

## HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

April 27, 2001  
3:15 PM

Hearing Room 50  
Tapes 129 - 130

**MEMBERS PRESENT:** Rep. Bill Witt, Chair  
Rep. Tim Rep. Knopp, Vice-Chair  
Rep. Betsy Rep. Johnson, Vice-Chair  
Rep. Alan Rep. Bates  
Rep. Alan Rep. Brown  
Rep. Janet Rep. Carlson  
Rep. Richard Rep. Devlin  
Rep. Bill Rep. Garrard  
Rep. Jerry Rep. Krummel  
Rep. Laurie Rep. Monnes-Anderson  
Rep. Vicki Rep. Walker

**STAFF PRESENT:** Dan Clem, Administrator  
Patrick Brennan, Administrative Support

**MEASURE/ISSUES HEARD:** HB 3436 Work Session  
HB 3126 Public Hearing and Work Session  
HB 2841 Public Hearing  
**PROCEDURAL PUBLIC HEARINGS**  
HB 3980 HJM 26 HJM 17 HB  
3649 HB 3551 HB 3538 HB 2828 HB  
2830 HB 3966 HB 2235-A HB 3789 HR 1  
HB 3740

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
<b>TAPE 129, A</b>		
004	Chair Witt	Calls the meeting to order at 3:40 p.m. Opens a public hearing on HB 3436.
<b><u>HB 3436 WORK SESSION</u></b>		
010	Dan Clem	Committee Administrator. Gives a brief description of the bill. Indicates that the -2 amendments ( <b>EXHIBIT A</b> ) and -3 amendments ( <b>EXHIBIT B</b> ) have been submitted for the committee's consideration and been hand-engrossed into a copy of the bill ( <b>EXHIBIT C</b> ).
014	Rep. Phil Barnhardt	House District 40. Testifies in support of HB 3436. Describes the proposed amendments and says that adopting both addresses concerns raised by the committee during previous hearings on the bill, including: <ul style="list-style-type: none"><li>• Removal of day care centers from the list of establishments to be protected</li><li>• Grandfather in existing establishments</li><li>• Clarify that the bill does not apply to establishments where the predominant activity is something else other than drinking</li></ul>
040	Rep. Johnson	Recalls she had been concerned about restaurants being targeted

		because of close proximity to a restaurant/bar. Remarks that many communities depend upon revenues generated by festivals at which alcohol is served, such as the Oktoberfest in Mount Angel and asks whether such festivals will be affected by the bill.
050	Rep. Barnhardt	Replies he is not sure.
055	Rep. Johnson	Asks how serious of a problem this type of thing is.
057	Rep. Barnhardt	Replies it is serious enough for schools in Springfield to have raised the issue and deliberate on it for several months. Concedes he is not sure how the measure will apply to other situations.
064	Rep. Johnson	Inquires whether the bill addresses the particular situation in Springfield or whether it grandfathers in the establishments to which it was meant to apply
066	Rep. Barnhardt	Answers that the bill addresses the issue insofar as it prevents future cases similar to the one in Springfield. Indicates that it does not deal with the business in question as that establishment has since obtained the appropriate license. States his intention in bringing the bill forth was to prevent such cases in the future.
078	Rep. Devlin	Asks whether Rep. Barnhardt would be amenable to an amendment to address a possible situation where a building is constructed for the specific architectural purpose of being a tavern, making it significantly devalued by a prohibition against taverns near schools.
096	Rep. Barnhardt	Responds that he will consider such an amendment.
101	Rep. Krummel	Notes that the stipulations of the bill are already in administrative rule and asks why it is necessary to place them in statute.
105	Rep. Barnhardt	Replies that the rules are discretionary, while statute would be mandatory.
108	Rep. Krummel	Inquires about Club 101 in Springfield, which received a liquor license despite its proximity to a school.
120	Rep. Barnhardt	Recalls that Club 101 received a non-premise license that will be exempted under the bill. Indicates that the establishment was originally a bar, then became an under-21 club, and is now applying to reopen as a tavern.
134	Rep. Knopp	Asks whether private clubs such as the American Legion or Elks are exempted.
140	Rep. Barnhardt	Replies he believes such groups are exempted by the –3 amendments, as their predominant activity is something other than the dispensation of alcohol.
149	Chair Witt	Requests confirmation that the –3 amendments apply to private clubs like the Elks.
153	Rep. Barnhardt	Reiterates he believes so but requests that Rep. Knopp direct the question to an agency representative.
157	Jon Stubenvoll	Oregon Liquor Control Commission (OLCC). Explains that the exemption considers the “number one” posting for an establishment. Says that absent a clear distinction in that regard the matter would be settled by determining whether the primary activity at the establishment is drinking or something else, such as is the case for a restaurant.
177	Rep. Monnes-Anderson	Mentions that there is a similar situation in Gresham, where the high school is located across the street from a restaurant with a bar. Asks whether the measure would apply to that establishment.
186	Stubenvoll	Replies that if a new establishment was proposed to be sited at a

