

HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS

April 15, 1999 Hearing Room E

8:00 a.m. Tapes 55 - 56

MEMBERS PRESENT: Rep. Jane Lokan, Chair

Rep. Kathy Lowe, Vice-Chair

Rep. Betsy Close

Rep. Dan Gardner

Rep. Tim Knopp

Rep. Jeff Kruse

Rep. Bob Montgomery

Rep. Kitty Piercy

STAFF PRESENT: Pat Zwick, Administrator

Susan M. Pettey, Administrative Support

MEASURES HEARD: HB 3501 Public Hearing

HB 3425 Public Hearing

HB 2088 Public Hearing

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 54, A		
004	Chair Lokan	Opens the meeting at 8:15 a.m., and opens the public hearing on HB 3501.
<u>HB 3501 PUBLIC HEARING</u>		

011	Pat Zwick	Committee Administrator. Summarizes provisions of HB 3501.
032	John Brenneman	Oregon Funeral Directors Association (OFDA). Testifies in support of HB 3501. Submits and summarizes written testimony (EXHIBIT A). Explains that HB 3501 would allow funeral service practitioners from states bordering Oregon to transport the body in a more timely manner.
064	Brenneman	Describes reciprocal provisions which would also allow an Oregon practitioner to remove a body from a bordering state for transport to Oregon.
092	Brenneman	Discusses current practices of the bordering states of Washington and Idaho. Favors one-time registration rather than a renewable licensing program.
126	Chair Lokan	Asks if an agreement presently exists between the states.
132	Brenneman	Replies that he does not know. Speaks about interstate transport costs.
145	Chair Lokan	Asks for the reaction of other states.
155	Brenneman	Describes contact with Washington and Idaho as favorable.
168	Rep. Lowe	Commends Mr. Brenneman for his work on HB 3501. Asks how long a delay is faced by families regarding the transport issue.
174	Brenneman.	Explains there is no delay. Adds that there needs to be a paper trail.
184	Lucinda J. Potter	Executive director, Oregon State Mortuary and Cemetery Board. Speaks in support of HB 3501. Submits and summarizes written testimony (EXHIBIT B). Provides members with proposed amendments.
230	Potter	Explains the pre-need renewal registration process.
271	Potter	Supports the proposed changes. Summarizes proposed amendments. Explains that the amendments would establish a procedure for registration and renewal of out-of-state funeral service providers. Adds that the amendments also establish procedures for revoking a registration for violations of the conditional registration.
319	Brenneman	Suggests a meeting with the Mortuary and Cemetery Board today. Discusses the differences between pre-need registration and establishment registration. Comments that the reason for pre-need registration is to accomplish a background check. Describes a discussion with Legislative Counsel regarding scheduling and amendments.

347	Rep. Piercy	Refers to (EXHIBIT B, pg. 2[9]). Asks for clarification regarding the transporting of fetus remains versus body remains.
361	Potter	Explains this is an attempt at maintaining consistency with existing language in ORS Chapter 432.
382	Kevin Warren	Incoming president, Oregon Funeral Directors Association (OFDA). Explains support of pre-need registration. Indicates opposition of registration renewal.
419	Steven Eaton	OFDA. Expresses support of a "user-friendly" tracking system between states.
446	Edward Johnson	Oregon State Registrar for Vital Records. Explains the certificate requirement and records filing for fetus disposal.
490	Margaret Boland	Vice-Chair, Oregon Mortuary & Cemetery Board. Reiterates support of reciprocal registration between states.
TAPE 55, B		
047	Boland	Discusses the importance of tracking a license between the states. Indicates a \$25 fee would be sufficient.
061	Chair Lokan	Asks if there is opposition to registration.
070	Boland	Answers no. Indicates there is opposition to renewal registration.
078	Chair Lokan	Closes public hearing on HB 3501, and opens public hearing on HB 3425.
<u>HB 3425 PUBLIC HEARING</u>		
085	Zwick	Explains provisions of HB 3425 ñ1 amendment.
105	Mike Dewey	Representing Multnomah Greyhound Park. Speaks in support of HB 3425. Explains 1995 and 1997 legislative efforts to assist the Oregon racing industry, and mitigate the effects of state-run gaming. Indicates that HB 3425 would designate distribution of money received by an Oregon hub, and will assist the racing industry. Summarizes effects of ñ1 amendment.
164	Dewey	Continues testimony in support of HB 3425. Indicates that the legislation authorizing the hub is already in effect. Explains that this legislation would tax the hub. Adds that 2/3 of the revenues would be credited to the Racing Commission for the benefit of the industry. Indicates that several other states are interested in the hub. Adds that Oregon was the first state to move in this direction.

