

# HOUSE COMMITTEE ON AGRICULTURE & FORESTRY

March 27, 2001  
3:30 PM

Hearing Room 50  
Tapes 49 - 50

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

**MEMBER EXCUSED:** Rep. Robert Ackerman

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

**MEASURE/ISSUES HEARD:**  
HB 2222 – Public Hearing and Work Session  
HB 3530 – Public Hearing and Work Session  
HB 3905 – Public Hearing and 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.

---

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>TAPE 49, A</b>		
003	Chair Kropf	Calls meeting to order at 3:31 p.m. Opens public hearing on HB 3488. Closes public hearing on HB 3488. Opens public hearing on HB 2222.
<b><u>HB 2222 – PUBLIC HEARING</u></b>		
012	Ray Kelly	Committee Administrator. Reads summary of HB 2222 and explains –1 amendments. Explains –2 amendments ( <b>EXHIBIT A</b> ).
037	Janet Whitfield	Bureau of Labor and Industries (BOLI). Testifies in support of HB 2222. Describes intent of HB 2222.
053	Charles Deister	Southern Oregon Goodwill. Submits and summarizes prepared testimony ( <b>EXHIBIT B</b> ).
070	Kropf	Closes public hearing on HB 2222. Opens work session on HB 2222.
<b><u>HB 2222 – WORK SESSION</u></b>		
073	Rep. T. Smith	<b>MOTION: Moves to ADOPT HB 2222-2 amendments dated 3/6/01.</b>
075	Rep. Krieger	Asks if there is any testimony against HB 2222.
077	Chair Kropf	Answers no. <b>VOTE: 6-0</b> <b>EXCUSED: 3 – Ackerman, Doyle, Nolan</b>

079                    Chair Kropf                    **Hearing no objection, declares the motion CARRIED.**  
082                    Rep. T. Smith                **MOTION: Moves HB 2222 to the floor with a DO PASS AS AMENDED recommendation.**  
**VOTE: 5-0**  
**AYE:                In a roll call vote, all members present vote Aye.**  
**EXCUSED: 4 - Ackerman, Doyle, Nelson, Nolan**  
093                    Chair Kropf                    **The motion CARRIES.**  
**REP. T. SMITH will lead discussion on the floor.**  
097                    Chair Kropf                    Closes work session on HB 2222. Opens public hearing on HB 3530.

**HB 3530 – PUBLIC HEARING**

107                    Kelly                            Explains HB 3530.  
120                    John McCulley                Oregon Fairs Association. Testifies in support of HB 3530.  
   Explains the intent of HB 3530. Recommends that HB 3530 be sent to the Ways and Means Committee to be evaluated along with other funding requests relative to county fairs.  
151                    Ted Sabey                      President, Oregon Fairs Association, Sherman County. Concurs with Mr. McCulley’s testimony. Expresses desire for fairs to be funded for longer periods of time rather than having to address the issue every few years.  
158                    Chair Kropf                    Asks how HB 3530 differs from HB 2047.  
161                    McCulley                      Answers that HB 2047 allocates a percentage of lottery proceeds to fairs, then funds a trust fund for fairs. Explains that HB 3530 does not include the trust fund.  
174                    Rep. T. Smith                Asks if the committee should pass both bills and let the issue be resolved in the Ways and Means Committee.  
178                    Chair Kropf                    Answers yes. Closes public hearing on HB 3530. Opens work session on HB 3530. Closes work session on HB 3530. Recesses public hearing on HB 3530. Opens public hearing on HB 3905.