		location within 500 feet of Gresham High School it would be prohibited, whereas the existing establishment would be exempted.
198	Rep. Monnes-Anderson	Mentions that there is a bar within the 500-foot radius of Gresham High School as well.
200	Stubenvoll	Comments that it is difficult to grandparent in existing establishments, as once sold they would no longer be applicable for retaining the same license that the previous establishment possessed.
217	Rep. Barnhardt	Responds that the—2 amendments are intended to allow licenses that are continuous to a specific location, even through a change on ownership. States that it is not his intention to prevent the licensing of an establishment after the sale of said establishment to a new owner.
231	Stubenvoll	Concludes that the amendments in their current form would make such a continuation problematic.
236	Rep. Johnson	Comments that many smaller communities, such as Scappoose, are in desperate need of new public accommodations including those serving alcohol. Wonders how the bill affects small towns in which virtually the entire commercial area could be within 500 feet of a school. Inquires whether the 500 feet is measured from the front door of the school building or the edge of the school property.
249	Rep. Barnhardt	Replies that he is unsure how the measure will apply to small towns, adding that his intention was for it not to apply to places where the entire business community is bunched together near schools. Says he believes the use of the term “urban area” would exempt small communities such as Scappoose.
267	Rep. Johnson	Remarks that Scappoose is relatively urban compared to its surrounding area.
274	Rep. Devlin	Observes that many of the issues being raised should be solvable. Proposes that the bill could be made to apply only to cities with a population over 25,000. Says there is also the case of a tavern going out of business and the property being leased to another business owner later, specifically in a location architecturally designed for serving alcohol. Suggests something could be written in so that if the location previously had a liquor license it could be grandfathered in.
305	Chair Witt	Asks how the existing rule is typically applied.
310	Stubenvoll	Explains that OLCC currently uses the 500-foot buffer, but also considers adverse impacts. States that there would need to be distinction in the bill as to what is or is not adverse impact. Mentions that in the hypothetical example used by Rep. Devlin the new establishment could be vulnerable to a declaration of adverse impact.
330	Rep. Knopp	Suggests that the bill should first be made as a pilot project in Lane County. Indicates he will not support the measure at this time.
350	Rep. Monnes-Anderson	Asks whether alternative schools are considered schools for the purposes of the bill.
363	Rep. Bates	Requests that the bill be brought back in the future with additional amendments to address the issues raised today.
374	Chair Witt	Offers to bring the bill back at a later time.
377	Rep. Walker	Suggests Rep. Devlin work with the parties to the bill to address

395	Chair Witt	the concerns of the committee. Closes the work session on HB 3436 and opens a work session on HB 3126.
<b><u>HB 3126 PUBLIC HEARING</u></b>		
398	Dan Clem	Committee Administrator. Gives a brief description of the bill. Indicates that the –1 amendments ( <b>EXHIBIT D</b> ) allow the Department of Administrative Services (DAS) to approve issuance of group health and life insurance other than that provided for in statute if it is substantially similar to that which is provided for in statute. Notes that the bill includes policies similar to those issued by fraternal organizations. Says the –1 amendments provide explicit permission to approve master policies.
<b>TAPE 130, A</b>		
024	John Mangan	American Council of Life Insurers (ACLI). Testifies in support of HB 3126 and the –1 amendments ( <b>EXHIBIT E</b> ). States the amended bill provides the Insurance Division authority to approve contracts that could benefit small employers through offering the benefits of group coverage.
050	Rep. Garrard	Inquires how old the existing law is.
053	Mangan	Replies he is not sure, but guesses the last model act was adopted at least 20 years ago.
065	Carl Lumberg	Insurance Division, Department of Consumer and Business Services (DCBS). Testifies in support of HB 3126 as amended by the –1 amendments.
074	Chair Witt	Closes the public hearing and opens a work session on HB 3126.
<b><u>HB 3126 WORK SESSION</u></b>		
077	Rep. Devlin	<b>MOTION: Moves to ADOPT HB 3126-1 amendments dated 4/13/01.</b>
085		<b>VOTE: 11-0</b>
	Chair Witt	<b>Hearing no objection, declares the motion CARRIED.</b>
090	Rep. Devlin	<b>MOTION: Moves HB 3126 to the floor with a DO PASS AS AMENDED recommendation.</b>
098		<b>VOTE: 11-0</b>
	Chair Witt	<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
		<b>REP. BROWN will lead discussion on the floor.</b>
110	Chair Witt	Closes the work session on HB 3126 and opens a public hearing on HB 2841.
<b><u>HB 2841 PUBLIC HEARING</u></b>		
121	Dan Clem	Committee Administrator. Gives a brief description of the bill.
130	Laura Pryor	Gilliam County Judge. Testifies in support of HB 2841. Says one of the primary issues facing rural Oregon is how to change the economic dynamics of a primarily agricultural region. Says the communities in her region needed to form regional cooperative partnerships in order to leverage lower prices on certain goods and services. Asserts it is in the state's interest to either empty or bolster that quarter of the state. Emphasizes the need to take a view over a longer period of time.
183	Rep. Johnson	Concludes that the bill requests that communities be allowed to carry over funds received from the Oregon Economic and Community Development Department (OECD) in order to plan

