

**HOUSE COMMITTEE ON RULES, ELECTIONS, AND PUBLIC AFFAIRS**

**April 15, 1999 Hearing Room D**

**3:30 P.M. Tapes 38 - 42**

**MEMBERS PRESENT: Rep. Mark Simmons, Chair**

**Rep. Richard Devlin, Vice-Chair**

**Rep. Bruce Starr, Vice-Chair**

**Rep. Jason Atkinson**

**Rep. Chris Beck**

**Rep. Roger Beyer**

**Rep. Randall Edwards**

**Rep. Dan Gardner**

**Rep. Kevin Mannix**

**Rep. Kitty Piercy**

**Rep. Jim Welsh**

**Rep. Max Williams**

**MEMBER EXCUSED:**

**STAFF PRESENT: Cletus B. Moore, Jr., Administrator**

**Kevin E. Wells, Administrative Support**

**MEASURE/ISSUES HEARD: HB 2648 Work Session**

**HB 2930 Public Hearing**

**HB 3053 Public Hearing**

**HJR 70 Public Hearing**

**HB 3448 Public Hearing**

**HB 3314 Public Hearing**

**HB 3539 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
<b>TAPE 38, A</b>		
003	Chair Simmons	Calls meeting to order at 3:45 p.m. Opens Work Session HB 2648 (inaudible).
<b><u>PUBLIC HEARING HB 2648</u></b>		
005	Chair Simmons	Points out three new amendments ( <b>EXHIBTS A, B &amp; C</b> ). Asks for a staff summary (inaudible).
010	Cletus Moore	Administrator. Reviews HB 2648 and the ñ2. ñ3 and ñ5 amendments (inaudible).
025	Greg Chaimov	Explains why the ñ2 amendment to HB 2648 is needed (inaudible).
033	Chair Simmons	Explains ñ5 amendment addresses concerns of the commodity commissions (inaudible).
041	Chaimov	Discusses the ñ5 amendment (inaudible).
049	Chair Simmons	States the intention to adopt the ñ2, -3 and ñ5 amendments to HB 2648 and then work on the bill, again, at a later date.
<b>052</b>	<b>Rep. Starr</b>	<b>MOTION: Moves to ADOPT HB 2648-2 amendments dated 3/8/99.</b>
		<b>VOTE: 7-2</b>  <b>AYE: 7 - Atkinson, Beyer, Devlin, Mannix, Starr, Williams, Simmons</b>  <b>NAY: 2 - Beck, Gardner</b>  <b>EXCUSED: 3 - Edwards, Piercy, Welsh</b>
<b>066</b>	<b>Chair Simmons</b>	<b>The motion CARRIES.</b>
<b>067</b>	<b>Rep. Starr</b>	<b>MOTION: Moves to ADOPT HB 2648-3 amendments dated 3/15/99.</b>

		<b>VOTE: 8-1</b>  <b>AYE: 8 - Atkinson, Beyer, Devlin, Gardner, Mannix, Starr, Williams, Simmons</b>  <b>NAY: 1 - Beck</b>  <b>EXCUSED: 3 - Edwards, Piercy, Welsh</b>
079	Chair Simmons	The motion CARRIES.
081	Rep. Starr	<b>MOTION: Moves to ADOPT HB 2648-5 amendments dated 4/8/99.</b>
083	Vice-Chair Devlin	States that he will vote for the ñ5 amendment, but plans to vote against HB 2648 and to file a minority report.
088	Rep. Gardner	Concurs with Vice-Chair Devlin.
090	Chair Simmons	Explains to Chaimov that the commodity commissions support the ñ5 amendment.
095		<b>VOTE: 8-1</b>  <b>AYE: 8 - Atkinson, Beyer, Devlin, Gardner, Mannix, Starr, Williams, Simmons</b>  <b>NAY: 1 - Beck</b>  <b>EXCUSED: 3 - Edwards, Piercy, Welsh</b>
100	Chair Simmons	The motion CARRIES.
102	Chair Simmons	Closes Work Session HB 2648. Opens Public Hearing HB 2930 and HB 3053. Asks for staff summaries.
<b><u>PUBLIC HEARINGS HB 2930 AND HB 3053</u></b>		
108	Moore	Explains HB 2930 requires samples of initiative petitions to include original signatures and other related changes. Explains that HB 3053 modifies statistical sampling procedures for verification of initiative petitions and other related modifications to the initiative process.
169	Ray Phelps	Oregonians to Maintain Community Standards; the American Federation of

