

HOUSE COMMITTEE ON GENERAL GOVERNMENT

January 26, 1999 Hearing Room D

1:00 p.m. Tapes 6 - 7

MEMBERS PRESENT: Rep. Carl Wilson, Chair

Rep. Jason Atkinson, Vice-Chair

Rep. Chris Beck, Vice-Chair

Rep. Jo Ann Bowman

Rep. Ryan Deckert

Rep. Steve Harper

Rep. Bruce Starr

Rep. Ron Sunseri

Rep. Terry Thompson

MEMBERS EXCUSED:

STAFF PRESENT: Cara Filsinger, Administrator

Faye D. Trupka, Administrative Support

MEASURE/ISSUES HEARD: HB 2070 Public Hearing and Work Session
HB 2378 Work Session
HB 2279 Public Hearing and Work Session
Informational Meeting, Overview of Oregon State Fair, invited testimony

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 |
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| TAPE 6, A | | |

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| 000 | Chair Wilson | Opens meeting at 1:01 p.m. Opens public hearing HB 2070. |
| <u>HB 2070 Public Hearing</u> | | |
| 010 | Cara Filsinger | Administrator. Explains HB 2070. |
| 022 | Eugene Organ | Executive Director, Oregon Disabilities Commission. Supports passage of HB 2070. Gives history of organization (EXHIBIT A). Reports that in recent years the Commission has consistently failed to reach a quorum for many reasons. States that vacancies due to resignations, deaths and the inability of some members to attend because of their disabilities have resulted in low attendance. |
| 044 | Rep. Starr | Asks if only thirteen members attend, would the quorum then be the majority of those members, or would a quorum be eight. |
| 051 | Organ | Responds that the quorum would be the majority of the members who are seated at that time. |
| 059 | Rep. Deckert | States that he is unable to attend meetings due to other commitments. Recommends passage of bill. |
| 065 | Chair Wilson | Closes public hearing on HB 2070 and opens work session on HB 2070. |
| <u>HB 2070 Work Session</u> | | |
| 075 | Rep. Deckert | MOTION: Moves HB 2070 to the floor with a DO PASS recommendation. |
| | | VOTE: 7-0 EXCUSED: 2 - Harper, Thompson |
| | Chair Wilson | Hearing no objection, declares the motion CARRIED. DECKERT will lead discussion on the floor. |
| 087 | Chair Wilson | Closes work session on HB 2070 and opens work session on HB 2378. |
| <u>HB 2378 WORK SESSION</u> | | |
| 089 | Filsinger | Describes HB 2378. |
| 101 | Rep. Beck | MOTION: Moves to ADOPT HB 2378-1 amendments dated |

