

## SENATE COMMITTEE ON GENERAL GOVERNMENT

May 13, 1999 Hearing Room C

3:00 p.m. Tapes 80 - 81

**MEMBERS PRESENT:** Sen. Verne Duncan, Chair

Sen. Cliff Trow, Vice-Chair

Sen. John Lim

Sen. Marilyn Shannon

Sen. Frank Shields

**STAFF PRESENT:** Marjorie Taylor, Administrator

Valerie Luhr, Administrative Support

**MEASURE/ISSUES HEARD:** SB 277 Work Session

SJM 15 Public Hearing

HB 2884-A Public Hearing and Work Session

HCR 7-A Public Hearing and Work Session

HJM 12 Public Hearing and Work Session

HB 2892-A Public Hearing and Work Session

HB 3429 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 80, A		
004	Chair Duncan	Opens the meeting at 3:08 p.m. Opens a work session on SB 277.
<u>SB 277 WORK SESSION</u>		

006	Sen. Trow	<b>MOTION: Moves SB 277 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Rules and Elections.</b>
011	Marjorie Taylor	Committee Administrator. Reviews the provisions of the bill. States the Department of Administrative Services (DAS) requested the referral.
018	Sen. Trow	States he has no objection, but believes the committee could work on the bill instead of referring it to the Committee on Rules and Elections.
021	Taylor	Explains there are still issues to be resolved, and DAS wants the opportunity to continue working on the bill.
028		<b>VOTE: 4-0</b>  <b>AYE: In a roll call vote, all members present vote Aye.</b>  <b>EXCUSED: 1 - Shannon</b>
	<b>Chair Duncan</b>	<b>The motion CARRIES.</b>
031	Chair Duncan	Closes the work session on SB 277. Opens a public hearing on SJM 15.
<b><u>SJM 15 PUBLIC HEARING</u></b>		
037	Marjorie Taylor	Committee Administrator. Reviews provisions of the bill.
041	Gena Isom	Legislative Assistant for Sen. Kate Brown. Submits written information in support of SJM 15 <b>[EXHIBIT A]</b> . States the United States is the largest debtor to the United Nations (UN): more than \$1 billion in arrears. Encourages the committee's support of the bill.
056	Betsy Bergstein	Better World Fund. Submits and presents testimony in support of SJM 15 <b>[exhibit B]</b> . States Sen. Gordon Smith supports the United Nations and supports the United States paying its arrears dues.
072	Sen. Shannon	Asks if any other country has given close to the amount of money the United States has given to the UN.
075	Bergstein	States the United States is the largest contributor; but when the country does not pay its dues, the UN cannot pay money it owes to other countries.
078	Sen. Shannon	Asks why Congress does not want to pay the dues.
080	Bergstein	Comments on political issues between Congress and the administration revolving around efficiency issues of the UN. States a country could lose its seat in the General Assembly if it falls more than two years behind in its dues.
091	Sen. Shannon	Asks if family planning was one of the issues.
092	Bergstein	States family planning was one of the issues.
093	Sen. Shannon	States she is opposed the bill because the UN is involved in issues in which they

		should not be involved.
094	Sen. Lim	Asks for the total amount the United States owes.
099	Bergstein	States it is \$1.3 billion.
100	Sen. Trow	States the United States has tremendous influence in the UN and the UN has served the United States very well in diplomatic disputes. States the United States should pay its dues and deal with the issues separately. States he supports the bill.
113	Sen. Shannon	States she thought Ted Turner was going to pay the dues.
114	Bergstein	States Mr. Turner is involved in the Better World Fund and the United Nations Foundation.
118	Sen. Shannon	States she understood Mr. Turner would pay the debt if some countries allowed his cable operations to go to those places without franchise fees.
121	Isom	States there was talk of Mr. Turner paying the debit as a taxpayer of the United States and then having some litigation against the United States. States Mr. Turner felt a grassroots effort would be better.
130	Sen. Shannon	States it is important to know both sides of the issue.
134	Sen. Lim	Asks what the formula is for determining dues.
139	Bergstein	States she does not know and will get information to Sen. Lim.
141	Sen. Trow	States he believes it is a terrible mistake to be late with the dues. States he wants a work session on the bill.
146	Chair Duncan	Explains a work session is not scheduled and he will need to request permission to hold one.
150	Sen. Trow	Asks why Sen. Brown does not want a work session on the bill.
153	Isom	States Sen. Brown submitted the bill, which came to her at the request of the Better World Fund. States Sen. Brown is grateful for the hearing on the bill.
161	Sen. Shields	Referring to the signers on Ms. Isom's testimony, states the issue does not appear to be partisan.
169	Chair Duncan	States he does not believe it is a partisan issue and would support the bill.
175	Bergstein	States she will provide the committee with additional information listing the supporters. At Sen. Trow's request, states she will provide information to Sen. Shannon. States Better World Fund's website is <a href="http://www.betterworldfund.org">www.betterworldfund.org</a> .
		Staff submits written information on behalf of the Better World Fund [EXHIBIT C].
182	Chair Duncan	Closes the public hearing on SJM 15. Opens a public hearing on HB 2884-A.