		State, County and Municipal Employees; and the International Brotherhood of Electrical Workers, Local 48. Outlines problems with signature verification system for initiative petitions ( <b>EXHIBITS D, E, F, &amp; G</b> ). Discusses a particular initiative petition. Discusses the rejection rate of signatures in that case.
220	Phelps	Discusses the current assumed rate of signature duplication. Points out that the assumptions are inaccurate in particular incidents, while it may be accurate overall.
270	Phelps	Comments on people signing petitions multiple times. Explains that HB 2930 and HB 3053 address these problems.
320	Phelps	States the need to verify only one set of petitions rather than multiple copies. Suggests that a centralized voter registration database would improve the process.
351	Chair Simmons	Asks if how time consuming it is to verify an entire petition.
357	Phelps	Explains there are ways to expedite the process. Notes that not every signature needs to be verified, but only duplicate signatures.
369	Chair Simmons	Asks about <b>EXHIBITS F &amp; G</b> .
371	Phelps	Explains <b>EXHIBITS F &amp; G</b> contain information about the various types and cases of signature duplication from around the state.
380	Rep. Mannix	Comments on the assumed 2% duplication rate. Discusses the case of Measure 61.
430	Rep. Mannix	Urges that the statistical methods used in the initiative process be improved.
<b>TAPE 39, A</b>		
007	Chair Simmons	Asks what size of sample should be used to determine duplication rate.
008	Rep. Mannix	Defers to Colleen Sealock. Notes that a large sample is not needed.
014	Phelps	Explains the statistical method that Washington state uses to determine the duplication rate for each petition ( <b>EXHIBITS F &amp; G</b> ).
055	Colleen Sealock	Director, Elections Division. Expresses concerns with HB 3053 and HB 2930 as drafted.

105	Sealock	Discusses the window of time available for validating signatures and reconsidering those decisions. Stresses that the 15-day window is constitutional and not flexible at this time. Discusses the duplication rate and how duplicates are dealt with under current regulations.
151	Rep. Mannix	States the committee needs to focus on how to deal with these issues.
160	Sealock	Explains how Elections Division is improving the duplication factor formula within the time frame they work under. Adds that expanding the window of time to validate signatures will help. Outlines a proposal to improve the duplication formula.
210	Sealock	Explains that the proposal results in the duplication rate being determined for each petition. Notes that the proposal results in the use of relatively large sample populations in signature verification. Explains HB 2930 and HB 3053 deal with sampling methods.
260	Sealock	Continues to discuss sampling methods to determine the duplication rate. Suggests that current sampling rates be retained. Supports efforts to improve the process. Introduces Dr. Dave Thomas.
307	Rep. Mannix	Asks if all the proposed changes to statistical methods can be included in HB 2930 and then preserve HB 3053 for other issues.
320	Chair Simmons	States that a small work group will be appointed to work on the bills.
327	Dave Thomas	Professor of Statistics, Emeritus, Oregon State University. Submits written testimony ( <b>EXHIBIT H &amp; I</b> ). States that determining individual duplication rates is a worthy goal. Comments on the current sampling population size. Discusses technical aspects of the statistical formula.
380	Thomas	Continues to discuss technical aspects of the statistical formula. Comments on the effect of changing the size of the sample population. Discusses the statistical method employed by Washington state.
<b>TAPE 38, B</b>		
026	Sec. State Keisling	Opposes HB 3053 ( <b>EXHIBIT J</b> ). Suggests that HB 3053 be divided into two separate bills. States that the bill weakens campaign finance disclosure laws.
070	Vice-Chair Devlin	Asks how the \$50 threshold for triggering full disclosure compares to other states and how long has it been in place.
078	Sec. State Keisling	Indicates that the requirement has been in place for quite some time.