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| | | 01/20/99. |
| | | VOTE: 7-0 EXCUSED: 2 - Harper, Thompson |
| | Chair Wilson | Hearing no objection, declares the motion CARRIED . |
| 116 | Rep. Bowman | MOTION: Moves HB 2378 to the floor with a DO PASS AS AMENDED recommendation. |
| 116 | | VOTE: 7-0 EXCUSED: 2 - Harper, Thompson |
| | Chair Wilson | Hearing no objection, declares the motion CARRIED . REP. BOWMAN will lead discussion on the floor. |
| 120 | Chair Wilson | Opens public hearing on HB 2279. |
| <u>HB 2279 PUBLIC HEARING</u> | | |
| 133 | Rep. Max Williams | Representative, House District 9. Describes HB 2279. Describes Oregon Law Commission. Encourages passage of HB 2279. |
| 164 | Rep. Bowman | Asks about previous measures in 1987 and 1993 to repeal this chapter and why they did not pass. |
| 179 | Rep. Williams | Responds not sure. |
| 184 | Rep. Sunseri | Asks how the outdated pieces of law are being discovered. |
| 189 | Rep. Williams | States that meetings were held with Legislative Counsel during the interim and they and their staff suggested ideas. |
| 211 | Fred Mc Donnal | Director, Public Employee Retirement System (PERS). Supports HB 2279. |
| 219 | Chair Wilson | Closes public hearing HB 2279 and opens work session on HB 2279. |
| <u>HBB 2279 WORK SESSION</u> | | |
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| 224 | Rep. Beck | MOTION: Moves HB 2279 to the floor with a DO PASS recommendation. |
| | | VOTE: 8-0 EXCUSED: 1 - Harper |
| | Chair Wilson | Hearing no objection, declares the motion CARRIED. REP. SHETTERLY will lead discussion on the floor. |
| 230 | Chair Wilson | Opens informational meeting on the Oregon State Fair. |
| <u>INFORMATIONAL MEETING</u> | | |
| 235 | Robin LaMonte | Legislative Fiscal Office. Gives background of request to Legislative Audit committee. States that summary of findings can be found in the Program Evaluation of the Oregon State Fair and Exposition Center (EXHIBIT B). Summarizes that the fair meets the statutory mission and goals. Points out that it faces serious problems which have existed for decades. States that the fair needs to update facilities in order to bring them up to minimum safety standards. Comments that other states have had similar problems. |
| 302 | Rep. Starr | Asks if the State Fair were closed, what would the property be worth. |
| 313 | LaMonte | Responds does not know value and states further that the deed issues would need to be researched. |
| 326 | Rep. Bowman | Comments that the audit mentions that the fair lacks focus and has staffing issues. |
| 334 | LaMonte | Mentions that resources are not available to hire staff for management planning and monitoring activities. |
| 351 | Chair Wilson | Asks if there is another facility that could handle State Fair needs. |
| 357 | LaMonte | Responds that if it is just the twelve day fair, then another facility could probably be leased. Mentions that other functions of the Exposition Center could not be accommodated. |
| 374 | Chair Wilson | Asks if most of the revenue comes from the off-season. |
| 381 | LaMonte | States that most revenue is generated from the fair itself. |
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| 386 | Rep. Atkinson | Asks how other states fund their fairs. |
| 392 | LaMonte | Comments that the funding is generated from a variety of different activities. Mentions that some states have legalized river boat gambling, NASCAR racing, dedicated amusement taxes while others use membership dues. Explains that most states have other sources of income. |
| 404 | Rep. Atkinson | Asks if there is a mechanism to lease out a portion of the facilities. Questions if there is a way to work with the City of Salem to use the facilities to provide further income. |
| 414 | LaMonte | Responds that Marion County currently uses the fairgrounds and that there are ongoing discussions with both the county and the City of Salem as to possible use of the facility. States that there is not much opportunity for entertainment leases. |
| 436 | Rep. Deckert | Asks where people are coming from who attend the fair. |
| 444 | LaMonte | Remarks that the majority of fairgoers come from the Willamette Valley. Mentions that there is attendance from around the state. |
| 452 | Rep. Deckert | Questions if there would be a benefit to moving the site to another location within the state. |
| TAPE 7, A | | |
| 005 | LaMonte | Responds that moving would most likely not make a significant difference. Explains that declining attendance at state fairs is occurring nationwide. |
| 031 | Rep. Deckert | Asks about Portland's need for an amphitheater and if that future facility would cut into the income that is currently being generated from the State Fair's amphitheater. |
| 046 | LaMonte | Responds that any outdoor facility is in competition with inexpensive indoor facilities such as casinos and a variety of other sources. |
| 048 | Rep. Starr | Remarks that 80% of income comes from the State Fair. Asks if repairs are made, would there be a chance that it could boost the non-fair activities to help financially. |
| 66 | LaMonte | Responds there is a limit to how much the State Fair can raise its rental rates and still attract exhibitors. Mentions that the exposition portion of the State Fair generates a huge amount of money and benefits the community. |
| 084 | Rep. Beck | Mentions that last session is the first time that the State Fair has asked for |