**HB 2884-A PUBLIC HEARING**

194	Rep. Mark Simmons	House District 58. Reviews provisions of the bill and the SB 2884-A3 amendments <b>[EXHIBIT D]</b> . States the bill would have not effect on the legal shipment of alcohol. Urges the committees support of the bill.
244	Barb Hutchison	Oregon Liquor Control Commission (OLCC). States OLCC is always interested in revenue issues dealing with the sale of alcoholic beverages. States OLCC is very interested in ensuring that minors are not able to access alcohol through the internet and other means. States she thinks extradition issues will be solved at the national level. States the appropriation will give OLCC the ability to study issues revolving around internet sales of alcohol. States OLCC is happy to work with Rep. Simmons
272	Sen. Lim	Asks how Oregon can stop those who violate Oregon's liquor laws.
275	Rep. Simmons	States there have been hearings in Washington, D. C. about interstate commerce issues. Comments on how he envisions working with other states on issues revolving around the illegal sale of alcoholic beverages.
293	Sen. Lim	States Oregon has laws to enable out-of-state shipment of alcoholic beverages. States he thinks Oregon has an external problem.
302	Hutchison	Explains OLCC has set up stings and the stings have been educational for those who do not understand Oregon's laws.
314	Sen. Shields	Asks how much volume flows through the internet pipeline.
321	Rep. Simmons	States the volume is close to \$1 billion nationally, but he does not know how much flows into Oregon. States Oregon has reciprocal agreements with California and other states for shipment of wine.
332	Sen. Shields	States he thinks Oregon might be one percent of the \$1 billion. Asks what the minority report disagreed with.
340	Rep. Simmons	States the bill was perceived by some to shut down licensed OLCC shipments of wine within or out of Oregon, and that generated interest from some wholesalers and others. States the dollar figure was the only difference on the minority report.
360	Sen. Trow	States it makes sense to send the bill to the Committee on Ways and Means. States he thinks OLCC has regulatory authority to look into the issue without HB 2884-A. States it does not make sense to spend a lot of money if the problem needs a national solution.
377	Rep. Simmons	States Rep. Trow's point is well taken. States Oregon needs resolution to extradition laws in order to prosecute.
383	Sen. Trow	States perhaps investigation takes more money. States a budget note about the business of establishing the amount of money the agency will have would be appropriate.
393	Hutchison	States OLCC talked with the Committee on Ways and Means co-chairs, and Rep. Lewis indicated it could be part of a budget note for OLCC.

402	Sen. Trow	States he thinks the committee should send the bill to the Committee on Ways and Means without recommendation. States he agrees there is a problem that needs to be dealt with.
411	Chair Duncan	Closes the public hearing on HB 2884-A. Opens a work session on HB 2884-A.
<b><u>HB 2884-a work session</u></b>		
415	Sen. Trow	<b>MOTION: Moves to ADOPT HB 2884A-3 amendments dated 5/13/99.</b>
		<b>VOTE: 4-0</b>
		<b>EXCUSED: 1 n Shannon</b>
	Chair Duncan	<b>Hearing no objection, declares the motion CARRIED.</b>
421	Sen. Trow	Suggests a motion to move HB 2884A to the floor without recommendation as to passage and be referred to the committee on Ways and Means by prior reference.
425	Sen. Lim	States the committee should send the bill with recommendation.
433	Sen. Trow	States he does not know whether he wants to send the bill with recommendation from the standpoint of appropriation.
<b>TAPE 81, A</b>		
003	Sen. Lim	States it is up to the co-chair whether the committee passes the bill with or without the appropriation.
008	Chair Duncan	Clarifies the bill has a subsequent referral to the Committee on Ways and Means.
010	Sen. Trow	<b>MOTION: Moves HB 2884A to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>
014	Sen. Shields	Requests clarification of Sen. Trow's motion.
015	Sen. Trow	States he is honoring Sen. Lim's request to send the bill with a recommendation.
020	Sen. Shields	Agrees to let the Committee on Ways and Means act on the bill in the way they want.
022		<b>VOTE: 4-0</b>
		<b>AYE: In a roll call vote, all members present vote Aye.</b>
		<b>EXCUSED: 1 - Shannon</b>
	Chair Duncan	<b>The motion CARRIES.</b>
027	Chair Duncan	Closes the work session on HB 2884-A. Opens a public hearing on HCR 7-A.