085	Vice-Chair Devlin	Asks if Secretary of State Keisling would object to raising the level for full disclosure to \$100.
087	Sec. State Keisling	States there is no problem with increasing the full disclosure level to \$100. Urges that electronic filing be required.
099	Rep. Mannix	Asks about the right of privacy for those who want to participate in the political process; how to protect those minor contributors whom do not want their personal information subject to public records laws.
116	Sec. State Keisling	States that the public's interest in campaign finances is very important. Explains that a good reporting system with complete information helps the public understand contributors' interest.
141	Rep. Mannix	Asks about graduated levels of contribution and anonymity.
149	Sec. State Keisling	Replies that graduated levels of reporting is not good policy.
154	Chair Simmons	Explains that, as the level of contribution and involvement in the political process increases, there is a perception that one's influence increases.
159	Rep. Williams	Asks what direction the Buckley decision is moving the initiative process as relates to campaign contributions and overall involvement of citizens in the process.
166	Sec. State Keisling	States that the Buckley decision has ramifications for anonymity of contributors and those involved in other ways. Notes that courts have consistently upheld campaign disclosure laws as constitutional.
190	Chair Simmons	Closes Public Hearing HB 2920 and HB 3053. Opens Public Hearing HB 2989.
<b><u>PUBLIC HEARING HB 2989</u></b>		
192	Chair Simmons	Closes Public Hearing HB 2989. Opens Public Hearing HJR 70. Asks for staff summary.
<b><u>WORK SESSION HJR 70</u></b>		
200	Moore	Explains HJR 70 prevents certain forms of electronic gambling. Discusses the issue of compulsive gambling.
260	Moore	Details the characteristics of compulsive gamblers.

267	Diana Hafemann	Supports HJR 70 ( <b>EXHIBIT K</b> ). States that her son committed suicide do to a problem with compulsive gambling.
288	Ronda Hatefi	Supports HJR 70. States that she opposes state lotteries because it took her brother's life and takes money people cannot afford to lose. Emphasizes that gambling strips people of that which they value most. Suggests that the state consider what money they want as revenue. Stresses that compulsive gamblers do not have a choice to stop gambling.
340	Hatefi	Explains how gambling hurts the state of Oregon and its citizens.
345	Chair Simmons	Thanks the witnesses for their testimony.
350	Ardyce Henager	Supports HJR 70. Points out that while gambling brings in a lot of money for the state it also costs the state a great deal. Adds that many of those costs are hidden.
400	A. Henager	Notes that more money is spent on gambling than food. Explains that it is appropriate to give voters the opportunity to vote on video poker.
<b>TAPE 39, B</b>		
001	Clyde Henager	Supports HJR 70. Discusses the problem of compulsive gambling.
016	Carry Theil	Supports HJR 70 ( <b>EXHIBIT L</b> ). Points out that Oregon voters never approved video poker. Supports referring the matter to the voters of Oregon.
052	Lloyd Marbet	Stop Oregon's Gambling Addiction. Supports HJR 70 ( <b>EXHIBIT M</b> ). States this is an opportunity to provide Oregonians a chance to voice their approval or disapproval of video poker. Discusses the revenue from the lottery and video poker. Explains the philosophical problems of state sponsored gambling.
100	Marbet	States that it will take political courage to pass these resolutions. Suggests that HJR 70 provides an opportunity to bolster voters' confidence in the legislative process.
125	Rep. Beyer	Asks if HJR 70 would ban similar games in Indian casinos.
134	Marbet	States that he does not know. Agrees it is a concern. Adds that it is not a problem if HJR 70 does apply to Indian casinos.
151	Vice-Chair Starr	Explains that HJR 70 applies to Indian casinos. Asks if it would be acceptable to exempt the casinos from HJR 70.
165	Marbet	Explains that any step is a worthy step, but that such an exemption is not the best

