

# HOUSE COMMITTEE ON SMART GROWTH AND COMMERCE

May 18, 2001  
3:15 PM

Hearing Room 50  
Tapes 150 - 153

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

**STAFF PRESENT:**         **Dan Clem, Administrator**  
                                  **Patrick Brennan, Committee Assistant**

**MEASURE/ISSUES HEARD:**     **HB 2830 Public Hearing and Work Session**  
                                  **HB 2214 Work Session**  
                                  **HB 3980-A Work Session**  
                                  **HB 2292 Work Session**  
                                  **SB 374-A Public Hearing and Work Session**  
                                  **HB 2828 Public Hearing and Work Session**  
                                  **SB 942 Public Hearing and Work Session**

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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>TAPE 150, A</b>		
003	Chair Witt	Calls the meeting to order at 3:40 p.m. Opens a public hearing on HB 2830.
<b><u>HB 2830 PUBLIC HEARING</u></b>		
010	Rep. Bill Morrisette	House District 42. Testifies in support of HB 2830. States that the bill is permissive in nature. Mentions that a similar bill, which was the Oregon Liquor Control Commission (OLCC) supported, was introduced last session.
033	Chair Witt	Asks whether the language in HB 2830 is identical to that of the bill from the 1999 Legislative Session.
034	Rep. Morrisette	Replies that HB 2830 excludes grocery stores, As the Oregon Grocery Industry Association (OGIA) objected to the bill last session. Says OGIA would prefer to place the onus on the county, rather than being responsible for denials themselves.
049	Chair Witt	Requests confirmation that HB 2830 applies only to establishments that hold license to sell beverages for consumption on site.
052	Rep. Morrisette	Replies affirmatively.
055	Chair Witt	Asks if the measure makes arrangements binding.
059	Rep. Morrisette	Answers yes, reiterating that grocery stores are excluded.
065	John McArdle	Mayor, City of Independence. Testifies in support of HB 2830 ( <b>EXHIBIT A</b> ). Says the measure is a way to provide local

		control to local governments, who currently have only advisory capacities. Cities and counties can make only non-binding recommendations. Asks that the committee return control to local government.
094	Rep. Carlson	Asks about the –1 amendments ( <b>EXHIBIT B</b> ).
101	Rep. Morrisette	Indicates that the –1 amendments change the 90-day requirement to 60-day requirement, as the former is considered too high.
106	Chair Witt	Asks if the current review period is 90 days.
108	Rep. Morrisette	Explains that there are so many applications to process that a 60-day period would be unmanageable.
116	Rep. Krummel	Refers to page 1, line 19 and asks for an example of good cause for denying an application
121	Rep. Morrisette	Provides an example of a valid reason for denying licensure.
128	Rep. Johnson	Asks whether this bill represents the beginning of phasing out OLCC. Remarks that the measure introduces a substantive policy shift from historical OLCC duties.
142	Rep. Morrisette	Assures that the bill is not an attempt to supplant OLCC. Says that currently OLCC can make final decision and ignore the city or county recommendation. Remarks that cities have no desire to be in charge of enforcement. Applauds the job OLCC has done with enforcement.
163	Rep. Johnson	Asks whether OLCC has a history of turning a deaf ear to the recommendations of local governments with regard to licensure.
167	Rep. Morrisette	Says occasions of OLCC contravening the wishes of a local government are few but still significant. Emphasizes the impact that a single denial can have on a small community.
175	Rep. Johnson	Requests an estimate of how extensive this problem is.
180	McArdle	Replies there are many municipalities that no longer review licensure requests because they feel their recommendations are moot.
188	Rep. Johnson	Acknowledges the preemption issue. Says it is difficult to develop standards when licensure decisions are made on a case-by-case basis.
196	Rep. Morrisette	Responds that OLCC uses a specific set of criteria when making licensure decisions, including complaints by neighbors. Indicates that the severity of perceived offenses are sometimes the difference between OLCC accepting or rejecting the city’s recommendation. Asserts that because cities are closet to each particular case they should have meaningful input.
215	Rep. Garrard	Asks whether cities receive revenues through redistribution of state liquor taxes.
219	McArdle	Answers that Independence does not receive much in the way of state revenues from liquor taxes, but what it does receive is important.
222	Rep. Morrisette	Indicates he is unsure as to what percentage of the liquor tax is sent back to local governments.
233	Michael Marr	Accountant, Tigard. Testifies in support of HB 2830. Says he has found OLCC to be cooperative, but submits the agency is not equipped to review the specifics of each case and each community. Agrees that local officials are best equipped to shape the community. Asserts that community involvement in liquor licensure is necessary and important.
272	Chair Witt	Asks why Mr. Marr believes OLCC does not have the proper resources or authority to make informed decisions.

