING MEMBER:**             **Sen. Rick Metsger**

**STAFF PRESENT:**           **Jim Stembridge, Committee Administrator**  
                                  **Patricia Nielsen, Committee Assistant**

**MEASURE/ISSUES HEARD:**     **SB 132 – Public Hearing and Work Session**  
                                  **SB 899 – Public Hearing and Work Session**  
                                  **SB 139 – Public Hearing**  
                                  **HB 3606A – Public Hearing**

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b><u>TAPE 61, A</u></b>		
005	Co-chair Brown	Opens meeting as subcommittee at 3:11 p.m. in Hearing Room D. Opens public hearing on SB 132.
<b><u>SB 132 – PUBLIC HEARING</u></b>		
010	Jim Stembridge	Committee Administrator. Provides overview of SB 132, which increases maximum amount of civil penalty for each violation of election laws or rules adopted under election laws from \$250 to \$1,000. Presents overview of -2 amendments (4-8-03), which replace original measure ( <b>EXHIBIT A</b> ).
015	Co-chair Brown	Closes public hearing on SB 132. Opens public hearing on SB 899.
<b><u>SB 899 – PUBLIC HEARING</u></b>		
020	Jim Stembridge	Committee Administrator. Presents overview of SB 899, which requires Department of Transportation to advertise in 2003 for bids to purchase motor vehicle registration plates and plates for motor carriers.
025	Rep. Tootie Smith	District 18. Testifies in support of SB 899. Raises concerns the measure addresses: <ul style="list-style-type: none"><li>• Keep license plate printing in Oregon</li><li>• Consider economic costs of Oregonians out of work</li></ul>
070	Co-chair Brown	Reopens as full committee.
075	Sen. Beyer	Asks about requirement for manufacturing license plates in Oregon.
080	Stembridge	Refers to lines 10-13, which require printing, binding and stationery work for state or counties to be done in Oregon, and

085	Rep. T. Smith	this measure adds manufacture of license plates.
090	Sen. Beyer	Responds it does both. Clarifies requirement for bid within ten percent above lowest bidder to be awarded in state.
105	Grover Simmons	Representing Pacific printing and imaging industry, including Irwin-Hodson Co. Testifies in support of SB 899. Submits written testimony <b>(EXHIBIT B)</b> .
165	Thom Brown	Testifies in support of SB 899.
170	Harvey Mathews	Associated Oregon Industries (AOI). Testifies in support of SB 899.
185	Sen. Atkinson	Asks whether costs for license plates will go up.
190	Thom Brown	Discusses costs of materials and labor, about \$2.49 per plate.
210	Co-chair Brown	Clarifies the cost is in lower half of all producers around country.
215	Simmons	Specifies lower one-third. Submits pricing information <b>(EXHIBIT C)</b> .
235	Co-chair Brown	Clarifies the Oregon company had the contract for many years; now a Nova Scotia company has for 4-5 years. Asks how that company would respond if their contract is rescinded.
250	Simmons	Explains it is a one-year contract, rolled over for 4 succeeding years.
255	Thom Brown	Adds there is always a possibility that bids would be reopened in every state.
265	Rep. Diane Rosenbaum	District 42. Testifies in support of SB 899.
		<ul style="list-style-type: none"> <li>• This is a jobs bill</li> <li>• Employer is in her district, over 100 years</li> <li>• 15 family wage jobs</li> </ul>
295	Kelly Taylor	Oregon Department of Transportation (ODOT). Discusses process of producing license plates. Offers to answer questions.
		<ul style="list-style-type: none"> <li>• Last renewal was first time put out for bid</li> <li>• Bill gives leeway for ten percent difference, to account for effect on economy by moving the work away from Oregon</li> </ul>
350	Co-chair Brown	Closes public hearing on SB 899. Opens work session on SB 899.

**SB 899 – WORK SESSION**

355	Sen. Beyer	<b>MOTION: Moves SB 899 to the floor with a DO PASS recommendation.</b>
360		<b>VOTE: 5-1</b>
		<b>AYE: 5 - Atkinson, Beyer, Burdick, Brown, Clarno</b>
		<b>NAY: 1 – Corcoran</b>
	Co-chair Brown	<b>The motion CARRIES.</b>
		<b>SEN. BROWN will lead discussion on the floor.</b>
370	Co-chair Brown	Closes work session on SB 899. Opens public hearing on SB 132.

**SB 132 – PUBLIC HEARING**

375 Jim Stembridge Committee Administrator. Presents overview of SB 132, which increases maximum amount of civil penalty for each violation of election laws or rules adopted under election laws from \$250 to \$1,000. Discusses -2 amendments dated 4-8-03 (**EXHIBIT A**), Democratic Party Political Director. Testifies in support of SB 132 and -2 amendments. Submits written testimony (**EXHIBIT D**).