		policy decision.
178	Rep. Mannix	Notes that the Oregon Constitution prohibits the Legislature from authorizing casinos. Comments on gambling in casinos. Asks if it is viable to gradually withdraw from this revenue source.
206	Marbet	States that there is no difference between drug addiction and gambling addictions, so a ten-year withdrawal of video poker is unacceptable.
221	Theil	States a concern that a gradual phasing out of video poker would be subject to repeal by subsequent Legislatures.
236	Chair Simmons	Explains that this will be written into the constitution, so it would not be easy to change.
238	Marbet	Notes that initiatives have a year phase-in period.
240	Rep. Atkinson	States that Indian reservation casinos are subject to different laws than non-reservation casinos.
250	Rep. Mannix	Explains that Indian gaming houses have to be allowed access to any games of chance permitted in the state. Adds that that provision has resulted in de facto casinos on reservations.
270	Rep. Atkinson	States they need to determine the impact of HJR 70 on games of chance operated on Indian reservations.
275	Vice-Chair Devlin	States that he understands that if Oregon prohibits a form of gambling than it is a total ban in the state. Adds that Indian reservations made substantial investments based on projected revenues from gaming.
304	Marbet	Stresses HJR 70 will not end gambling at Indian reservation casinos.
320	Rep. Williams	Thanks the families that testified today. Comments on embezzlement due to gambling addiction. Discusses compulsive gambling.
350	Rep. Beck	Asks if this needs to be a referral or if it can be a statutory change.
354	Marbet	Explains that a statutory vehicle is adequate; a constitutional amendment is not required to address these issues.
360	Rep. Beck	States that if the change is worth making it should be done through statute. Discusses the revenue impacts of HJR 70. States it needs to be part of the broader budget discussions.



402	Marbet	Notes that out of state corporations are receive significant tax breaks and other aids, while the poor are given video poker and the lottery.
<b>TAPE 40, A</b>		
009	Vice-Chair Starr	Explains that it is important to let the voters decide since they approved the state lottery. Adds that the 2001 legislative assembly would debate the budget impacts of HJR 70.
023	Theil	Indicates that the revenue impact of HJR 70 is unknown.
031	Chair Simmons	Recesses meeting for 30 minutes.
040	Chair Simmons	Reconvenes hearing at 6:12 p.m.
042	Anthony Hafemann	States that those who own and operate video poker machines are addicts as well as those who play the machines.
055	Vice-Chair Starr	District 3. Testifies in support of HJR 70. States that this is a very important issue at this time. Discusses the use of lottery funds. Stresses concern over the proliferation of compulsive gambling.
110	Vice-Chair Starr	Expresses the need to discuss gambling problems. States the state-sponsored lottery is not worth the problems it causes families, businesses, and communities. States it is time for the Legislature to address this problem. Stresses that the state is addicted to lottery funds.
160	Vice-Chair Starr	Explains that money not spent on video poker would be spent on family needs. Urges the state to not protect its revenue at the expense of gambling addicts and their families.
182	Rep. Beyer	Asks what pari-mutuel games are.
189	Vice-Chair Starr	Replies that he does not know.
192	Rep. Mannix	Points out an initiative to eliminate the state lottery. States that it would be useful to pass legislation to gradually phase out these games
214	Chair Simmons	Explains that HJR 70 will not move tonight.
218	Vice-Chair Starr	Refers to the definition of pari-mutuel games in the bill, page 3, line 5.
226	Chris Lyons	Director, Oregon Lottery. Neutral on HJR 70 ( <b>EXHIBIT N</b> ). Notes that voters