280	Marr	Clarifies that OLCC has sufficient authority, but does not have the capacity or staff to research every issue that applies to every licensure application, nor does it have the local connections to understand how issuing a license might affect nearby neighborhoods. Comments that HB 2830 simply offers cities the option of exerting greater influence.
300	Jon Stubenvoll	OLCC. Testifies in opposition to HB 2830 ( <b>EXHIBIT C</b> ). States that OLCC rejected 10,500 applications last year, of which only 17 overruled the local government recommendation. Provides an example of a local government that sought to deny licensure because the establishment did not have a paved parking lot. Says some local recommendations are so bizarre as to make it difficult for OLCC to deal with them directly.
365	Stubenvoll	Comments regarding the possibility of facing contested cases where OLCC contravenes the decisions of local government that are illogical or incoherent.
385	Chair Witt	Asks whether the bill could result in unequal treatment of licensure applicants from different areas.
390	Stubenvoll	Argues that consistent licensure standards are essential.
399	Rep. Krummel	Wonders why local governments should be given a voice at all if state standards are to be the primary or only factor. Says local governments have gotten the message over the years that they are merely in the way of state agencies like OLCC.
<b>TAPE 151, A</b>		
004	Stubenvoll	Acknowledges that local recommendations are sometimes helpful, so long as their recommendation is based upon some sort of relevant, recognizable, alcohol-related standard.
016	Rep. Krummel	Asks how strenuously differences of opinion are contested by local governments and requests comment regarding how some local governments have given up on making recommendations.
033	Stubenvoll	Replies that OLCC takes recommendations seriously, reiterating that OLCC disagreed with local government regulations only 17 times.
043	Rep. Krummel	Recalls more than one instance when, as mayor of Wilsonville, he relented rather than fight an OLCC decision that contravened the city's recommendation.
047	Rep. Carlson	Asks how many of the licensure applications were accompanied by a letter from the affected community.
051	Stubenvoll	Clarifies that the 10,500 applications referred to were those for which a letter from the community was included. Indicates that there were additional applications received that did not contain letters.
060	Rep. Walker	Comments on the conspiratorial appearance of the patchwork network of ordinances..
070	Bill Perry	Oregon Restaurant Association (ORA). Acknowledges that there are those who reject liquor license applications without cause and that OLCC has done a good job of making its determinations solely on the basis of alcohol-related issues. Remarks that restaurants and grocers share some of the same concerns. Opines that communities sometimes oppose issuing a liquor license to a large operation in order to protect local businesses.
096	Paul Romain	Beer and Wine Distributors. Testifies that OLCC does a good job of managing liquor issues. Asserts that local government should only object to OLCC decisions when they have valid

