

HOUSE COMMITTEE ON GENERAL GOVERNMENT

February 11, 1999 Hearing Room D

01:15 p.m. Tapes 16 - 18

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: Work Session to Introduce Committee Bills

HB 2073 - Work Session

HB 2074 - Work Session

HB 2254 - Work Session

HB 2497 - Public Hearing

HB 2584 - 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 16, A		
005	Chair Wilson	Opens meeting at 1:19 p.m. and opens work session on committee bills LC 1254, LC 1257, LC 2042, LC 3004 (EXHIBIT A).
<u>INTRODUCTION OF COMMITTEE BILLS WORK SESSION</u>		
010	Rep. Bowman	MOTION: Moves LC's: 1254, 1257, 2042, 3004 BE INTRODUCED as committee bills.
		VOTE: 8-0 EXCUSED: 1 - Deckert
	Chair Wilson	Hearing no objection, declares the motion CARRIED.
029	Chair Wilson	Closes work session on committee bill introduction and opens work session on HB 2073.
<u>HB 2073 WORK SESSION</u>		
030	Rep. Beck	Asks if there are any briefings or amendments.
035	Cara Filsinger	Administrator. Notes there are no amendments. Points to fiscal impact statement and states the committee had a public hearing on January 21, 1999.
059	Rep. Bowman	Supports HB 2073 and HB 2074.
063	Rep. Beck	Comments about concerns with the operation of the Oregon State Fair. States that he and Rep. Williams are co-sponsoring a bill to look at ways of dealing with future fair issues.
090	Rep. Bowman	MOTION: Moves HB 2073 to the floor with a DO PASS recommendation.
		VOTE: 9-0

	Chair Wilson	<p>Hearing no objection, declares the motion CARRIED.</p> <p>REP. STARR will lead discussion on the floor.</p>
093	Chair Wilson	Closes work session on HB 2073 and opens work session on HB 2074.
<u>HB 2074 WORK SESSION</u>		
100	Chair Wilson	Describes HB 2074.
105	Filsinger	Points out fiscal impact statement.
108	Rep. Beck	MOTION: Moves HB 2074 to the floor with a DO PASS recommendation.
110	Rep. Deckert	Comments about his support of some of the Oregon State Fair bills, while maintaining that he does not support the larger bills which have fiscal impact.
121	Rep. Bowman	Asks if there was a firm commitment from State Fair regarding 501 (c)(3) classification.
127	Lynn Murakami	Director of Marketing and Sales, Oregon State Fair. Responds that the fair is looking at 501 (c)(3) status. Remarks the Attorney General has said that the fair might be able to do foundation activities under current state law.
136	Rep. Sunseri	Asks if that extends to the county fairs.
139	Murakami	Responds no.
141	Rep. Sunseri	Comments that he has received different answers to the question and he has introduced a bill which will allow state and county fairs to set up a 501 (c)(3) foundation.
151	Rep. Bowman	Remarks that she is uncomfortable with the ambiguity of receiving gifts and donations and how the process will work.
163	Murakami	States that legislation was introduced so the fair could receive donations and the donor already receives a tax credit without the use of 501 (c)(3).
179	Rep. Sunseri	Explains difference between trade shows and exhibitions.

190	Rep. Bowman	States that the committee needs more answers prior to voting.
197	Rep. Beck	MOTION: Moves to withdraw the motion "Moves HB 2074 to the floor with a DO PASS recommendation."
		VOTE: 9-0
Chair Wilson		Hearing no objection, declares the motion CARRIED.
202	Chair Wilson	Closes work session on HB 2074 and opens work session on HB 2254.
<u>HB 2254 WORK SESSION</u>		
210	Chair Wilson	Explains HB 2254.
215	Rep. Sunseri	MOTION: Moves HB 2254 to the floor with a DO PASS recommendation.
		VOTE: 9-0
Chair Wilson		Hearing no objection, declares the motion CARRIED. CHAIR WILSON will lead discussion on the floor.
270	Chair Wilson	Closes work session on HB 2254 and opens public hearing on HB 2497
<u>HB 2497 PUBLIC HEARING</u>		
275	Rep. Bill Morrisette	Representative, House District 42. (EXHIBIT B) Explains HB 2497 and supports this bill with some amendments. States the purpose of HB 2497 is to give local recommendations regarding liquor licenses greater weight.
TAPE 17, A		
008	Rep. Bowman	Asks about possibility of political influence impacting local decisions.