		approved games of chance. Discusses the collateral effects of HJR 70 on such games as KENO and Cash Quest.
280	Lyons	Continues to discuss related effects of HJR 70. Suggests that language of the resolution needs to be adjusted. Reviews potential revenue impact of the resolution.
306	Rep. Beyer	Asks what a pari-mutuel game is.
308	David Cooper	Public Affairs Manager, Oregon Lottery. Explains that pari-mutuel games are games where the prizes are awarded equally among all winners.
319	Vice-Chair Devlin	Asks about video poker, specifically how much a person could lose in an hour.
329	Cooper	Explains that is a difficult question to answer.
337	Vice-Chair Devlin	Asks if there has been study on usage of video poker machines.
343	Lyons	Explains how the video poker machines are tested. States that human capacity limits the amount of money that can be gambled in an hour.
363	Vice-Chair Devlin	Asks if it is possible to lose a couple of hundred dollars an hour.
365	Lyons	States it is possible to lose or win a couple hundred in an hour. Explains that video poker machines play at a 90% pay-out rate.
377	Vice-Chair Devlin	Relates personal experience of watching people lose large amounts of money quickly. States it is surprising that Oregon Lottery has not studied the usage and play habits of the players.
398	Rep. Williams	Asks if the Lottery has done studies to determine the average take per hour per machine.
404	Lyons	Responds that they have not studied it on an hourly basis, but have data on the daily take.
417	Rep. Williams	Asks if they can develop a report, for each machine, on the take per hour average. Asks if they can determine what the return is per machine.
<b>TAPE 41, A</b>		
002	Lyons	Responds that they can generate the information.

007	Rep. Williams	Asks how many total games are currently in play.
010	Cooper	Explains the eight categories of games operated by Oregon Lottery.
019	Rep. Williams	Asks what it cost to run a media campaign for a new scratch-it game.
022	Cooper	Explains that scratch-it games are the only games that are advertised on television. States that the Lottery will spend about \$5 million a year on advertising, but that includes other advertising campaigns as well.
030	Rep. Williams	Asks if the institutional advertisements are included in the \$5 million.
032	Lyons	States \$2 million will be spent on the media for scratch ticket games.
045	Rep. Williams	Asks what percentage of lottery revenue video poker represents compared to other games.
050	Lyons	States that video poker accounts for 79% - 80% of net lottery revenue.
052	Vice-Chair Devlin	Clarifies that he wanted to know how much a person could lose on an hourly basis not what the average use is. Asks if people actually win 9 out of 10 times they play.
058	Lyons	Explains that one wins and loses various prizes as play continues. Notes that 90% of the play goes back to the player.
068	Vice-Chair Devlin	Asks if they are including credits for further play in the payout rate.
070	Lyons	Responds that is correct. Adds that she is not trying to deceive the committee, but that is how sales are calculated in the casino industry.
078	Vice-Chair Devlin	Asks how much money goes through these machines.
082	Lyons	States that the churn number is \$5 billion.
086	Cooper	Explains how play and payout numbers are calculated.
096	Vice-Chair Devlin	Asks for those figures to be submitted in writing.
098	Vice-Chair Starr	Asks if players receive \$.90 per \$1.00 played.