		reasons for doing so and should not seek to erode the commission's authority.
121	Michelle Deister	League of Oregon Cities (LOC). Testifies in support of HB 2830. States that the bill retains final authority on licensure for OLCC but offers local governments a stronger voice.
133	Chair Witt	Closes the public hearing and opens a work session on HB 2830.
	<b><u>HB 2830 WORK SESSION</u></b>	
135	Chair Witt	Indicates he has extended an offer to Rep. Morrisette to move the bill to the House Committee on Rules, Redistricting, and Public Affairs (Rules Committee) without recommendation.
140	<b>Rep. Witt</b>	<b>MOTION: Moves HB 2830 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the Committee on Rules, Redistricting, and Public Affairs.</b>
142	Rep. Krummel	Agrees that licensure decisions should be based on liquor issues, not ancillary issues such as driveways or garbage service, but says OLCC still should not ignore the opinions expressed by local government. Indicates he supports the motion but would also support a motion to move the bill to the floor with a do pass recommendation.
160	Chair Witt	Expresses hope that the matter will be worked out once the bill is moved to the Rules Committee.
164	Rep. Bates	Declares that the bill should serve as a warning to OLCC that it needs to start listening closer to local concerns.
158	Rep. Walker	Compliments the chair on keeping the bill alive despite its lack of a future in this committee.
		<b>VOTE: 9-1-1</b>
		<b>AYE: 9 - Bates, Brown, Carlson, Devlin, Garrard, Krummel, Monnes Anderson, Walker V, Witt</b>
		<b>NAY: 1 - Johnson</b>
		<b>EXCUSED: 1 - Knopp</b>
	<b>Chair Witt</b>	<b>The motion CARRIES.</b>
182	Chair Witt	Closes the work session on HB 2830 and opens a work session on HB 2214.
	<b><u>HB 2214 WORK SESSION</u></b>	
185	Rep. Al King	House District 44. Testifies in support of the -5 amendments to HB 2214 ( <b>EXHIBIT D</b> ).
226	Chair Witt	Notes that the amendments are identical to HB 2821, which moved through this committee previously and was approved on the House floor. Asks what the final vote was in the full House.
233	Rep. King	Answers that the final vote on HB 2821 was 55-0, with five excused.
235	Chair Witt	Mentions that the bill did not receive a hearing in the Senate Committee on Business, Labor, and Economic Development prior to that committee closing.
240	Rep. Walker	Suggests that the measure should have been amended into a Senate bill to expedite the process.
242	Rep. King	Explains that HB 2214 was deemed to be the best fit for the language.
244	Chair Witt	Indicates that the option of using a Senate bill as a vehicle is still open should this avenue not prove to be fruitful.
252	Cheryl Pelligrini	Department of Justice (DOJ). Testifies in support of the -5

260	Rep. Krummel	amendments to HB 2214. States that the bill extends the protections to both businesses and consumers
264	Pelligrini	Asks why the bill has an estimated fiscal impact of \$57,000. Says the estimate is based on the number of cases handled by DOJ annually, which comes to approximately 1.0 FTE of lawyer time.
270	Dan Clem	Committee Administrator. Indicates that it is believed that DOJ will be able to absorb the fiscal impact of the measure and therefore did not request an additional appropriation.
284	<b>Rep. Krummel</b>	<b>MOTION: Moves to ADOPT HB 2214-5 amendments dated 5/17/01.</b>
288		<b>VOTE: 10-0-1</b>
	<b>Chair Witt</b>	<b>EXCUSED: 1 - Johnson</b>
291	<b>Rep. Krummel</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
303		<b>MOTION: Moves HB 2214 to the floor with a DO PASS AS AMENDED recommendation.</b>
	<b>Chair Witt</b>	<b>VOTE: 11-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
310	Chair Witt	<b>REP. KING will lead discussion on the floor.</b> Closes the work session on HB 2214 and opens a work session on HB 3980-A.
<b><u>HB 3980-A WORK SESSION</u></b>		
313	Dan Clem	Committee Administrator. Gives a brief description of the bill. Indicates that the –A12 amendments ( <b>EXHIBIT E</b> ) have been submitted for the committee’s consideration. Indicates that testimony has been submitted for review by the committee ( <b>EXHIBIT F</b> )
340	Larry Campbell	State Accident Insurance Fund Corporation (SAIF). Testifies in support of the –A12 amendments to HB 3980-A.
350	Paul Phillips	Coalition for Economic Security in Oregon. Testifies in support of the –A12 amendments to HB 3980-A ( <b>EXHIBIT G</b> ). Says the information provided by the bill will be in two forms: an annual review and an actuarial audit.
<b>TAPE 150, B</b>		
005	Phillips	Assures that all information obtained will be protected from improper disclosure to third parties if existing law prevents it. Indicates that the report will be available in a similar way to other reports issued by the Secretary of State. Promises that the bill will not affect the dividend payments. Opines that the –A12 amendments are a victory for all affected parties.
036	Campbell	Mentions that the minority report played a positive role in reaching that consensus.
041	Rep. Walker	Indicates she has been a sharp critic of SAIF. Wonders why it took a \$231,000 study to discover the large reserve and dividend practice and its resultant effect on the market.
049	Campbell	Responds that he did not draw the same conclusions from the report.
055	Chair Witt	Comments that the report should not be taken as an admission of wrongdoing, only that there is agreement on the appropriateness of an actuarial review. Cautions Rep. Walker against making accusations.