**HB 3905 – PUBLIC HEARING**

205                    Kelly                            Explains HB 3905. Explains –1 amendments (**EXHIBIT C**).  
225                    Rep. Betsy Johnson        House District 1. Gives personal history with county fairs.  
   Questions appropriateness of earmarking lottery funds for fairs.  
   Raises issue of accountability. Proposes requirement for fairs to account for their environmental issues and submit business plans so it can be determined if they are spending the money appropriately.  
272                    Chair Kropf                    Asks why there was a limit on county fair commission expenses.  
278                    McCulley                      Gives history of county fair commissions. Explains that they do not need the \$40,000 per year that they were previously allocated.  
319                    Rep. King                      Asks if annual audits are the appropriate course of action.  
333                    Rep. Johnson                Answers that she has left the development of the form up to the commission. Explains irregularities in commission reporting.  
359                    Rep. King                      Suggests that there may be an annual systematic review process that lends itself to an audit so that an annual audit is not always necessary.  
370                    Rep. Johnson                States that she is amenable to such a proposition. Stresses that she does not want to place onerous restrictions on fairs, but notes that she wants to see reporting on attendance and compliance regarding public meetings, state and local contracting laws, and liability insurance.  
395                    Rep. Hopson                Asks what the \$40,000 allocated for administrative costs have been used for.

403	McCulley	Answers that the \$40,000 has not been allocated since 1993. Notes that commission will no longer be visiting each county fair.
421	Rep. Hopson	Asks if there is a need for such visitation.
423	McCulley	Answers that there are mixed feelings, including concerns of micromanaging, while others continue to support it.
441	Rep. Nelson	Expresses importance of county fairs.
472	Rep. Johnson	Concurs with importance of fairs, but argues that it is not enough to “do it for the kids.” Addresses problems faced by fairs. Concedes that many fairs will never be self-sustaining.
<b>TAPE 50, A</b>		
039	Rep. Nelson	Asks if differences in fairs between counties are taken into account.
043	Rep. Johnson	States that differences have been considered. Expresses hope that the reporting requirements are not onerous on the “little fairs,” but show that best business practices are being followed.
056	Rep. King	Asks if the format of the reporting must be done on a specific form or if it could take place online, for example.
065	Rep. Johnson	Answers that she is “perfectly agreeable to that.”
068	Chair Kropf	Asks if HB 3905 provide the latitude to accomplish the goal.
072	Rep. Johnson	(Consults with Legislative Counsel Greg Chaimov) Answers yes.
076	Rep. King	Notes that electronic reports have been defined as forms.
079	McCulley	Testifies in support of HB 3905. Notes that county fairs operate as a part of local governments.
130	Sabey	Concurs with Mr. McCulley’s testimony. Explains difficulties in obtaining fairs’ compliance.
159	Rep. T. Smith	Asks what happens if county fairs do not comply.
163	Rep. Johnson	Explains penalties for noncompliance.
173	Rep. T. Smith	Notes that it may be difficult to obtain compliance.
183	Rep. Johnson	Answers that severe provisions are in place to ensure compliance.
197	Rep. King	Asks if fairs lose \$41,000 if they do not comply.
199	McCulley	Answers that it the average amount of money per year per fair over the past few years.
207	Rep. King	Questions if HB 3905 is asking for a report and review or an audit. Asks what the expenditure would be.
223	McCulley	Answers that it would not be a large expenditure since most fairs already report and review. Explains all rules and laws with which fairs must comply.
246	Rep. King	Asks what happens if a fair reports that they are not in compliance, if they still get funds.
250	McCulley	Answers yes.
251	Rep. Johnson	States that it is an issue that merits further study.
262	Rep. Nelson	Asks if the liability lies with counties.
264	Rep. Johnson	Answers in most cases yes.
267	Rep. T. Smith	Notes that fairs have not been able to make repairs. Asks what would happen in the event of a catastrophic event such as the collapse of a structure. Asks how county fairs can make improvements if there is no money.
278	Rep. Johnson	Suggests that the lawsuits that would result from such a catastrophic event would be much more costly. Expresses importance of liability insurance for county fairs.
297	McCulley	States that there may be an issue where it is determined that a facility is no longer safe. Points out that previous legislation provided major changes in county fairs statute.