101	Lyons	Replies that is not correct. Explains how the gambling industry calculates sales and winnings.
109	Vice-Chair Starr	Asks if that is where the \$800 million generates \$400 billion in play figure comes from.
119	Rollie Wisbrock	State Treasurer's Office. Expresses mixed views on HJR 70 <b>(EXHIBIT O)</b> . Agrees that video poker is a problem for the state. Explains that HJR 70 would eliminate issuance of future lottery debt. Discusses contractual and moral obligations to repay bonds.
165	Wisbrock	Continues to discuss technical aspects of replacing the revenue stream. Outlines available options to repay bonds if HJR 70 passes.
183	Chair Simmons	Asks how much it would cost to pay off obligations.
184	Wisbrock	States \$250 million plus pre-payment penalties as well.
186	Vice-Chair Starr	Asks if they have to pay off the \$250 million and additional pre-payment penalties.
188	Wisbrock	Explains that there is a penalty for early payment of lottery bonds. Discusses details of bond repayment.
202	Vice-Chair Starr	Asks if they can save on interest by paying off the bonds early.
207	Wisbrock	Replies savings can be realized.
210	Vice-Chair Devlin	Asks if non-video game proceeds are adequate to payoff existing bonds.
214	Wisbrock	Responds that non-video game proceeds probably are not be sufficient, but that is to be determined. Comments on the insurance and coverage of bonds.
229	Rep. Williams	Asks if the gradual elimination of lottery funds violates any of the current bond covenances.
235	Wisbrock	States that it would not work for most bond covenances.
245	Rep. Mannix	Asks if Wisbrock could develop a viable schedule to eliminate the lottery without violating bonds covenant.
255	Wisbrock	States that such a project would incur considerable cost. Explains those costs.

269	Chair Simmons	States that technical questions can be answered at a later time.
277	Bruce Bishop	Coquille Indian Tribe. Opposes HJR 70. Explains its applicability to Indian reserve gaming casinos is uncertain. Discusses a recently filed initiative measure (Initiative 48), whose technical effects are unknown.
309	Rep. Mannix	Asks if Bishop will draft an amendment to address his concerns.
312	Bishop	States that the committee should draft such an amendment.
314	Rep. Mannix	Asks that Bishop work with the committee on the issue.
318	Bishop	Expresses concern that HJR 70 is not good public policy.
324	Rep. Mannix	Agrees that confusion exists, but stresses that concerns can be resolved.
340	Bishop	Restates opposition to HJR 70 and refuses comment on broader issues.
342	Rep. Mannix	Asks if anything can change Bishop's opposition.
344	Bishop	Expresses concern about changes to relevant regulation.
348	Chair Simmons	State it is unacceptable to oppose a measure in all circumstances without any suggestions to correct or improve the measure.
358	Bishop	States that his opposition is to HJR 70.
360	Mike McCallum	Executive Vice-President, Oregon Restaurant Association. Opposes HJR 70. Explains why video-poker was originally approved. Reviews the benefits of legal video poker.
<b>TAPE 40, B</b>		
005	McCallum	Reviews the benefits of video poker revenue. Stresses there are significant positive impacts from video poker. Suggests the negatives have been overstated. States that only \$6.20 is lost per hour. States that the average player wagers less than \$15 a month.
050	McCallum	States that the state run gambling addiction rehabilitation programs are working exceptionally well. Suggests that gambling addiction will always exist. Points to the proposed exception for Indian reserve casinos as a moral contradiction. Explains that any game that is outlawed in the state is outlawed on the reservations.

100	McCallum	Urges the legislature to stop using lottery revenue if they do not want to spend the money. Suggests that the revenue be put in a trust fund.
109	Rep. Mannix	Indicates that HJR 70 is not a moral issue for everyone. States that the question is how involved the state should be in gambling.
119	McCallum	Explains that a limit has already been established. States that the market place also limits the amount of lottery gaming that occurs.
132	Rep. Welsh	Agrees that the state needs to deal with its addiction to lottery revenues. Stresses that morality is and should be legislated.
152	Vice-Chair Devlin	Asks if a similar initiative made it to the ballot, would McCallum make the same arguments to the public as he made today.
159	McCallum	States that his arguments would not change. Reiterates that there are significant benefits from state run gambling.
170	Chair Simmons	Close Public Hearing HJR 70. Opens Public Hearing HB 3448. Asks for staff summary.
<b><u>PUBLIC HEARING HB 3448</u></b>		
174	Moore	Explains that HB 3448 addresses the need to adapt regulations, taxation in particular, to technological advances of the Internet.
215	Rep. Jane Lokan	District 25. Testifies in support of HB 3448 ( <b>EXHIBIT O</b> ). Explains the history of the legislation.
265	Rep. Lokan	States the Legislature needs to understand what taxes do to the citizens of Oregon, especial in an era of electronic commerce. Urges that everything needs to be done to adapt to the Internet. Explains the proposed inclusion of the tax ranking with voters' pamphlet information.
299	Roberta Liesperance	Legislative Aide; Rep. Lokan. Refers to <b>EXHIBIT P</b> to discuss the testimony of Jan Esler-Rowe, who requested HB 3448. States the Internet reduces tobacco tax revenue.
360	Liesperance	Reviews the financial history of Esler-Rowe, showing that the tobacco tax negatively impacted business.
410	Liesperance	Discusses possible punitive taxes that may be imposed in the future.
<b>TAPE 41, B</b>		