060	Campbell	Says the bill achieves the goal of providing information sufficient to assuage concerns regarding SAIF.
066	Rep. Walker	Says SAIF is already subject to an audit, one that did not show the information revealed here today.
070	Campbell	Offers to provide data showing how the conclusions were reached.
076	Rep. Walker	Opines that it seems strange that SAIF now agrees with an audit that they had so strongly opposed at the last meeting.
084	Campbell	Replies that SAIF is already required to provide the information, but the bill requires the information to be provided by an independent party.
097	Phillips	Says SAIF agrees with the accounting principles that the –A12 amendments require and says the presence of both assures that the necessary information will be obtained.
118	Rep. Carlson	Asks how the recent related Supreme Court case might affect the issue of reserves.
122	Campbell	Says the possible effects of the case are still being evaluated.
128	Phillips	Asserts that it could result in an increase in private reserves. Remarks that the court decision makes obtaining the information even more critical, as dividends not returned to policyholders create questions. Emphasizes the need to know how much money is held in reserve to cover worker claims and how much is simply surplus
151	Rep. Bates	Compliments the work performed by all parties on this difficult piece of legislation. Asserts that the review can be performed in a bipartisan way and achieve positive results.
175	Campbell	Mentions that there is an agreement not to further amend HB 3980-A once it moves over to the Senate.
182	Rep. Monnes-Anderson	Expresses support for the –A12 amendments, but says the fact that SAIF is still a quasi-public entity will continue to raise questions.
<b>206</b>	<b>Rep. Bates</b>	<b>MOTION: Moves to ADOPT HB 3980-A-A12 amendments dated 5/18/01.</b>
<b>210</b>		<b>VOTE: 11-0</b>
	<b>Chair Witt</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>212</b>	<b>Rep. Bates</b>	<b>MOTION: Moves HB 3980-A to the floor with a DO PASS AS AMENDED recommendation.</b>
217	Chair Witt	Compliments Rep. Bates for his work on the bill. Calls the measure an outstanding achievement.
<b>227</b>		<b>VOTE: 11-0</b>
	<b>Chair Witt</b>	<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
		<b>REP. BATES will lead discussion on the floor.</b>
233	Chair Witt	Closes the work session on HB 3980 and opens a work session on HB 2292.
<b><u>HB 2292 WORK SESSION</u></b>		
237	Chair Witt	Recalls the bill was heard previously on February 14 <sup>th</sup> , February 28 <sup>th</sup> , and April 23 <sup>rd</sup> , but was never worked. Says his intention is to move the bill to the Rules Committee.
244	Rep. Walker	Notes the bill has a subsequent referral to the House Committee on School Funding and Tax Fairness/Revenue (Revenue Committee).

