

HOUSE COMMITTEE ON GENERAL GOVERNMENT

April 22, 1999 Hearing Room D

1:15 p.m. Tapes 72 - 73

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

STAFF PRESENT: Cara Filsinger, Administrator

Faye D. Trupka, Administrative Support

MEASURE/ISSUES HEARD: HB 3154 Public Hearing

HB 3233 Public Hearing

HB 3407 Public Hearing

HB 3145 Public Hearing

HB 3175 Public Hearing

HB 2574 Work Session

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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TAPE/#	Speaker	Comments
TAPE 72, A		
004	Chair Wilson	Opens meeting at 1:30 p.m. and opens public hearing on HB 3154.
<u>HB 3154 PUBLIC HEARING</u>		
007	Chair Wilson	Closes public hearing on HB 3154 and opens public hearing on HB 3233.
<u>HB 3233 PUBLIC HEARING</u>		
015	Chair Wilson	Closes public hearing on HB 3233 and opens public hearing on HB 3407.
<u>HB 3407 PUBLIC HEARING</u>		
021	Chair Wilson	Closes public hearing on HB 3407 and opens public hearing on HB 3145.
<u>HB 3145 PUBLIC HEARING</u>		
025	Cara Filsinger	Administrator. Explains HB 3145.
030	Steve McCoid	Oregon Grocery Industry Association. Testifies in support of HB 3145 (EXHIBIT A). States that HB 3145 would allow manufacturers and distributors to extend credit terms for the purchase of beer and wine.
080	McCoid	States that the prohibition of credit purchases dates to the 1930s.
130	McCoid	States that HB 3145 will not increase the consumption of alcohol.
140	Gary Conkling	Oregon Winegrowers Association. Testifies in opposition to HB 3145. Reads written testimony (EXHIBIT B).
190	Sandra Bishop	Wine Institute. Testifies in opposition to HB 3145. Gives examples of other states which have gone from cash to credit transactions.
240	Bishop	States that with passage of HB 3145 the number of smaller businesses will decline.
290	Bishop	Indicates that the use of credit will change the focus of marketing for beer and wine, which could lead to an increase in alcohol consumption.

334	Chair Wilson	Asks for clarification of the effect on smaller stores.
347	Bishop	Responds to question.
357	Chair Wilson	Asks if the larger stores can sell alcoholic beverages at lower prices than the smaller convenience stores.
366	Bishop	States that the larger stores would like to add beer and wine purchases into their accounting systems.
376	Chair Wilson	Asks for clarification of "over-promotion."
387	Bishop	Explains that with credit payments due the retailer will be pushing to promote more sales.
397	Rep. Starr	Asks if it is harder for small stores to come up with cash.
411	Bishop	States that smaller stores do not have the economic muscle to stay competitive.
426	Rep. Starr	Asks if the smaller stores will continue to be able to purchase beer and wine.
TAPE 73, A		
004	Bishop	Replies that she does not have an answer.
008	Rep. Starr	States that alcohol companies seem to market their product effectively. Asks if a credit system will increase marketing.
014	Bishop	Replies yes.
028	Gary Oxley	Fred Meyer and Safeway. Testifies in support of HB 3145. Introduces Bridget Flanagan and Jim Strouse.
037	Bridget Flanagan	Safeway. Gives history of company. Testifies in support of HB 3145. States that grocers are required to pay for the purchase of alcohol upon delivery. Mentions that all other outlets except grocery stores are allowed to purchase alcohol on credit.
087	Flanagan	States that HB 3145 allows for legal sanctions in the event that either side decides to circumnavigate the law.
104	Jim Strouse	Fred Meyer. Explains his role in the accounting department. States that Fred

		Meyer does not merchandise their beer and wine products differently from their other products. Describes problems which occur when paying cash versus credit.
139	Rep. Atkinson	Asks for clarification of double payment.
140	Strouse	Explains double payments.
144	Chair Wilson	Asks if the shelf content would be effected upon change to a credit system.
154	Strouse	Responds to question.
161	Chair Wilson	Asks if Strouse has heard anything about suppliers competing for shelf space.
163	Oxley	States that shelving allowances are prohibited in Oregon. States that HB 3145 has nothing to do with shelving allowances.
172	Chair Wilson	Asks what could happen if credit is offered to one customer and not the other.
181	Oxley	States that bad credit does happen and is not exclusive to alcohol sales.
198	Chair Wilson	Asks if case prices differ among stores.
203	Oxley	States that federal laws prohibit discussing the pricing of alcoholic beverages. Explains that there are differences.
212	Flanagan	Explains that other controlled substances are sold in their stores and they are able to buy those on credit.
222	Oxley	Describes the creation and purpose of the Oregon Liquor Control Commission (OLCC). Testifies in support of HB 3145. States that both Fred Meyer and Safeway purchase controlled substances for their pharmacies on credit.
268	Paul Romain	Oregon Beer and Wine Distributors Association. Testifies in opposition to HB 3145. States that all outlets purchase beer and wine at the same price. Says that individual companies price their own products.
318	Romain	Gives example of an interim committee which was formed to study the marketing of alcohol products.
368	Romain	Gives example of the Knox Act created in 1934 by the Oregon Legislature.
418	Romain	States that with passage of HB 3145 that a financial burden will be placed on the