<b><u>HCR 7-A PUBLIC HEARING</u></b>		
030	Rep. Mark Simmons	House District 58. Speaks in support of the bill.
044	Chair Duncan	Comments on his meeting with Erskine Wood, Jr., whose father was with General Howard at the surrender of Chief Joseph. Recesses the public hearing on HCR 7-A. Opens a public hearing on HJM 12.
<b><u>HJM 12 PUBLIC HEARING</u></b>		
068	Rep. Mark Simmons	House District 58. Testifies in support of HJM 12. States he understands federal funds are available for the restoration of Celilo Village.
082	Sen. Trow	Asks if we are asking Congress to appropriate necessary funds in the way we appropriate funds.
087	Rep. Simmons	States he understands there are available funds that could be appropriated to the cause. States there was interaction with the delegation in Oregon prior to introducing HJM 12.
093	Sen. Trow	Asks Rep. Simmons if Washington is satisfied with the wording of the memorial.
093	Rep. Simmons	Answers affirmatively.
102	Angela Morris	Confederated Tribes of the Umatilla Indian Reservation. Submits and presents testimony in support of HJM 12 <b>[EXHIBIT E]</b> . Discusses the two-fold reason for requesting the legislation. Urges the committee's support of the bill.
151	Sen. Lim	Asks if there is a guaranty the area will not flood again.
154	Morris	States the area was flooded on purpose.
162	Sen. Lim	Clarifies we are asking for \$5 million and asks where the money will come from.
164	Morris	States some federal money is available with a couple of options.
168	Sen. Trow	Requests Morris to provide funding options to the committee for the floor debate.
173	Chair Duncan	Closes the public hearing on hjm 12. Opens a work session on HJM 12.
<b><u>HJM 12 WORK SESSION</u></b>		
181	Chair Duncan	States he would like to send the measure to the floor with a do pass recommendation. States he agrees the committee needs to know about funding. States the committee's action would give support to the requesters.
<b>190</b>	<b>Sen. SHIELDS:</b>	<b>MOTION: Moves HJM 12 be sent to the floor with a BE ADOPTED recommendation.</b>
194	Sen. Shields	Comments on his interest in the Nez Perce and states he lived on the old Klamath Reservation for three years during his ministry. States he wants to support the effort. Speaks to the injustices done to the Indian tribes.

214	Chair Duncan	Comments on his memories of the Indians fishing on the river.
219		<b>VOTE: 4-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Shannon</b>
	<b>Chair Duncan</b>	<b>The motion CARRIES.</b> <b>SEN. SHIELDS will lead discussion on the floor.</b>
225	Chair Duncan	Closes the work session on HJM 12. Reopens the public hearing on HCR 7-A.
<b><u>HCR 7-A PUBLIC HEARING</u></b>		
229	Angela Morris	Confederated Tribes of the Umatilla Indian Reservation. Submits and presents testimony in support of the bill [EXHIBIT F]. Urges the committee's support of the bill.
245	Sen. Trow	States he will move the bill to the floor with a do pass recommendation, but wishes the bill was more strongly written, especially in the resolution portion.
253	Sen. Shields	Asks why the committee does not make the bill stronger.
256	Sen. Trow	States he wants to know if the requestors are pleased with the language.
258	Morris	States the original proposal to Legislative Counsel was written more strongly.
263	Sen. Trow	Asks what the requestors started with.
264	Morris	States she has a hand-written copy of Roger Martin's version. States she can provide a copy to the committee.
270	Chair Duncan	Closes the public hearing on HCR 7-A. Opens a work session on HCR 7-A.
<b><u>HCR 7-A WORK SESSION</u></b>		
271	Sen. Trow	<b>MOTION: Moves HCR 7A be sent to the floor with a BE ADOPTED recommendation.</b>
		<b>VOTE: 4-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 1 - Shannon</b>
	<b>Chair Duncan</b>	<b>The motion CARRIES.</b> <b>SEN. NELSON will lead discussion on the floor.</b>
285	Sen. Shields	States he would be glad to carry HCR 7-A if Sen. Nelson wants to carry HJM 12.