250	Rep. Walker	<b>MOTION: Moves HB 2292 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on School Funding and Tax Fairness/Revenue by prior reference.</b>
255	Chair Witt	Indicates that the Speaker requested that the bill be referred to the Rules Committee and provided assurance that the bill would be worked there.
265	Rep. Monnes-Anderson	Asks if there is any compelling reason not to send the bill to the Revenue Committee, other than the Speaker's request.
272	Rep. Krummel	Responds that there is no good reason not to honor the Speaker's request. Offers to amend the motion.
296 298	Rep. Walker Rep. Walker	<b>Withdraws the motion.</b> <b>MOTION: Moves HB 2292 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Rules, Redistricting, and Public Affairs.</b>
310	Rep. Devlin	Comments that the Revenue Committee may not have the time to work the bill before it closes.
313	Rep. Garrard	Opposes the motion.
327		<b>VOTE: 10-1</b> <b>AYE: 10 - Bates, Brown, Carlson, Devlin, Johnson, Knopp,</b> <b>Krummel, Monnes Anderson, Walker V, Witt</b> <b>NAY: 1 - Garrard</b> <b>The motion CARRIES.</b>
338	Chair Witt Chair Witt	Closes the work session on HB 2292 and opens a public hearing on SB 374-A.
<b><u>SB 374-A PUBLIC HEARING</u></b>		
344	Dan Clem	Committee Administrator. Gives a brief description of the bill. Indicates that the -A3 amendments ( <b>EXHIBIT H</b> ) have been submitted, as have the -A4 amendments ( <b>EXHIBIT I</b> ). Mentions that there is no fiscal impact for the original bill.
389 393	Rep. Walker Clem	Asks who submitted the -A4 amendments. Replies that both sets of amendments were submitted by Rep. Jeff Rep. Merkley. Explains that the -A3 amendments completely replace the bill with language from another bill related to lottery billboard advertising, while the -A4 amendments add the language without replacing the language of the original bill.
408	Rep. Jeff Merkley	House District 16. Testifies in support of the -A3 and -A4 amendments to SB 374-A. Mentions that the original bill, HB 3192, passed through both the committee and the full House easily.
<b>TAPE 151, B</b>		
022	Rep. Carlson	Asks what happened with HB 3192.
024	Rep. Merkley	Replies that the Senate President referred the bill to the Senate Committee on Business, Labor, and Economic Development, where it languished until the committee was closed.
026	Rep. Devlin	Asks which Senator will be the person who decides whether to concur in the amendments under consideration.
029	Rep. Merkley	Answers that Sen. Roger Beyer will be the one to decide whether

		to concur. Expresses uncertainty as to Sen. Beyer's intentions toward the bill.
044	Chris Lyons	Director, Oregon State Lottery. Testifies in support of SB 374-A <b>(EXHIBIT J)</b> . Asserts that full disclosure is unnecessary but concedes that there may be occasions when additional information could be of some value. Says the bill changes the threshold at which disclosure is required. Says current statute stipulates no one under 18 can play the lottery, while the measure prohibits minors from holding lottery tickets.
095	Bill Perry	ORA. Testifies in support of SB 374-A. Says OLCC and the Lottery will still be required to perform background checks on management. Says it is logical to raise the age of video lottery games to 21.
122	Chair Witt	Concludes that while most lottery games retain the requirement that players be at least 18, the video lottery games would be raised to 21.
126	Lyons	Explains that there are some instances where minors may be in an establishment where there are video lottery games.
132	Rep. Johnson	Asks whether Mr. Perry supports only the bill itself, or whether he would also support one or both sets of amendments.
134	Perry	Clarifies he supports SB 374-A and is concerned that adoption of the amendments could jeopardize the bill's chances of becoming law.
142	Rep. Krummel	Wonders why the Lottery does not simply raise the age to 21 for all of its games.
146	Lyons	Responds that is a policy question for the legislature to decide. States that the primary reason 18-year-olds are allowed to play most games is that they are available in stores to which minors have access. Reiterates that the only reason for the distinction is that video lottery games are generally found in bars or taverns.
163	Rep. Krummel	Wonders whether there could be lawsuits related to the seizure of lottery tickets and/or winnings.
169	Lyons	Replies the bill clarifies that a prize cannot be paid to someone who is not legally allowed to play the game. Explains that lottery tickets or winnings will be seized from those not old enough to possess them, just as alcohol, tobacco, or drugs would be.
186	Rep. Garrard	Indicates that he opposes the –A3 amendments and asks whether the Lottery has a position on them.
190	Lyons	Recalls previous testimony in which the Lottery opposed the use of the amended language on billboard advertising. Opines that the current language is more appropriate and reflective of the actual situation.
206	Tom Barrows	AK Media. Testifies in opposition to the –A3 and –A4 amendments to SB 374-A. Indicates AK Media has no position on the bill itself, but says that if the amendments are adopted the Lottery may choose not to advertise its games on billboards. Indicates that AK Media could lose between \$300-400,000 in revenue if the Lottery pulled its billboard advertising.
219	Chair Witt	Asks how the cost to AK Media was calculated.
222	Barrows	Answers that the amount represents the amount paid by the Lottery to AK Media for billboard advertising.
231	Chair Witt	Asks Ms. Lyons whether the Lottery might move away from billboard advertising if the amendments become law.
234	Lyons	Mentions that the Oregon State Lottery spends more than \$1



