

PUBLIC HEARING AND WORK SESSION

SB 278, SB 329

TAPES 028-029, A/B

SENATE REVENUE COMMITTEE

February 1, 2001 — 8:30 A.M. — HEARING ROOM A — STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Gil Riddell, Association of Oregon Counties

Grattan Kerans, Director of Government Relations, Oregon University System

George Pernsteiner, Vice President, Portland State University

John Wykoff, Legislative Director, Oregon Student Association

David Hooper, Public Affairs Manager, Oregon State Lottery

TAPE 028, SIDE A

005 Chair Ferrioli Meeting called to order at 8:35 a.m.

OPENED PUBLIC HEARING ON SB 329

020 Lizbeth Martin-
Mahar Stated that SB 329 relates to parking facilities on higher education campuses and extends the sunset date, currently July 1, 2002. Under current law, state-owned parking facilities can be rented and used by employees and students, and property taxes are exempt. The parking facilities for general public use, however, are taxable. SB 329 provides a parking tax exemption for parking facilities that can also be used by visitors.

Comments, and questions and answers interspersed.

089 Gil Riddell Discussed Exhibit 5: Excerpts from ORS 306.350(1). Gave his views against SB 329. ORS 306.350(1) states: Exemptions granted by the Legislative Assembly reduce local resources available for local public services. Pointed out that it has recently been discovered in Multnomah County that a certain percentage of the parking at Portland State University is available and is leased or rented to people who would not meet the exemption definition in statute. Multnomah County is going through a tax role correction, putting taxable value back on the tax roles.

Questions and answers interspersed.

218 Grattan Kerans Discussed SB 329 and why it should pass. SB 329 was introduced at the request of the Board of Higher Education. SB 329 asks for a repeal of the sunset and makes permanent an on-going tax exemption for the subject parking structures. The unit of government Mr. Kerans represents is of the opinion that having another unit of government taxing its structures does not make much sense. Various legislatures have agreed with that repeatedly and have exempted the

structures from such tax. In fact, no tax has ever been collected, nor has it ever been paid. The fiscal impact is theoretical.

Questions and answers interspersed.

343 George
Pernsteiner

Discussed Exhibit 6: Written testimony from Portland State University. Gave further testimony why SB 329 should pass. Gave reasons why "visitors" should be included in the bill wording. Urges support of SB 329 making property tax exemption permanent. Passage would put PSU on an equal basis with independent colleges and the community colleges. If PSU had to pay property tax for its students, faculty, and staff, it would cost \$740,000 per year, which would necessitate a parking rate increase of about 34% from current rates. A student parking permit currently is \$180.00 per year.

Questions and answers interspersed.

TAPE 029, SIDE A

021 John Wykoff

Added comments on why the Oregon Student Association strongly supports SB 329. Rising parking rates is just one more cost that can be prohibitive in pursuing higher education. The increase would be approximately \$65 a term for Portland State University students.

CLOSED PUBLIC HEARING ON SB 329

OPENED WORK SESSION ON SB 329

077 Sen. L. Beyer

MOTION:

MOVES SB 329 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION.

ORDER:

ROLL CALL VOTE: MOTION PASSES: 6 —
1 — 0

SENATORS VOTING AYE: CASTILLO,
CORCORAN, GEORGE, STARR, L. BEYER,
and FERRIOLI.

SENATORS VOTING NO: MINNIS

Sen. L. Beyer will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON SB 329

- 112 Paul Warner Stated that SB 278 is an administrative bill regarding state Lottery operations.
- 124 Richard Yates Began discussion of Exhibit 12: Oregon Lottery slides. Discussed page 1 lower slide: Lottery Terminology.
- 174 Yates Discussed page 2 upper slide: Lottery History.
- 217 Yates Discussed page 2, lower slide: Traditional Lottery Games 1999-2000 Net Receipts.

Questions and answers interspersed.
- 275 Yates Discussed page 3 upper slide: Traditional Game Revenue.

Questions and answers interspersed.
- 325 Yates Discussed page 3 lower slide: Video Lottery Revenue.
- 348 Yates Discussed page 4 upper slide: Total Lottery Revenue.
- 358 Yates Discussed page 4 lower slide: Lottery Transfers.

Questions and answers interspersed.

405 Yates Discussed page 5 upper slide: 1999-2001 Lottery.

Questions and answers interspersed.

