

HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

March 20, 2001
3:30 PM

Hearing Room 50
Tapes 46 - 48

MEMBERS PRESENT: **Rep. Jeff Kropf, Chair**
 Rep. Al King, Vice-Chair
 Rep. Donna Nelson, Vice-Chair
 Rep. Robert Ackerman
 Rep. Dan Doyle
 Rep. Elaine Hopson
 Rep. Wayne Krieger
 Rep. Mary Nolan
 Rep. Tootie Smith

STAFF PRESENT: **Ray Kelly, Committee Administrator**
 Michael Reiley, Committee Assistant

MEASURE/ISSUES HEARD: **HB 2061 – Public Hearing**
 HB 2156 – 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 46, A		
003	Chair Kropf	Calls meeting to order at 3:34 p.m. Opens public hearing on HB 2061.
<u>HB 2061 – PUBLIC HEARING</u>		
012	Ray Kelly	Committee Administrator. Reads summary of HB 2061.
029	Sen. Peter Courtney	Senate District 17. Testifies in support of HB 2061. Explains provisions of HB 2061. Explains the work of the interim committee to study functions, funding and maintenance of the Oregon State Fair.
149	Katie Cannon	Director, Oregon State Fair. Submits and summarizes prepared testimony (EXHIBIT A).
207	Rep. T. Smith	Asks what the cost would be of demolishing the grandstand.
209	Cannon	Answers that she does not know.
214	Rep. T. Smith	Expresses concern about the condition of the grandstand.
222	Cannon	Concurs. States that she cannot allow the public to enter the grandstand in its current condition.
234	Chair Kropf	Asks what the cost would be to allow the public into the grandstands this year.
238	Cannon	Describes the condition of the grandstand and associated costs.
253	Chair Kropf	Asks if part of the grandstand has been declared unsafe.
256	Cannon	Answers yes that she cannot allow the public into the interior of the facility. Continues summary of prepared testimony.
282	Chair Kropf	Asks why the simulcast situation is they way it is.
285	Cannon	Answers that simulcast is assigned to a license, and a statutory change was made to prohibit the State Fair from getting the simulcast license. Continues summary.
356	Rep. T. Smith	Asks why horse racing should be continued until 2002 if it is losing money every year.
383	Sen. Courtney	Answers that he is not sure, but he thinks it was due to

		contractual obligations.
403	Cannon	Notes that there may have been other expenses associated with horse racing. Discusses use of a contractor. Points out that the State Fair ran the race themselves in 1998 and lost \$100,000.
419	Rep. T. Smith	Expresses concern that the state fair is losing money on racing and is still contractually obligated to have it.
443	Chair Kropf	Asks why there is a difference between 1996-97 and 1997-98 revenues.
453	Cannon	Answers that it was due to simulcast revenues.
461	Chair Kropf	Asks if the state fair would be able to operate horse racing more effectively with simulcast revenue.
471	Cannon	Answers that the figures are "total handle," not the net revenue.
483	Rep. Nelson	Asks if the revenue for Portland Meadows and Salem racing is for the same period of time.
TAPE 47, A		
028	Cannon	Answers that Portland runs more racing days.
032	Rep. Nelson	Asks if comparing the same number of days, would revenue be similar.
036	Cannon	Answers that Portland has bigger market, more betting and they use simulcast, so it would be difficult to compare between Portland and Salem.
046	Rep. Nelson	Asks if it is possible to construct a new facility for less than the cost of repair for the current facility.
050	Cannon	Answers that it difficult to compare because the grandstand is a limited use facility. Suggests that it may be a better option to develop another facility that has more uses.
065	Rep. Nelson	Asks if it is probable for year-round revenue with a new facility.
069	Cannon	States that the Oregon Racing Commission controls horse racing days.
072	Rep. Nelson	Asks if there has been an investigation into how to develop more potential revenue.
082	Cannon	Answers that there have been investigations but there are limitations on activities such as the weather.
100	Rep. Nelson	Asks if different types of structures have been examined.
110	Cannon	Answers that they have not moved to the design stage yet. Notes that there is still information to be considered.
120	Sen. Courtney	Points out that there are other considerations for generating revenue. Notes that horses will still be at the fair, but it is not feasible to put money into the facility.
159	Chair Kropf	Asks why it may not be possible to have a race this year even if it were still mandated.
168	Cannon	Answers that she needs to find a contractor for racing in addition to making repairs to the facilities.
189	Chair Kropf	Asks if it would be possible to hold a race this year if a contractor came forward.
191	Cannon	Answers no.
194	Sen. Courtney	Restates that HB 2061 only removes the mandate to have horse racing.
202	Chair Kropf	Asks if the removal of the mandate will essentially lead to the elimination of horse racing.
211	Sen. Courtney	Answers that all of the evidence indicates that horse racing should be phased out. Rep. Winters arrives at 4:20 p.m.