189	Pryor	for future projects. Replies affirmatively. Comments that it is necessary to be able to look further into the future as opposed to being forced to spend the entire allocation on unneeded projects so as not to lose the funds.
198	Rep. Johnson	Requests a list of the cooperative's membership and how much money is received.
202	Pryor	Lists the members of the partnership: <ul style="list-style-type: none"> <li>• South Wasco County</li> <li>• Sherman County</li> <li>• Gilliam County</li> <li>• Wheeler County</li> <li>• The Warm Springs Tribe</li> </ul>
205	Rep. Krummel	Asks about the geography of the region.
207	Pryor	Describes the geographic area that is encompassed by the cooperative.
216	Rep. Devlin	Notes that the population of the region is about 2,000 persons spread across 1,246 square miles.
233	Rep. Bates	Comments that school districts face a similar problem with needing to spend out the remainder of budgets. Asks whether the bill will allow counties to build up funds for larger projects in the future.
240	Pryor	Answers yes.
247	Chair Witt	Closes the public hearing on HB 2841 and opens a public hearing on LC 4256/HB 3980.

**LC 4256 (HB 3980) PUBLIC HEARING**

250	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on LC 4256 and opens a public hearing on HJM 26.
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**HJM 26 PUBLIC HEARING**

253	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HJM 26 and opens a public hearing on HJM 17.
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**HJM 17 PUBLIC HEARING**

257	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HJM 17 and opens a public hearing on HB 3902.
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**HB 3902 PUBLIC HEARING**

260	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3902 and opens a public hearing on HB 3649.
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**HB 3649 PUBLIC HEARING**

264	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3649 and opens a public hearing on HB 3551.
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**HB 3551 PUBLIC HEARING**

269	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3551 and opens a public hearing on HB 3538.
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**HB 3538 PUBLIC HEARING**

272	Chair Witt	Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3538 and
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**HB 2828 PUBLIC HEARING**

275 Chair Witt

opens a public hearing on HB 2828.

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 2828 and opens a public hearing on HB 2380.

**HB 2830 PUBLIC HEARING**

278 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 2830 and opens a public hearing on HB 3966.

**HB 3966 PUBLIC HEARING**

281 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3966 and opens a public hearing on HB 2235-A.

**HB 2235-A PUBLIC HEARING**

283 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 2235-A and opens a public hearing on HB 3789.

**HB 3789 PUBLIC HEARING**

285 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HB 3789 and opens a public hearing on HR 1.

**HR 1 PUBLIC HEARING**

287 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on HR 1 and opens a public hearing on HB 3740.

**HB 3740 PUBLIC HEARING**

290 Chair Witt

Indicates that the measure may be brought back for additional hearings in the future. Closes the public hearing on and adjourns the meeting at 4:25 p.m.

Submitted By,

Reviewed By,

Patrick Brennan,  
Committee Assistant

Dan Clem,  
Committee Administrator

**EXHIBIT SUMMARY**

**A – HB 3436, -2 amendments, staff, 1 p.**

**B – HB 3436, -3 amendments, staff, 1 p.**

**C – HB 3436, -2/-3 amendment hand-engrossed bill, staff, 4 pp.**

**D – HB 3126, -1 amendments, staff, 6 pp.**

**E – HB 3126, testimony, John Mangan, 3 pp.**