		million annually on billboard advertising, which could be jeopardized should the amendments become law.
254	Chair Witt	Requests confirmation that the Lottery would cease billboard advertising should the warning label mandated by the amendments be included.
257	Lyons	Replies that there have not been discussions by the Board on this issue, but says there would be a strong disincentive against billboard advertising if the disclaimer were required.
263	Rep. Carlson	Requests confirmation that the current disclaimer language is not objectionable.
268	Lyons	Replies affirmatively. Says the disclaimer provided within the amendments oversteps the bounds of what is necessary or appropriate.
279	Rep. Carlson	Asserts that the fact that the Lottery does not find the current disclaimer language objectionable indicates that it is probably not effective enough and warrants stronger disclaimer language.
286	Lyons	Mentions focus group data that demonstrates that the existing disclaimer language is more effective than that proposed by the amendments.
300	Rep. Carlson	Denies the validity of focus group data.
310	Chair Witt	Closes the public hearing and opens a work session on SB 374-A.
		<b><u>SB 374-A WORK SESSION</u></b>
315	Rep. Walker	Remarks that the vote on HB 3192 when it was before the House was 46-8.
<b>326</b>	<b>Rep. Carlson</b>	<b>MOTION: Moves to ADOPT SB 374-A-A4 amendments dated 5/18/01.</b>
331	Rep. Knopp	Mentions that he supported HB 3192 in committee but opposed on the floor, adding that he will oppose –A4 amendments as well. Doubts that the amended bill would have any positive effect says it could damage both the Oregon State Lottery and the billboard industry
345	Rep. Garrard	Expresses opposition to the motion.
350	Rep. Devlin	Says it is unlikely that there is sufficient support in the committee for the –A4 amendments.
356	Rep. Johnson	Opposes the –A4 amendments.
359	Rep. Krummel	Says he will vote no on the motion to adopt the –A4 amendments.
361	Rep. Brown	Indicates he opposes the –A4 amendments.
363	Rep. Carlson	Expresses hope that the bill will make it through the floor and be fine-tuned in conference committee. Offers to withdraw the motion.
375	Rep. Monnes-Anderson	Requests an explanation of the process by which the conflict might be resolved.
377	Chair Witt	Says that if the amended bill is passed by the House the Senate would then decide whether or not to concur with the House amendments. Says it is unlikely that the original bill will be lost in the process. Mentions that there was strong support for the bill on the House floor and that the Senate did not get a chance to vote on it. Says that moving the amended bill will allow both SB 374-A and HB 3192 to continue through the process.
410	Rep. Johnson	Indicates that the chair has persuaded her to support the adoption of the –A4 amendments. Asks Rep. Devlin whether he believes the bill itself is jeopardized by the inclusion of the amendments.
<b>TAPE 152, A</b> 005	Rep. Devlin	Says bills have died in conference committee in the past.

020	Perry	Acknowledges that there is a slight risk of the same thing occurring should the –A4 amendments be adopted.
026	Rep. Devlin	Asserts that SB 374-A is important to ORA.
037	Chair Witt	Suggests that the work session be recessed so that compromise language can be worked out.
		Closes the work session on SB 374-A and opens a public hearing on HB 2828.