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| | | General Funds. Asks how much they are currently requesting. |
| 094 | LaMonte | Responds with facts and figures from the Governor's request. Remarks that the Governor has recommended \$10.5 million in bonds for the repairs of the facilities. |
| 101 | Rep. Beck | Asks if these are bonds. |
| 106 | LaMonte | Reiterates that it is only to repair current buildings. |
| 107 | John Vaughn | Director of Business Affairs, Oregon State Fair. Distributes testimony (EXHIBIT C) . |
| 115 | Cliff Lewis | Director of Operations, Oregon State Fair. |
| 118 | Rep. Beck | Asks what happens during the twelve days of the fair. |
| 127. | Vaughn | States that people come for a variety of reasons: products, agricultural displays, nostalgia, animals, 4-H and Future Farmers of America, rides and entertainment. |
| 148 | Rep. Beck | Asks if anyone has gone through a visioning of where the fair might be held, perhaps using the rural communities to host the fair each year. |
| 185 | LaMonte | Comments that they held a visioning retreat last summer where they looked into various issues. |
| 204 | Rep. Bowman | Asks if the legislature should continue to put money into the current facility while allowing the State Fair to operate more like a private business to generate other monies. |
| 229 | LaMonte | Responds that the fair has been unable to generate enough money to be self-sufficient. Comments that they have maintained their operations but have been unable to maintain their facilities. |
| 246 | Vaughn | Responds that the fair wants to operate like a private business. States that it wants to put on a good fair. |
| 267 | Rep. Bowman | Asks if the fair will continue to have horse racing. |
| 272 | Vaughn | Responds that it is up to the legislature. Mentions that the fair needs state support to cover this area. |
| 290 | LaMonte | Describes that statutes which govern what the State Fair currently does, includes |

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| | | a requirement that they provide for the racing of animals. |
| 306 | Chair Wilson | Asks what changes the fair would need to make to increase attendance. |
| 309 | Vaughn | Responds that change is difficult. |
| 337 | Chair Wilson | Asks if there is a problem with funding. |
| 341 | Vaughn | Responds that it has been difficult to pinpoint a clear trend. |
| 347 | Chair Wilson | Remarks that the central issue for the legislature is to know what the fair has in mind for producing future trends. |
| 357 | Vaughn | Refers to (EXHIBIT C) . States that the attendance downturn has been arrested because of introduction of change. Predicts moderate growth with help from the Governor's Budget. |
| 395 | Chair Wilson | Comments that there is not one single event but rather numerous ones that have resulted in the arresting of decline. |
| 398 | Rep. Bowman | Asks how they will shift the 80% so that there is more of an economic base to obtain revenue. |
| 412 | Vaughn | Responds that he is not sure that they can shift it. Indicates that the rates charged are within the upper third of the market, which results in the inability to increase revenue by increasing rates. |
| 433 | Chair Wilson | Asks if there would be a major decline in attendance and revenue if the State Fair were moved away from Salem. |
| 437 | Vaughn | Responds that he would need to look closely at the economics. |
| 443 | LaMonte | Responds that most county fairs have some subsidies available. |
| 463 | Rep. Beck | Responds that the mention to move it was not done to make it a profit-making entity, but negate the need to have on-going infrastructure needs. |
| 478 | LaMonte | Points to the back of the handout (EXHIBIT B) regarding the choices that have been discussed. Says that many options have been reviewed. |
| TAPE 6, B | | |
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| 048 | Rep. Beck | Asks if the relocation is resuscitatable. |
| 063 | LaMonte | Responds that a task force would need to be assigned to investigate a relocation. |
| 079 | Chair Wilson | Asks if remodeling were done, could the structure then handle additional types of fair experiences. |
| 080 | Vaughn | Responds that there is plenty of room, but other items would need to be addressed. Cites need to provide more parking. States that they have been working actively with the county fairs in an effort to reenergize the State Fair. Mentions that the twelve day fair is one obstacle and there are not enough display days in that period to show all the activities that occur. |
| 113 | Rep. Atkinson | Asks if there is a plan to market the facility during the rest of the year. |
| 118 | Vaughn | Responds that there is not and that the fair only has the exposition facility. Mentions that they are in the exploratory stages of researching other uses. |
| 124 | Chair Wilson | Adjourns meeting at 2:06 p.m. |

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2070, written testimony, Eugene Organ, 2 pp.
B - Program Evaluation of the Oregon State Fair and Exposition Center, Robin LaMonte,

55 pp.

C - Informational Meeting on Oregon State Fair, John Vaughn, 2 pp.