385 Joe Keizur

**TAPE 62, A**

005 Janice Thompson Money in Politics Research Action Project. Testifies in opposition to SB 132. Explains other states' Treasurers have qualms but not this much.

010 Kappy Eaton League of Women Voters of Oregon. Testifies in opposition to SB 132. Expresses concern over insufficient funding for Secretary of State to process the violations.

020 Sen. Corcoran Asks whether Republican members support.

025 Keizur Affirms the amendment is fine. Explains Republican members are not here but would approve.

035 Fred Neal Elections Division, Secretary of State. Testifies in opposition to -2 amendments. Raises concerns:

- Pledges are not reported as cash but as receivables, so should not affect bookkeeping of committee
- There has not been an enforcement issue
- Describes issue where committees or nascent campaigns knew money would be coming, and did not report as receivable, so opponents did not know about a well-funded race
- Creates hurdle or burden on Secretary of State to account for the pledges

065 Co-chair Brown Asks about Secretary of State sanctions if a member received a pledge and failed to report, and whether the Secretary of State could assess a fine if they found out the member did not amend the report.

075 Neal Discusses reporting requirements.

080 Co-chair Brown Asks if a will containing a pledge could be challenged and the pledge tied up in court.

085 Neal Answers not in the particular case which triggered the amendment.

090 Co-chair Brown Closes public hearing on SB 132. Opens work session on SB 132.

**SB 132 – WORK SESSION**

105 Sen. Burdick Expresses concern over no increase in penalties.

107 Sen. Beyer **MOTION: Moves to ADOPT SB 132-2 amendments dated 4/8/03.**

**VOTE: 5-1**

**AYE: 5 - Atkinson, Beyer, Corcoran, Brown, Clarno**

**NAY: 1 - Burdick**

**Co-chair Brown The motion CARRIES.**

109 Sen. Beyer **MOTION: Moves SB 132 to the floor with a DO PASS AS AMENDED recommendation.**  
**VOTE: 5-1**  
**AYE: 5 - Atkinson, Beyer, Corcoran, Brown, Clarno**  
**NAY: 1 - Burdick**  
**The motion CARRIES.**  
**SEN. BEYER will lead discussion on the floor.**

110 Co-chair Brown Closes work session on SB 132. Opens public hearing on SB 139.

**SB 139 – PUBLIC HEARING**

115 Jim Stembridge Committee Administrator. Provides overview of SB 139, which establishes Elections Operating Account. Provides written outline (**EXHIBIT E**). Discusses objectives to reduce costs of voter’s pamphlet. Discusses -2 amendments dated 6-3-03 (**EXHIBIT F**). Describes spreadsheet with cost calculations (**EXHIBIT G**).

225 Co-chair Brown Closes public hearing on SB 139. Recesses the committee at 3:57 p.m.

\*\*\*\*\* **RECESS** \*\*\*\*\*

230 Co-chair Brown Reconvenes the committee at 4:03 p.m. in Hearing Room B. Opens public hearing on HB 3606A.

**HB 3606A – PUBLIC HEARING**

235 Rep. Vic Backlund District 25. Testifies in support of HB 3606A, which authorizes Director of Oregon Department of Administrative Services (DAS), with approval of State Treasurer, to enter into agreements to grant incremental baseball tax revenues for period of not more than 30 years. Provides background. Discusses safeguards in the measure. Discusses economic and employment benefits.

330 Sen. Ryan Deckert District 14. Testifies in support of HB 3606A. Clarifies the proposal does not involve any public funding.

**TAPE 61, B**

015 Howard Lavine Governor’s policy advisor on bringing major league baseball to Oregon. Testifies in support of HB 3606A. Presents Governor’s perspective on the measure. Urges not waiting for better economic times. Expresses support from business and labor.

080 Marti Saathoff General Counsel, Governor’s Office. Testifies in support of HB 3606A. Clarifies the measure provides a grant, not issuing of bonds. Discusses revenue generated by the proposal. Discusses other protections provided.

160 Kate Richardson Chief of Staff, State Treasurer’s Office. Offers to answer questions. Discusses proposed –A3 amendments dated 6-12-03 (**EXHIBIT H**). Discusses development of the proposal to reduce or eliminate bonding risk to state. Describes obligation for appropriate funds if revenues are generated.

215 Sen. Metsger Describes obligation to appropriate funding. Asks whether that carries forward into the amendment.

235 Richardson Responds it does not change, but if income tax rate changes, the higher rate still applies.

245 Sen. Metsger Clarifies DAS would ask for appropriations from General Fund if they were not from income taxes to meet obligation.