OPENED PUBLIC HEARING ON SB 278

TAPE 028, SIDE B

038 Yates Said that line 7 of Section 1(1) of SB 278 contains the words "in each Lottery game". There is a question on the exact meaning of that. The Lottery Commission has been informed that the wording may be read to mean each individual game as opposed to each type of game. Because there are up to 36 new Scratch-It games and multiple other games, the question is does the requirement that rules be adopted for each game apply to each one of those 36 games, or does it apply to the types of game?

078 Yates Discussed (-1) amendments to SB 278. Addresses the same concern as SB 278 but applies to video poker games, which have several individual games offered within the category of "video poker" games. Also includes Scratch-Its and Break-Opens.

Questions and answers interspersed.

105 David Hooper Discussed Exhibit 12, written testimony from Oregon State Lottery, and spoke in support of SB 278. The bill and amendments proposed are simply to clarify current law and to codify current practice. It does not represent any shift in policy and will not have any impact on the type or extent of information available to the public on any of the games. It will not remove any rulemaking obligations of the Lottery Commission should it choose to consider any new type of game.

Extensive questions and answers followed.

- 305 Vice Chair Beyer Stated that although he understands the emotional issues surrounding addictive behavior by certain individuals who play Lottery games, this is, however, the Senate Revenue Committee. It deals with revenue issues and clarifying language regarding revenue issues. Suggested the members keep in mind that the legislature had very little to do with implementing the Lottery in Oregon. It was implemented by the people of Oregon and has been sustained since its inception in 1984. The job of the legislature is to make sure the rules are clear.
- 341 Sen. Minnis Stated he was a member of the legislature in 1984 when the Lottery was enacted, and he voted against it. As a detective with the Portland Police Bureau, he has seen the outcome of what addictive Lottery playing can do; people who have lost their fortunes because of playing Lottery games. He does not believe enough is being done to warn people of the addictive qualities of playing Lottery games.
- 359 Chair Ferrioli Responded to the comments of Sen. Minnis that he encourages all comments from members on every issue.
- Questions and answers followed.
- 385 Hooper Regarding this Committee's concerns about informing the public of the possible addictive nature of playing Lottery games, stated the Oregon Lottery spends \$600,000 a year on public awareness campaigns about problem gambling, nature of the disease, and treatment available. The Lottery Commission feels it is their obligation to inform all citizens of the state about any type of gambling (horses, dogs, bingo, etc.) and the resources available.
- Questions and answers followed.

OPENED WORK SESSION ON SB 278

444 Sen. L.Beyer MOTION:

MOVES (-1) AMENDMENTS TO SB 278 BE ADOPTED.

450 Chair Ferrioli OVER OBJECTION FROM SEN. MINNIS,
THE CHAIR SO ORDERED.

462 Sen. L. Beyer MOTION:

MOVES SB 278 AS AMENDED TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

467 Chair Ferrioli ORDER:

ROLL CALL VOTE: MOTION PASSES: 6 —
1 — 0

SENATORS VOTING AYE: CASTILLO,
CORCORAN, GEORGE, STARR, L. BEYER,
and FERRIOLO.

SENATORS VOTING NO: MINNIS

Sen. Ferrioli will carry the bill on the Senate Floor.

476 Sen. Minnis Gave extensive comments on why he objects to the passage of this bill. He is offended that this bill codifies a practice contrary to Oregon State Statute. He feels problem gambling has a negative effect on the culture, and thinks it is disingenuous to abdicate responsibility for that by passing this bill to the Senate Floor.

CLOSED WORK SESSION ON SB 278

043 Chair Ferrioli Adjourned meeting at 10:00 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 329, Martin-Mahar, Revenue Impact Statement, (1/12/01) 1 pp.
2. SB 329, Martin-Mahar, Revenue Impact Statement, (2/1/01), 1 pp.
3. SB 329, Martin-Mahar, Staff Measure Summary, 1 pp.
4. SB 329, Martin-Mahar, Fiscal Impact Statement, 1 pp.
5. SB 329, Riddell, Written testimony, 1 pp.
6. SB 329, Pernsteiner, Written testimony, 1 pp.
7. SB 329, Van Buskirk, Written testimony, 2 pp.
8. SB 278, Yates, (-1) Amendments, (CJC/ps), 1/30/01, 1 pp.
9. SB 278, Yates, Staff Measure Summary, 1 pp.
10. SB 278, Yates, Fiscal Impact Statement, 1 pp.
11. SB 278, Yates, Revenue Impact Statement, 1 pp.
12. SB 278, Hooper, Written testimony, 1 pp.
13. SB 278, Yates, Oregon State Lottery, 5 pp.