002	Rep. Mannix	Remarks that very few initiatives produce the type of revenue impact that HB 3448 is designed to address. Explains that Oregon should encourage electronic commerce as a key to the economy.
016	Rep. Lokan	Expresses her belief that Oregon will be looking for every method of taxing possible. Suggests that every ballot measure has a tax impact.
037	Chair Simmons	Asks if there is a fiscal impact statement available.
038	Rep. Lokan	Replies that the information will be provided at a later date.
040	Chair Simmons	Closes Public Hearing HB 3448. Opens Public Hearing HB 3314.
<b><u>PUBLIC HEARING HB 3314</u></b>		
050	Ray Phelps	Oregonians to Maintain Community Standards; the American Federation of State, County and Municipal Employees; and the International Brotherhood of Electrical Workers, Local 48. Supports HB 3314 ( <b>EXHIBIT Q</b> ). States that HB 3314 provides a balance between the initiative process and the legislative process.
075	Rep. Williams	Agrees that the idea is good and similar to HB 3579.
083	Rep. Mannix	Inquires if a 1,000 signature requirement is a reasonable compromise.
093	Vice-Chair Devlin	Inquires if voters can sign as many initiatives as they want. Asks if the 25 Democrats in the Democratic Caucus could sponsor and file any petition they want.
101	Phelps	Agrees that is correct. Explains why the 1% threshold is good.
104	Vice-Chair Devlin	Suggests that the 25 signature requirement is ridiculously easy.
109	Phelps	Agrees it is too easy. Explains that the 1% requirement makes people realize the process is valuable and difficult. Stresses the system needs to be respected.
124	Rep. Williams	States that HB 3314 is directed at the problem of ballot title shopping. Explains that it makes petitioners be serious about initiatives for the ballot and respect the system.
137	Rep. Piercy	States that the idea is reasonable.
146	Rep. Beyer	Asks if HB 3314 is a statutory change.

150	Moore	Explains that HB 3314 is a statutory change.
156	Rep. Beyer	Asks how HB 3314 effects referenda.
158	Phelps	Indicates that HB 3314 would not effect referenda, but only initiatives.
163	Rep. Beyer	Asks if it would be appropriate to attach an emergency clause.
169	Vice-Chair Devlin	Clarifies the number of signatures require to certify a ballot. Asks how a referendum is sent to the ballot.
179	Phelps	Explains that he is unsure, but believes that one need only file a prospective petition.
184	Rep. Mannix	States that the 1% requirement is reasonable.
202	Vice-Chair Starr	Closes Public Hearing HB 3314.
209	Rep. Williams	Points out that HB 3579 is scheduled for hearing later.
211	Chair Simmons	States that HB 3579 will have a public hearing.
219	Rep. Beyer	Asks that an amendment be drafted with an emergency clause.
224	Rep. Mannix	States that using an emergency clause in this case reduces the value of emergency clauses in general. Explains it is unnecessary.
230	Vice-Chair Starr	Opens Public Hearing HB 3539. Asks for staff summary.
<b><u>PUBLIC HEARING HB 3539</u></b>		
235	Moore	Explains HB 3539 directs the Secretary of State to determine if an initiative petition contains two or more amendments to the Oregon Constitution and directs the Oregon State Supreme Court to judge on a ballot title in 30 days. Distributes <b>EXHIBIT R</b> .
244	Keith Garza	Staff Attorney, Oregon State Supreme Court. Neutral on HB 3539. Relates the Supreme Court's concerns about HB 3539 requiring time limits on the Supreme Court. Explains that the Supreme Court takes ballot title reviews very seriously, treating them as cases. States that ballot titles cannot be put on a fast track, as HB 3539 would do.