023	Morrisette	Replies that Oregon Liquor Control Commission (OLCC) will make the final decision.
031	Rep. Max Williams	Representative, House District 9. Supports HB 2497.
050	Paul Romain	Oregon Beer and Wine Distributors Association. Describes his background with OLCC. Suggests the committee look at the revenue implications. Recommends HB 2497 be sent to the Ways and Means Committee.
099	Rep. Sunseri	Asks if it is possible for two cities to make contradictory binding recommendations and cause OLCC to be at odds with itself.
103	Romain	Replies that restaurants are not usually located in more than one jurisdiction.
111	Rep. Bowman	Asks if HB 2497 funds itself.
114	Romain	Responds that it does not.
118	Rep. Bowman	Asks about the fees listed in bill.
121	Romain	Replies that additional funding mechanisms will need to be made available to pay for hearings.
129	Rep. Bowman	Asks upon recommendation from a local entity and OLCC's adoption of that recommendation if the local entity must have an evidentiary discovery hearing to justify why the recommendation was accepted.
135	Romain	Comments when binding decisions are made by a government entity which affects a license, there has to be due process under the U.S. Constitution.
151	Rep. Bowman	Asks for clarification of how to open a restaurant which serves beer and wine.
156	Romain	Explains application process.
173	Rep. Deckert	States concerns about granting local government this control, that his constituents will do their best to block new development.
191	Romain	Replies that OLCC has done a creditable job of sorting out and getting away from local politics.
202	Rep. Beck	Asks about a process in Portland.

216	Romain	Cites a case in Portland involving an establishment that received numerous neighborhood complaints.
230	Rep. Starr	Comments about city councils.
248	Romain	Indicates the steps you go through when there is not a due process.
259	Mike Sanderson	Regulatory Specialist, City of Portland Bureau of Licenses. Testifies in support of HB 2497 and reads written testimony (EXHIBIT C). States further that Commissioner Jim Francesconi supports HB 2497.
317	Rep. Bowman	Asks how many liquor licenses have been applied for to the City of Portland.
321	Sanderson	Replies approximately 200 applications, which includes new and renewals.
330	Rep. Bowman	Asks of the 200, did the City of Portland recommend denial of license or renewal.
332	Sanderson	Responds not in the last twelve months.
337	Rep. Bowman	Asks when the city recommends how does the process work.
343	Sanderson	Replies that after application has been received, the city notifies the neighborhood and property owners within 200 feet. States that after 14 days have passed and there is opposition the bureau investigates.
356	Rep. Beck	Asks for specific examples from the City of Portland.
364	Sanderson	Responds regarding case involving the Gypsy. Comments about nude dancing within a prostitution free zone.
396	Rep. Beck	Comments that he would like to have more information regarding the number of cases with which the city was dissatisfied at the time of involvement. Asks about time frames from date of application to completion.
TAPE 16, B		
003	Sanderson	Responds that the city can provide that information.
007	Chair Wilson	Asks if HB 2497 is passed, does the city anticipate increased litigation.
008	Sanderson	Responds no.