188	Rep. Lowe	Asks for an explanation of a hub.
200	Dewey	Explains that a hub involves simulcasting, where a track takes a wager from another track, which increases the pool. Describes a hub as similar to a national network.
233	Dewey	Comments that Oregon is the first state to have hub authorization.
251	Rep. Lowe	Asks what percent of revenue is retained by the commission.
258	Dewey	Replies, for every dollar wagered, 1.6% is set aside for the State of Oregon. Explains that the Racing Commission goes through the regular budget process in Ways & Means. Indicates that if these revenues were generated by racing, the funds should be credited to the Racing Commission.
285	Rep. Lowe	Asks for the revenue distribution ratio.
311	Dewey	Describes the dollars as a funding mechanism for the Racing Commission.
338	Rep. Lowe	Asks if under the proposal, the State of Oregon would lose regulatory capability.
344	Dewey	Answers no.
347	Rep. Montgomery	Asks how much the state provides to county fairs.
353	Dewey	Indicates the figure is in the \$3 million dollar range.
358	Rep. Montgomery	Asks how much revenue the anticipated 1/3 will raise for the State of Oregon.
362	Dewey	Explains reasons that amount is difficult to predict.
378	Rep. Montgomery	Refers to HB 3425, page 4, line 45. Asks if there would be opposition to giving the money to county fairs instead of the general fund. Suggests this as an effective way to fund county fairs.
392	Dewey	Explains the intent of the referenced section.
411	Dave Nelson	Portland Meadows. Speaks in support of HB 3425. Submits and summarizes written testimony (EXHIBIT C). Discusses the history of pari-mutuel racing in Oregon. Indicates that the racing industry has an economic impact of about \$140 million annually.

459	Nelson	Continues testimony in support of HB 3425. Indicates that the state's share of revenue is used to pay the expenses of the Oregon Racing Commission, and to fund county fairs.
TAPE 54, B		
047	Nelson	Comments on racing industry attributes: <ul style="list-style-type: none"> • Steady employment • Employs lower-skilled people • Well-regulated • Locally-owned and managed.
075	Nelson	Describes the impact of lottery gambling and Indian casinos on the racing industry.
115	Rep. Montgomery	Comments that the members need to give approval for this to happen.
118	Nelson	Indicates that approval was given in 1997, which also authorized the imposition of a 1% tax. Suggests that if a tax is imposed, it be used to pay operating and regulatory costs of the Racing Commission, and to mitigate the effects of video poker on the industry.
124	Rep. Montgomery	Asks what is to stop the Indian casinos from doing this.
128	Nelson	Replies that they are playing "our product" out of a purveyor from Las Vegas that packages racing signals and ships them to casinos. Explains that the Indian casinos avoid any Oregon tax or support of the racing industry by permitting those signals to be wagered on. Indicates that the money goes to the tribes and to Las Vegas.
130	Dewey	Talks about racing revenue disposition.
144	Nelson	Reminds members that, from the 1930s to the advent of video poker, the racing industry contributed \$12-\$15 million a biennium to the state general fund. Explains that \$3 million a biennium was sent to the county fair account.
162	Rep. Lowe	Asks how the 1/3-2/3 racing revenue split was decided.
164	Nelson	Feels it is reasonable and realistic.
169	Rep. Piercy	Asks about opposition to this plan.
173	Nelson	Indicates he is unaware of opposition.

178	Dewey	Opines that if this organization alliance is successful, there is a process in place.
190	Brad Higbee	Addresses additional amendment. Refers members to HB 3425, page 4, lines 15 to 17. Indicates that HB 3425 proposes deleting some existing statutory language. Explains that deletion is necessary if unclaimed winnings revert to race tracks rather than the Racing Commission. Indicates that the original statutory language must be restored, so the moneys stay with the Racing Commission. Proposes deleting HB 3425, Section 3, beginning on page 3.
224	Carey Theil	Speaks in opposition to HB 3425. Submits and summarizes written testimony (EXHIBIT D) . Claims that HB 3425 would reduce the amount of gross mutuel wagers paid by the Multnomah Greyhound Park to the state by nearly one-half. Supports the original language in HB 3425. Explains opposition to the proposed amendments. Changes position to neutral in view of the proposed amendments.
296	Rep. Montgomery	Comments on legislative oversight of racing proceeds.
305	Theil	Favors the money going to county fairs or racing commissions.
314	Rep. Lowe	Asks if HB 3425 generates a large sum of money, should the proceeds be designated to county fairs rather than the general fund.
323	Theil	Responds that it is difficult to answer that hypothetical question. Expresses ideological concern with increased gambling in the State of Oregon.
345	Chair Lokan	Suggest that more amendments need to be prepared. Recognizes Rep. Montgomery's concern for funding county fairs.
350	Rep. Lowe	Indicates opposition to an amendment that designates moneys to a specific program.
359	Rep. Montgomery	Indicates agreement with Rep. Lowe.
362	Chair Lokan	Closes the public hearing on HB 3425, and opens the public hearing on HB 2088.
<u>HB 2088 PUBLIC HEARING</u>		
387	Bob Repine	Director, Oregon Housing & Community Services (OHCS). Submits and summarizes written testimony (EXHIBIT D) . Provides members with proposed ñ4 amendments.
424	Repine	Explains the effects of the ñ4 amendments.