290	Garza	Explains that Supreme Court review is not known to keep petitions out of circulation. Explains the timeline involved in Supreme Court reviews. Notes that most of the time a case is under review, arguments are being made. Questions whether time limits are appropriate.
340	Garza	Suggests that the 30-day deadline is insufficient for any review.
371	Rep. Mannix	Explains that timeline can be dealt with by allowing petitions to circulate while the ballot title is under review by the Supreme Court. Discusses the problem of the Secretary of State ruling on initiatives to determine the number of amendments to the Constitution.
396	Garza	States that the Supreme Court does not have a position on HB 3539.
<b>TAPE 42, A</b>		
002	Rep. Mannix	Discusses the current process of challenging the Secretary of State's ruling on an initiative and related problems. Suggests that the Supreme Court should allow review regardless of the Secretary of State's decision as problems can arise in the future.
013	Garza	Agrees that the argument is possible and a "case or controversy argument" may carry the day.
016	Rep. Mannix	Asks if it would help to have the Legislature declare "case or controversy" in this case.
017	Garza	Examines the issue as it relates to the authority of the Supreme Court.
023	Rep. Mannix	Explains the conflicting situation of where the Supreme Court will not rule on a case until after voters passed the measure.
032	Garza	Notes that in addition to the Amatta review there is also the Secretary of State's decisions on whether the initiative contains two measures. Explains that pre-election challenges are weighty matters; 30 days would be inadequate in any case and would not be binding.
049	Rep. Mannix	Raises the question if there is a need for a constitutional amendment to declare it harmless error if the voters pass an unconstitutional measure.
055	Vice-Chair Starr	Closes Public Hearing HB 3539. Adjourns meeting 8:06 p.m.

Kevin E. Wells, Cletus B. Moore, Jr.,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

- A ñ HB 2648, LC amendment ñ2 (3/8/99), staff, 1 p.**
- B ñ HB 2648, LC amendment ñ3 (3/15/99), staff, 1 p.**
- C ñ HB 2648, LC amendment ñ5 (4/8/99), staff, 1 p.**
- D ñ HB 2930 & HB 3053, written testimony, Ray Phelps, 5 pp.**
- E ñ HB 2930 & HB 3053, informational booklet, Ray Phelps, oversized.**
- F ñ HB 2930 & HB 3053, informational packet, Ray Phelps, oversized.**
- G ñ HB 2930 & HB 3053, informational packet, Ray Phelps, oversized.**
- H ñ HB 2930, written testimony, Dave Thomas, 5 pp.**
- I ñ HB 3053, written testimony, Dave Thomas, 7 pp.**
- J ñ HB 3053, written testimony, Phil Keisling, 1 p.**
- K ñ HJR 70, article, Dianne Hafemann, 7 pp.**
- L ñ HJR 70, written testimony, Carey Theil, 1 p.**
- M ñ HJR 70, written testimony, Lloyd Marbet, 6 pp.**
- N ñ HJR 70, written testimony, Chris Lyons, 1 p.**
- O ñ HB 3448, written testimony, Rep. Jane Lokan, 2 pp.**
- P ñ HB 3448, written testimony, Roberta L  esperance 6 pp.**
- Q ñ HB 3314, written testimony, Ray Phelps, 1 p.**
- R ñ HB 3539, written testimony, Phil Keisling, 1 p.**