214	Chair Kropf	Clarifies that if the requirement is removed, the state fair can still hold the horse race, but only if a contractor came forward, because the fair will not run a race and lose money.
219	Cannon	Answers yes.
221	Rep. Jackie Winters	House District 31. Testifies in support of HB 2061.
241	Rep. Nelson	Asks how the State Fair has been subsidized over the last 1-5 years.
247	Cannon	Answers that in the last biennium it was approximately \$1.3 million. Notes that they are asking for \$1.5 million in their current budget for operational expenses.
292	Juanita Jones	Horse owner and trainer. Testifies against HB 2061. Questions the intent of the fair. Argues that the state fair is based on tradition and losing horse racing would be losing that tradition. Gives personal history with the Oregon State Fair. Notes that if Salem racing goes, Portland racing will follow.
358	Chair Kropf	Asks if there would there be any other organized horse races in Oregon if the state fair and Portland Meadows stopped racing.
362	Jones	Answers no, because there would be no horses to race them.
374	Chair Kropf	Asks what Ms. Jones thinks of the current state of horse racing in Oregon.
377	Jones	Answers that she feels it is dying due to lack of support.
398	Colonel Julian McFadden	Corvallis, Oregon. Testifies against HB 2061. Gives personal history with Oregon horse racing. Explains problems with and gives thoughts about how to revive racing in Oregon. Reads excerpt from HB 2061 and discusses original intent of Oregon State Fair and its current focus.
TAPE 46, B		
067	Carole Nicolai	Horse owner and breeder. Testifies against HB 2061. Points out that if Salem were to lose racing, Portland would go because they are all interconnected.
086	Jacque Keller-McCormick	Horse owner and trainer. Testifies against HB 2061. Describes other horse tracks that have portable facilities and operate without grandstands.
148	Patrice Bricker Mayfield	Horse owner, breeder, and trainer. Testifies against HB 2061. Describes experience of watching horse races.
217	David Benson	President, Oregon Horsemen's Benevolent & Protective Association (OHBPA). Submits and reads prepared testimony against HB 2061 (EXHIBIT B). States that Portland Meadows was recently sold and will probably soon no longer have horse racing.
260	Chair Kropf	Asks if there is a group that will step forward to assist the Oregon State Fair in holding the only major horse racing in the state if Portland Meadows was to lose racing.
265	Benson	Answers yes.
266	Chair Kropf	Asks if the offer was on the table a year ago.
267	Benson	Answers yes, provided Portland Meadows goes away. Continues testimony.
350	Chair Kropf	Asks if they pay \$45,000 for the racing license and \$10,000 for box seats, should it be included in the total revenue.
357	Benson	Answers that there is a discrepancy. Continues testimony.
408	Rep. Krieger	References EXHIBIT A and the photos of deterioration of the grandstand and asks why maintenance has not been done over the years.
416	Benson	Answers that he has been involved in racing in Oregon for 20