472	Repine	Discusses the establishment of the Community Development Incentive Project Fund. Comments on finance mechanisms.
TAPE 55, B		
063	Repine	Describes the establishment of the Community Development Incentive Advisory Board. Outlines the membership and duties of the Board.
105	Rep. Close	Asks about the source of funds.
111	Repine	Responds that his budget suggests the money is a derivative of lottery-backed bonds.
128	Margaret VanVliet	Governor's Office. Submits document entitled "The Oregon Livability Initiative" (EXHIBIT F). Underscores the work of an advisory committee to decide the best use and long term investments of the fund operated by OHCS.
156	Repine	Comments on discussions by Department of Administrative Services (DAS) on a bill that allows bond indebtedness. Describes some inconsistency between two bills. Indicates he can offer amendments to cure that problem.
182	Vicki Hilliard	Executive Director, Oregon Downtown Development Association. Speaks in support of HB 2088. Submits and summarizes written testimony (EXHIBIT G). Indicates that HB 2088 goes beyond technical assistance by providing financial incentives to stimulate revitalization. Claims that passage of HB 2088 will encourage the development of vibrant downtown and community centers.
222	Chair Lokan	Asks about the unique needs of each individual community.
228	Hilliard	Gives an example of a proposed couplet in downtown Brookings. Talks about in-fill in Cascade Locks. Addresses distressed communities.
263	Chair Lokan	Asks about the level of interest in this type of development in the core of small towns.
281	Hilliard	Describes past experience with downtown redevelopment in local communities.
291	Chair Lokan	Asks for clarification of technical assistance.
295	Hilliard	Gives an example of design professionals. Discusses training and organizational development.
312	Rep. Piercy	Comments on City of Eugene downtown revitalization efforts.

326	Hilliard	Indicates that Eugene has been recently recognized for their transit system.
363	Richard Meyer	Association of Oregon Community Development Organizations. Speaks in support of HB 2088. Presents a booklet to members.
418	Meyer	Claims that HB 2088 provides flexibility for local communities.
425	Chair Lokan	Expresses approval of efforts directed to local communities
447	Meyer	Adds that this is not the total answer to address the affordable housing crisis in Oregon, but it is a good start.
452	Rep. Montgomery	Asks if economic development districts and councils of government exist in all counties. Asks what will be eliminated if HB 2088 is implemented.
461	Meyer	Answers that this is part of the new combined effort between Oregon Economic Development Department (OEDD) and OHCS. Indicates that it connects affordable housing issues with economic development projects. Describes it as a partnership that will save money.
TAPE 56, A		
047	Jon Chandler	Director, Governmental Affairs, Oregon Building Industries Association. Speaks in support of HB 2088. Addresses the lack of affordable housing in Oregon.
075	Chandler	Discusses economic development in rural areas.
083	Phillip Fell	League of Oregon Cities. Speaks in support of HB 2088. Agrees with the testimony of Jon Chandler. Describes difficulties developing affordable housing without subsidies.
104	Chair Lokan	Asks about land acquisition.
115	VanVliet	Addresses the authority given to housing authorities to purchase and own property on an interim basis.
135	Rep. Montgomery	Characterizes this as a major discussion. Asks if the property will be taken off the tax rolls.
140	VanVliet	Responds affirmatively.
142	Rep. Montgomery	Remarks that this is "a bad idea."

147	Rep. Kruse	Opines that economic depression in rural areas is due to actions by the state and federal governments. Indicates this is an attempt to craft solutions to problems created by the government. Adds that if this legislation is designed to drive a budget, it is not an appropriate avenue for a Ways & Means discussion to happen.
154	Chair Lokan	Closes public hearing on HB 2088. Adjourns meeting at 10:15 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 3501, written testimony, John Brenneman, 3 pp.

B ñ HB 3501, written testimony, Lucinda Potter, 3 pp.

C ñ HB 3425, written testimony, Dave Nelson, 3pp.

D ñ HB 3425, written testimony, Carey Theil, 3 pp.

E ñ HB 2088, written testimony, Bob Repine, 3 pp.

F ñ HB 2088, booklet, Margaret VanVliet, 11 pp.

G ñ HB 2088, written testimony, Vicki Hilliard, 1 p.