018	Rep. Thompson	Asks if a similar situation might happen in a smaller town.
021	Sanderson	Responds that resources available are a considering factor.
030	Dan Anderson	Resident of Portland. Testifies in support of HB 2497 and reads written testimony (EXHIBIT D) .
081	Rep. Bowman	Asks if he has had any problems with the licensed establishments in his neighborhood.
090	Anderson	Replies yes. States there are more than 100 establishments in his neighborhood association's boundaries.
109	Rep. Bowman	Asks if there are specific issues related to the outlets and if there are any incidents to date.
121	Anderson	Replies yes.
140	Steve McCoid	Oregon Grocery Industry Association. Opposes HB 2497. Explains the association believes the current system works well and is equitable.
204	Chair Wilson	Asks for comparison of how a small business deals with OLCC and local government in obtaining a license renewal.
213	McCoid	Replies, typically, there will be no difference.
226	Chair Wilson	Asks what would happen if new residents decide they want a current business removed. Asks if current system would be more fair in the renewal process.
235	McCoid	Replies that he believes that the present system would be more fair.
258	Gary Oxley	Representing Fred Meyer, Safeway, Rite-Aid and Oregon Neighborhood Stores Association. Gives history of OLCC. States the current system works well. Opposes HB 2497.
319	Bill Linden	Southland Corporation. Explains current licensing process. Cites a recent recommendation for termination of a license renewal and the lack of reasonable opportunity to defend Southland's position. Opposes HB 2497.
TAPE 17, B		
002	Rep. Bowman	Comments that OLCC does not have enough staff to investigate and inspect establishments and applications. Asks who should be making the decisions on

		licensing and renewal when considering saturation of an area.
027	Linden	Replies there is an opportunity for local government to hear concerns of the community about any licensed or proposed establishment.
050	Rep. Bowman	Asks if the local government should be an equal partner in developing that plan for the community.
054	Linden	Replies that the current system provides them with the right amount of influence over that decision.
062	Rep. Bowman	Comments that bill allows local government to be involved when a major issue is impacting their community.
073	Rep. Thompson	Presents a hypothetical situation of a store in a small community. Asks if that store could potentially be put out of business.
084	Linden	Replies affirmatively. Comments that the situation would be an extreme case.
097	Marv Leach	President, Tigard Area Chamber of Commerce and McMinnville Downtown Association. Supports HB 2497 with proposed modification (EXHIBIT E) .
120	R. Michael Marr	Accountant, First Bank of Tigard Building. States that the present application process for licensing by the OLCC is weak in the matter of local participation and consideration. States that local government should administer rules and standards in regards to licensing while OLCC maintains auditing requirements (EXHIBIT F) .
220	Marr	Supports HB 2497 with modification of paragraph 6 (EXHIBIT F) .
256	Lynn McNamara	League of Oregon Cities. Supports HB 2497 because it gives local governments a stronger voice in the licensing of liquor establishments within a community (EXHIBIT G) .
340	Chair Wilson	Closes public hearing on HB 2497 and opens public hearing on HB 2584.
<u>HB 2584 PUBLIC HEARING</u>		
350	Rep. Jackie Taylor	Representative, House District 1. Testifies in support of HB 2584 and reads written testimony (EXHIBIT H) .
396	Rep. Elaine M. Hopson	Representative, House District 2. Testifies in support of HB 2584 and reads written testimony (EXHIBIT I) .

TAPE 18, A

014	Bill Morgan	Cannon Beach Fire District, Clatsop County. Supports HB 2584. States that Cannon Beach Fire District is located on a tsunami zone. Cites examples of critical sites in the Multnomah area.
068	Hasina Squires	Special Districts Association of Oregon. Supports HB 2584.
075	Gil Riddell	Association of Oregon Counties. Supports HB 2584.
078	Don Hull	Resident of Cannon Beach. Supports HB 2584.
087	Chair Wilson	Closes public hearing on HB 2584 and adjourns meeting at 3:16 p.m.

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ LC 1254, LC 1257, LC 2042, LC 3004, Legislative Counsel, 78 pp.

B ñ HB 2497, written testimony, Rep. Bill Morrisette, 3 pp.

C ñ HB 2497, written testimony, Mike Sanderson, 3 pp.

D ñ HB 2497, written testimony, Daniel Anderson, 2 pp.

E ñ HB 2497, written testimony, Marv Leach, 2 pp.

F ñ HB 2497, written testimony, R. Michael Marr, 2 pp.

G ñ HB 2497, written testimony, Lynn McNamara, 1 p.

H ñ HB 2584, written testimony, Rep. Jackie Taylor, 3 pp.

I ñ HB 2584, written testimony, Rep. Elaine M. Hopson, 1 p.