319	Rep. Nelson	Asks if the commission is currently in place.
322	McCulley	Answers no.
324	Rep. Nelson	Asks when there will be one.
325	McCulley	Answers that if HB 3905 passes, one will be in place. Explains that in 1993 when all the racing funding for fairs went away the county fair commission was eliminated.
336	Rep. Nelson	Expresses concern for funding of county fair commission.
345	McCulley	Notes that there is an allotment in HB 3905 for the county fair commission.
348	Rep. Nelson	Asks about commission representation.
358	McCulley	Answers that existing statute addresses commission representation.
365	Chair Kropf	Closes public hearing on HB 3905. Reconvenes public hearing on HB 3530.

**HB 3530 – PUBLIC HEARING**

408	Rep. King	Asks about county fairs being part of local government.
420	McCulley	Answers that Coos County is no longer a private organization.
426	Rep. Nelson	Asks how many counties there are in Oregon.
429	McCulley	Answers 36.
430	Rep. Nelson	Asks about financial considerations.
434	McCulley	Explains financial considerations.
445	Chair Kropf	Notes that the figure cited is adjusted annually based on the Consumer Price Index.
450	Rep. Nelson	Asks if it includes the cost of the commission.
469	McCulley	Explains funding of the county fair commission.
486	Chair Kropf	Closes public hearing on HB 3530. Opens work session on HB 3530.

**TAPE 49, B**

**HB 3530 – WORK SESSION**

497	<b>Rep. Krieger</b>	<b>MOTION: Moves HB 3530 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways and Means.</b>
501	Rep. King	States support for HB 3530. Notes that some county fairs may fail their audit, not receive their funding, so some of the money may not be appropriated.
514	Rep. T. Smith	Clarifies that the money would go to other county fairs.
045	Rep. Nelson	Asks for clarification of the difference between Westside lottery bonds and other lottery bonds.
050	Chair Kropf	States that the question will be asked of the Ways and Means committee. <b>VOTE: 6-1</b> <b>AYE: 6 – Hopson, King, Krieger, Nelson, Smith T, Kropf</b> <b>NAY: 1 – Nolan</b> <b>EXCUSED: 2 – Ackerman, Doyle</b> <b>The motion CARRIES.</b>
069	<b>Chair Kropf</b>	
071	Chair Kropf	Closes work session on HB 3530. Opens work session on HB 3905.

**HB 3905 – WORK SESSION**

079	Rep. Nelson	<b>MOTION: Moves to ADOPT HB 3905-1 amendments dated 3/26/01.</b> <b>VOTE: 7-0</b> <b>EXCUSED: 2 – Ackerman, Doyle</b>
082	Chair Kropf	<b>Hearing no objection, declares the motion CARRIED.</b>

084	Rep. Nelson	<b>MOTION: Moves HB 3905 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.</b>
088	King	Notes that “audit may be an overly strong word for the process.” Expresses hope that issues will be resolved in the Ways and Means Committee. <b>VOTE: 7-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 2 – Ackerman, Doyle</b>
105	<b>Chair Kropf</b>	<b>The motion CARRIES.</b>
107	Chair Kropf	Closes work session on HB 3905.
110	Rep. Nelson	Requests opportunity to vote on HB 2222.
115	<b>Rep. Hopson</b>	<b>MOTION: Requests unanimous consent that the rules be SUSPENDED to allow REP. NELSON to BE RECORDED as voting AYE on HB 2222.</b> <b>VOTE: 7-0</b> <b>EXCUSED: 2 - Ackerman, Doyle</b>
125	<b>Chair Kropf</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
148	Chair Kropf	Adjourns meeting at 4:36 p.m.

Submitted By,

Reviewed By,

Michael Reiley,  
Committee Assistant

Ray Kelly,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 2222, -2 amendments, staff, 2 pp**
- B – HB 2222, written testimony, Charles Deister, 2 pp**
- C – HB 3905, -1 amendments, staff, 1 p**