**HB 2828 PUBLIC HEARING**

040	Chair Witt	Explains that the –2 amendments ( <b>EXHIBIT K</b> ) replace the entire bill and that Rep. Morrisette, the bill’s sponsor, has agreed to allow the original bill to be replaced. Closes the public hearing and opens a work session on HB 2828.
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**HB 2828 WORK SESSION**

053	Bill Linden	Public Affairs Council. Explains that the purpose of the –2 amendments is to determine the long-term uses of the tobacco settlement funds.
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068	Chair Witt	<b>MOTION: Moves to ADOPT HB 2828-2 amendments dated 5/3/01.</b>
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069		<b>VOTE: 9-0-2</b>
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070	Chair Witt Rep. Witt	<b>EXCUSED: 2 - Devlin, Johnson</b> <b>Hearing no objection, declares the motion CARRIED.</b>
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070	Rep. Witt	<b>MOTION: Moves HB 2828 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the Committee on Ways and Means BE RESCINDED.</b>
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075	Rep. Monnes-Anderson	Emphasizes it is critical to have someone from the Oregon Health Division on the task force or committee appointed to look into the issue. Says Oregon has been recognized by the Center on Disease Control (CDC) as being progressive on anti-smoking issues. Says she would like to know who will be involved.
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085	Chair Witt	Replies that the Senate President and the Speaker of the House make the committee assignments.
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088	Rep. Walker	Adds that the committee in question will be appointed similarly to most other interim committees.
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093	Chair Witt	Assures that the process will not be out of the ordinary.
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095	Rep. Krummel	Suggests that the issue may even be considered by one of the standing interim committees.
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112		<b>VOTE: 9-0-2</b>
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112	Chair Witt	<b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 2 - Devlin, Johnson</b> <b>The motion CARRIES.</b>
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116	Chair Witt	<b>REP. GARRARD will lead discussion on the floor.</b>
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116	Chair Witt	Closes the work session on HB 2828 and reopens the work session on SB 374-A.
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**SB 374-A WORK SESSION**

121	Chair Witt	Recalls that Rep. Carlson’s previous motion is still on the table.
124	Rep. Carlson	<b>Withdraws the motion.</b>

127	Rep. Devlin	<b>MOTION: Moves to SUSPEND the rules for the purpose of conceptually amending the -A4 amendments to SB 374-A.</b>
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130		<b>VOTE: 11-0</b>
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130	Chair Witt	<b>Hearing no objection, declares the motion CARRIED.</b>
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138	Rep. Devlin	Describes the conceptual amendment: <ul style="list-style-type: none"> <li>• In front of the existing disclaimer, insert the word “WARNING”</li> <li>• Maintain the requirement that the disclaimer be printed in 12-inch type</li> </ul>
142	Chair Witt	Repeats the conceptual amendment proposed by Rep. Devlin.
157	Rep. Walker	Mentions that the word “reads” will also need to be included in order to make the change work.
160	Chair Witt	Repeats the conceptual amendment with Rep. Walker’s addition.
180	Rep. Devlin	<b>MOTION: Moves to AMEND SB 374-A4 AMENDMENTS on page 2, in line 27, after "that", insert "reads: WARNING:", and restore "Lottery games should not be played for investment purposes.", and on page 2, in lines 28-29, delete "WARNING: Lottery games pose risk to your financial health.", and on page 3, in lines 1-3, after "that", insert "reads: 'WARNING: Lottery games should be played for entertainment only.'", and delete "WARNING: Lottery games pose risk to your financial health.".</b>
184	Lyons	Indicates she has no objection to the proposed language.
187	Rep. Knopp	Notes that the amended –A4 amendments maintain the size requirement for the disclaimer.
191	Lyons	Says the Lottery does not object to the size requirement.
203	Rep. Walker	Presumes that the fact the Lottery does not object to the language indicates that they will not pull their billboard advertising.
214		<b>VOTE: 10-1</b> <b>AYE: 10 - Bates, Brown, Carlson, Devlin, Garrard, Johnson, Knopp, Monnes Anderson, Walker V, Witt</b> <b>NAY: 1 - Krummel</b> <b>The motion CARRIES.</b>
218	Chair Witt Rep. Devlin	<b>MOTION: Moves to ADOPT AS AMENDED SB 374-A-A4 amendments dated 5/18/01.</b>
225		<b>VOTE: 10-1</b> <b>AYE: 10 - Bates, Brown, Carlson, Devlin, Garrard, Johnson, Knopp, Monnes Anderson, Walker V, Witt</b> <b>NAY: 1 - Krummel</b> <b>The motion CARRIES.</b>
234	Chair Rep. Devlin	<b>MOTION: Moves SB 374-A to the floor with a DO PASS AS AMENDED recommendation.</b>
241	Rep. Krummel	Indicates he will not support the motion.
243	Rep. Knopp	Indicates he will vote no on the motion and posts notice of possible minority report. Says he is glad that the amended language will not result in lottery billboard advertising being pulled.
254		<b>VOTE: 8-3</b> <b>AYE: 8 - Bates, Brown, Carlson, Devlin, Johnson, Monnes Anderson, Walker V, Witt</b>