250	Richardson	Clarifies it is all income tax money/revenue, so difference between two rates would be from General Fund.
255	Sen. Metsger	Discusses third-party guarantor and bonding arrangement. Asks about risk if full faith and credit of state is not behind it. Inquires who would buy the bonds and would the total capital be generated.
270	Richardson	Explains bonds require a guarantor, and financing may or may not be based on this income stream.
275	Chuck Smith	Director of Debt Management, Oregon State Treasury. Explains guarantor would be an important credit part, as well as other revenue streams. Adds the state has outstanding reputation for appropriation credit.
295	Sen. Burdick	Asks whether this depends on revenue that would not otherwise be here (player salaries). Asks about what happens if tax structure changes.
325	Richardson	Responds the risk is obligation to pay the difference if there is tax reform.
330	Sen. Burdick	Suggests if income tax is reduced, the state must raise other tax to compensate for lost revenue.
335	Richardson	Agrees in theory.
350	Co-chair Brown	Asks about State Treasurer's position.
355	Richardson	Responds it is neutral.
365	Patrick Green	Oregon AFL-CIO. Testifies in support of HB 3606A.
<b>TAPE 62, B</b>		
010	Ed Glad	Pacific Northwest Regional Council of Carpenters. Testifies in support of HB 3606A. Discusses need for jobs in building industry.
035	Jeff Carlson	International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers; Oregon Building Trades. Testifies in support of HB 3606A. Discusses economic benefits of building a stadium that brings construction jobs.
060	David Kahn	Oregon Stadium Campaign. Testifies in support of HB 3606A. States passing HB 3606A is the right thing for Oregon. Provides visual demonstration showing the contracting positions in a similar project in Indiana. Submits written materials ( <b>EXHIBITS I, J</b> ).
120	Kahn	Continues presentation. Addresses the projects involved in building sports stadiums and emphasizes the bill's intent to create jobs.
160	Kahn	Continues presentation. Provides percentages of dollars spent in neighboring Washington and the revenue that is brought into Washington by Oregonians. Reads excerpt of testimony from Karl Mundorf ( <b>EXHIBIT K</b> ). Summarizes and concludes testimony.
220	Drew Mahalic	Chief Executive Officer (CEO), Oregon Sports Authority. Provides testimony in support of HB 3606A. Mentions indicators that Oregon is prepared and ready for sports to provide an economic boost to the state.
247	Stephen Kanter	Law Professor; President, Portland Baseball Group; Oregon Stadium Campaign. Provides testimony in support of HB 3606A. Commends the work group that created the –A3 amendments. Commends the opponents for their standpoint on earlier versions of HB 3606A. Elaborates on the tax issue of the current draft of the bill.

320	Kanter	Discusses the previous question of who would purchase the bonds.
340	Co-Chair Brown	Asks if the –A3 amendments limit the aggregate payments to \$150 million, and asks for the costs of building the stadium.
350	Kanter	Answers the cost would be about \$350 million. Elaborates on the process of bond payments as well as ownership costs.
388	Co-chair Brown	Asks about the Washington, DC financing issue, and asks for information on the issue of union opposition to taxing baseball players.
396	Kanter	Clarifies the issues are separate and distinct legally. Elaborates on the players uniform tax rules and the cooperation of the players for the Oregon proposal.
<b>TAPE 63, A</b>		
018	Sen. Metsger	Asks who will own the stadium among the various partners.
026	Kanter	States the intent and expectation is for it to be a publicly owned stadium, leased to the team.
030	Sen. Metsger	Asks about the other costs outside of the cost of the stadium.
036	Kanter	Responds the state’s portion is capped well under the cost of constructing the stadium. Discusses other costs.
039	Sen. Metsger	Asks who will be paying the transportation infrastructure costs.
043	Kanter	Describes overall project budget, which includes the transportation infrastructure. States there is no hidden general tax.
052	Kahn	Asserts there will be no hidden costs, and the costs will be included in the overall project costs.
069	Kanter	Provides references to previous stadium projects which have stayed within budget.
075	Sen. Metsger	Asks about risks if baseball downsizes after a major league team is moved to Oregon.
085	Kahn	Explains this is not a right until the year 2006. Comments on the current franchise situations in the baseball league.
117	Sen. Metsger	Discusses potential impact for small businesses and independent businesses. Asks if language can be included to assures small business participation.
131	Kahn	Describes city’s intention to enter into those types of agreements.
139	Kanter	Closes the presentation with the assurance that the state is not liable for the cost of the stadium.
151	Sen. Corcoran	Asks who is the final of guarantor if it is not Oregon, and if it is possible that the City of Portland will be.
168	Kahn	Answers and elaborates on the current process.
189	Sen. Corcoran	Asks how Conseco Fieldhouse (Indiana) was financed.
194	Kahn	States there was a mixture of public and private financing.
204	Sen. Corcoran	Clarifies in this case there is no state money.
209	Kahn	Explains the “state money” is the dedicated revenue stream from the stadium and the team.
214	Sen. Corcoran	Asks for a breakdown of the partners and whether there is potential liability if the state sets up a revenue stream.
222	Kanter	Describes the deal as an ‘escrow deal,’ and discusses revenue streams from the state and other partners to present to the guarantor.
276	Carl Flipper	Co-Chair, Community Development Committee, Portland Baseball Group. Testifies in support of HB 3606A.
310	Julie Edwards	Resident. Testifies in support of HB 3606A. Shares a desire to