430	Rep. Nelson	years and has not seen improvements made. Asks if removing the mandate for holding horse races would preclude the state from holding them.
TAPE 47, B		
006	Benson	Answers that funding is an issue, but if there is no operator and racing “doesn’t want to come,” there will be no racing.
027	Rep. Nelson	Asks if OHBPA would be willing to contract with the Oregon State Fair to be responsible for horse racing.
030	Benson	Answers that they would if they had the money. Explains associated costs.
033	Rep. Nelson	Asks if they would be willing to solicit funding.
036	Benson	Answers yes. Their primary goal is to provide racing, not eliminate it.
048	Ursula Gibbons	Executive Director, Oregon Thoroughbred Breeders Association. Testifies against HB 2061.
069	Glen Knickerbocker	Lone Oak Racing, Cummings Group. Submits and summarizes prepared testimony against HB 2061 (EXHIBIT C). Explains that Lone Oak Racing made most of the improvements to the State Fair grandstands since 1992.
155	Chair Kropf	Recesses public hearing on HB 2061. Opens work session on HB 2156.
<u>HB 2156 – WORK SESSION</u>		
164	Kelly	Reads summary of HB 2156 and –2 and –5 amendments (EXHIBIT D).
228	Chair Kropf	Explains his intentions for HB 2156.
261	Rep. Krieger	MOTION: Moves to ADOPT HB 2156-2 amendments dated 3/1/01.
		VOTE: 8-0
		EXCUSED: 1 – King
265	Chair Kropf	Hearing no objection, declares the motion CARRIED.
267	Rep. Krieger	MOTION: Moves to ADOPT HB 2156-5 amendments dated 3/20/01.
		VOTE: 8-0
		EXCUSED: 1 – King
270	Chair Kropf	Hearing no objection, declares the motion CARRIED.
273	Rep. T. Smith	MOTION: Moves HB 2156 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-1-1
		AYE: 7 - Ackerman, Doyle, Hopson, Krieger, Nelson, Smith T, Kropf
		NAY: 1 – Nolan
		EXCUSED: 1 – King
283	Chair Kropf	The motion CARRIES.
		REP. KROPF will lead discussion on the floor.
287	Chair Kropf	Closes work session on HB 2156. Reopens public hearing on HB 2061. Recesses meeting at 5:13 p.m. Reconvenes at 5:22 p.m.

Pete Test, Associate Director of Governmental Affairs, Oregon Farm Bureau submits testimony in support of HB 2156 (**EXHIBIT D**).

HB 2061 – PUBLIC HEARING

Due to technical difficulties, a brief (1-2 min.) portion of the meeting was not recorded.

300	Terry Detz	Testifies against HB 2061.
321	Chair Kropf	Asks if Mr. Detz has raced every year.
322	Detz	Answers that this is about the first year he has not, due to the

344	Chair Kropf	state of racing. Hopes for resurgence of the state fair, but fears that it will not with passage of HB 2061.
371	Rep. Nelson	States his enjoyment of watching horse racing.
386	Detz	Asks if rodeos could be combined with horse racing.
422	Chair Kropf	Responds that it is done in some places in Oregon.
		Reads into record testimony from Mary Kagee against HB 2061 arguing that if the mandate was deleted, "we would never get racing back."
TAPE 48, A		
004	Bill Carpenter	Testifies against HB 2061. Gives personal account working in the horse racing industry. Expresses disappointment that repairs on the state fair racing facilities have been delayed so long.
047	Chair Kropf	Closes public hearing on HB 2061. Adjourns meeting at 5:35 p.m.

Submitted By,

Reviewed By,

Michael Reiley,
Committee Assistant

Ray Kelly,
Committee Administrator

EXHIBIT SUMMARY

- A – HB 2061, written information, Katie Cannon, 41 pp**
- B – HB 2061, written testimony, David Benson, 3 pp**
- C – HB 2061, written testimony, Glen Knickerbocker, 24 pp**
- D – HB 2156, written testimony, Pete Test, 1 p**