		distributing companies.
TAPE 72, B		
034	Chair Wilson	Closes public hearing on HB 3145 and opens public hearing on HB 3175.
<u>HB 3175 PUBLIC HEARING</u>		
048	Rep. Jo Ann Bowman	Representative, House District 19. Explains HB 3175.
066	Carey Theil	Testifies in support of HB 3175. Explains there is no anticipated fiscal impact. States there are not enough homes for retired racing dogs in the United States.
116	Theil	Says that the Oregon Racing Commission has been trying to find homes for retired racing dogs.
127	Rep. Sunseri	Asks if Rep. Witt is a co-sponsor of HB 3175.
131	Theil	Replies yes.
133	Rep. Bowman	States that she has a list of additional sponsors of HB 3175.
141	Theil	Presents a documentary video of racing dogs produced by National Geographic Explorer.
215	Rep. Beck	Asks how many greyhound breeders are in the state.
221	Theil	Replies there are approximately 200.
223	Rep. Thompson	Asks if Theil has evidence of any abuse in Oregon.
227	Theil	Replies that he does not have that information.
231	Charles Williamson	Oregon Greyhound Breeders Association. Testifies in opposition to HB 3175 (EXHIBIT C). Points to EXHIBIT C license requirements for those who work with greyhounds.
281	Williamson	States that the Oregon Racing Commission inspects racing breeder operations on a yearly basis.

329	Chair Wilson	Asks if the Oregon Racing Commission should regulate the breeding of greyhounds.
347	Williamson	Replies they would prefer to take out the word "breeding" and replace it with "care and welfare."
372	Rep. Sunseri	Asks if there is a program for retired racing dogs in the state.
380	Williamson	Replies yes.
383	Rep. Bowman	Asks if HB 3175 relates to the breeding of greyhounds.
394	Williamson	States that the language does nothing more than the existing statute.
418	Rep. Thompson	Asks if there has been any recent incident where Oregon breeders have been accused of inhumane treatment of greyhounds.
420	Williamson	Replies that he is unaware of any cases.
TAPE 73, B		
002	Rep. Deckert	Asks why more is heard about greyhounds rather than other breeds.
005	Williamson	Replies there is a movement to put greyhound racing out of business.
014	Steve Barham	Executive Director, Oregon Racing Commission. Testifies in support of HB 3175.
023	Chair Wilson	States that the assertion has been made that the adoption of HB 3175 will not improve current statutes or administrative rule.
027	Barham	States that HB 3175 will clarify the duties of the Oregon Racing Commission.
060	Chair Wilson	Asks for description of the Oregon Racing Commission.
068	Barham	Describes Oregon Racing Commission.
084	Chair Wilson	Asks for explanation of "shall regulate the breeding of greyhounds."
085	Barham	Explains that his interpretation is that it means the breeding conditions.

090	Chair Wilson	Asks Theil if breeding conditions is his interpretation of "shall regulate the breeding of greyhounds."
096	Theil	Says there is no statute regarding the breeding of greyhounds.
111	Chair Wilson	Asks if Theil is concerned with the turning out of an overabundance of greyhounds who are not suitable as racers.
120	Theil	States that breeders will over breed and wean out the dogs which are not racers. States that the breeding of greyhounds is at the core of discarding dogs.
140	Chair Wilson	Asks if it would limit breeders to how many dogs that could be whelped in a given year.
149	Theil	States that is not the intention of HB 3175.
154	Chair Wilson	Closes public hearing on HB 3175 and opens work session on HB 2574.
<u>HB 2574 WORK SESSION</u>		
165	Cara Filsinger	Administrator. Explains HB 2574-3 amendments.
168	Rep. Starr	MOTION: Moves to ADOPT HB 2574-3 amendments dated 04/21/99.
		VOTE: 9-0 AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson
Chair Wilson		The motion Carries.
175	Rep. Starr	MOTION: Moves HB 2574 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 9-0 AYE: 9 - Atkinson, Beck, Bowman, Deckert, Harper, Starr, Sunseri, Thompson, Wilson

	Chair Wilson	The motion Carries. REP. GARDNER will lead discussion on the floor.

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Chair Wilson

Closes work session on HB 2574 and adjourns meeting at 3:14 p.m.

Submitted By, Reviewed By,

Faye D. Trupka, Cara Filsinger,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 3145, written testimony, Steve McCoid, 1 p.

B ñ HB 3145, written testimony, Gary Conkling, 1 p.

C ñ HB 3175, written testimony, Charles Williamson, 24 pp.