370 Jay Waldron see baseball in Oregon for the benefit of the children of Oregon. Attorney; Chair, Port of Portland. Testifies in support of HB 3606A. Asserts baseball will be a boost in the economic arm of Oregon. Reads testimony from the chair of the Oregon Tourism Division.

**TAPE 64, A**

005 Waldron Comments on the potential tourism dollars that will be spent in Oregon per game. Comments on the quality of life in Portland and the costs of improving the nightlife of Oregon. Summarizes and concludes.

050 Kim Kimbrough CEO, Portland Business Alliance. Testifies in support of HB 3606A. Discusses economic development resulting from building a stadium and bringing a team to Portland.

086 Olney Pat, Jr. Resident, Warm Springs. Provides testimony in support of HB 3606A. Comments on the economic benefits of bringing baseball to Oregon. Comments on improvements to the quality of life in Portland.

138 Sen. Corcoran Asks if there has been discussion among the tribes to do some sort of proportional investment funding for the stadium.

150 Pat Responds he is unaware of any discussion among the tribes regarding this issue. Expresses a desire to take advantage of advertising opportunities bringing baseball to Oregon.

160 Harvey Platt CEO, Platt Supply. Provides testimony in support of HB 3606A. States a desire to improve the community of Portland, as well as the economic benefits to the state. Provides written article from the Oregonian and reads from the article (**EXHIBIT L**).

230 Brad Perkins Private Citizen. Provides testimony in support of HB 3606A. Commends previous speakers and the direction the proponents have taken.

300 Co-chair Brown Notes for the record a letter submitted by Pete Ward Travel & Cruise Center (**EXHIBIT M**).

310 Bob Kinsley Sublimity Baseball Fan. Provides testimony in support of HB 3606A. Comments on the benefits of community spirit and community unity.

343 Dick Campbell Oregon resident. Asks whether the stadium will be a baseball stadium only, and asks if during the off season it will be used by other activists. Asks a general question regarding the need for a retractable roof.

370 Co-chair Brown Explains the retractable roof is not being considered.

390 Steve Kanter States that on occasion baseball stadia are used for off-season activities.

405 Co-chair Brown Asks for the locations being discussed.

410 Kanter Discusses the seven sites currently being considered.

415 Kinsley Asks why locations have not been looked at outside of Portland, such as Wilsonville.

420 Kanter Responds the city locations are most favorable for use of mass transit.

The following prepared testimony is submitted for the record without public testimony for HB 3606A:

Karen Kantor Submits written testimony (**EXHIBIT N**).

425 Co-chair Brown Closes the public hearing on HB 3606A and adjourns the committee at 6:03 pm.

## **EXHIBIT SUMMARY**

- A – SB 132, -2 amendments (4-8-03), staff, 7 pp**
- B – SB 899, written testimony, Grover Simmons, 2 pp**
- C – SB 899, pricing survey, Grover Simmons, 1 p**
- D – SB 132, written testimony, Joe Keizur, 1 p**
- E – SB 139, written testimony, Jim Stembridge, 8 pp**
- F – SB 139, -2 amendments (6-3-03), staff, 13 pp**
- G – SB 139, cost calculations, Jim Stembridge, 13 pp**
- H – HB 3606A, -A3 amendments (6-12-03), staff, 4 pp**
- I – HB 3606A, written testimony, David Kahn, 13 pp**
- J – HB 3606A, booklet “Major League Baseball in the Community,” David Kahn, 40 pp**
- K – HB 3606A, written testimony of Karl Mundorf, David Kahn, 2 pp**
- L – HB 3606A, written commentary, Harvey Platt, 1 p**
- M – HB 3606A, written testimony, Pete Ward, 1 p**
- N – HB 3606A, written testimony, Karen Kantor, 1 p**