Chair Witt

**NAY: 3 - Garrard, Knopp, Krummel**  
**The motion CARRIES.**

282 Chair Witt

**REP. MERKLEY will lead discussion on the floor.**

Closes the work session on SB 374-A and opens a public hearing on SB 942.

**SB 942 PUBLIC HEARING**

288 Bill Linden

Public Affairs Council. Requests that SB 942 be referred to the Rules Committee for further consideration.

298 Rep. Devlin

Asks Mr. Linden if he wants the bill referred without recommendation.

300 Linden

Replies that is acceptable.

304 Rep. Monnes-Anderson

Requests an explanation of the bill.

309 Linden

Explains that SB 1149 restructured telecommunication, which excluded E-Web from the definition of a utility. Says the phrase in question does not allow E-Web to partner with power producers, so SB 942 allows the same change to be made for municipal utilities as was made for other utility companies.

330 Chair Witt

Closes the public hearing and opens a work session on SB 942

**SB 942 WORK SESSION**

**333 Rep. Devlin**

**MOTION: Moves SB 942 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Rules, Redistricting, and Public Affairs.**

338 Rep. Walker

Wonders whether the relating-to clause is applicable.

345 Chair Witt

Supports the bill, as it will be a benefit to communities.

**355**

**VOTE: 11-0**

**AYE: In a roll call vote, all members present vote Aye.**  
**The motion CARRIES.**

359 Chair Witt

Closes the work session on SB 942.

361 Dan Clem

Committee Administrator. Thanks the committee members for their participation in a successful committee this session.

400 Chair Witt

Thanks staff for their work on the committee. Thanks the members of the committee for working difficult policy in a capable and positive manner.

**TAPE 153, A**

048 Members of the committee thank staff and each another for their work on the committee.

Chair Witt

Adjourns the meeting at 6:10 p.m.

Submitted By,

Reviewed By,

Patrick Brennan,  
Committee Assistant

Dan Clem,  
Committee Administrator

**EXHIBIT SUMMARY**

- A – HB 2830, testimony, John McArdle, 1 p.**
- B – HB 2830, -1 amendments, staff, 1 p.**
- C – HB 2830, testimony, Jon Stubenvoll, 2 pp.**
- D – HB 2214, -5 amendments, staff, 3 pp.**
- E – HB 3980-A, -A12 amendments, staff, 3 pp.**
- F – HB 3980-A, testimony, staff, 3 pp.**
- G – HB 3980-A, testimony and informational materials, Paul Phillips, 6 pp.**
- H – SB 374-A, -A3 amendments, Rep. Jeff Merkley, 3 pp.**
- I – SB 374-A, -A4 amendments, Rep. Jeff Merkley, 3 pp.**
- J – SB 374-A, testimony, Chris Lyons, 2 pp.**
- K – HB 2828, -2 amendments, staff, 1 p.**