294	Chair Duncan	Closes the work session on HCR 7-A. Opens a public hearing on HB 2892-A
<b><u>HB 2892-A PUBLIC HEARING</u></b>		
299	Marjorie Taylor	Committee Administrator. Reviews provisions of HB 2892-A.
322	Barb Hutchison	Oregon Liquor Control Commission (OLCC). Submits and presents testimony in support of HB 2892-A <b>[EXHIBIT G]</b> , which is the result of SB 300 (1997 Session). States OLCC has concentrated on the retail licenses this session and will look at the remaining licenses in the next biennium.
384	Sen. Trow	Asks if the fees have been through committees in the House.
386	Hutchison	States the bill passed through the House Committee on General Government with full support. States the issue of lottery was brought up in the House committee, and states the bill does not mean there will be more lottery.
394	Sen. Trow	Asks if there were any changes to the fee levels.
395	Hutchison	States there were no changes. States the bill passed 58 to 0 on the House floor.
398	Sen. Trow	Asks if there is opposition from those who pay the fees.
400	Hutchison	States she is not aware of any opposition.
401	Sen. Trow	Asks if there is a need to change the bill. States the committee has received the HB 2892-A12 amendments <b>[EXHIBIT H]</b> .
404	Hutchison	States she will have Michael Mills address Sen. Trow's question. States the commission has no problems with the proposed amendments.
407	Sen. Trow	Asks why the provisions on the SB 2892-A12 amendments were not in the original bill.
410	Hutchison	States it was not one of OLCC's issues. States the amendment is from the Oregon Restaurant Association.
420	Michael Mills	Lawyer, Salem, Oregon, and representing the Oregon Restaurant Association. States the bill will streamline processes and he is not aware of any opposition to the fee changes. States the Oregon Restaurant Association has consensus on the proposed amendments.
<b>TAPE 80, B</b>		
013	Sen. Trow	Asks Mills if he checked with the House about the amendments because they may refuse to concur with them.
016	Mills	States he cannot answer Sen. Trow's questions because he was not involved in the process.
020	Taylor	States Chair Wilson will probably agree to the amendment if OLCC approves it.



022	Sen. Trow	Asks Mills to review provisions of the SB 2892-A12 amendments.
023	Mills	States Oregon has experienced a growth in the small brew pubs that make "boutique" beers. States the brew pubs want the ability to sell their products at wholesale on a limited basis. States the amendments address the brew pubs' concern.
038	Sen. Trow	States the bill does not sound like a bad idea. Asks if the OLCC has any problem with the bill opening up the argument that others will want to expand.
042	Hutchison	States a big distributor is not going to pick up 20 barrels to deliver, and it makes sense to give the brew pubs the opportunity to expand their market.
050	Sen. Trow	Asks if there are any other problems with the bill.
052	Hutchison	States OLCC is comfortable with the bill.
053	Chair Duncan	Clarifies the limit is 500 barrels.
055	Hutchison	States a bill was submitted that would have allowed the privilege to someone who produces 5000 barrels, and the commission was neutral on the issue.
061	Chair Duncan	Closes the public hearing on HB 2892-A. Opens public hearing on HB 3429.
<b><u>HB 3429 PUBLIC HEARING</u></b>		
080	Pat Egan	Oregon Winegrowers Association (OWA). Introduces Jeff Lyon, Attorney, Davis Wright Tremaine, and legal counsel to OWA. Submits and presents testimony in support of HB 3429 <b>[EXHIBIT I]</b> . States the bill is simply a licensing change bill. States the bill would put Oregon on an even, competitive playing field with California. States OWA does not have any opposition to the bill. States OWA would like the opportunity to have an emergency clause amendment drafted to the bill.
137	Chair Duncan	Asks Egan if he spoke with the chair of the House Committee on Agriculture and Forestry.
139	Egan	States Rep. Wells is fine with the amendment proposal.
141	Eric Hamacher	Hamacher Wines, Inc. Submits and presents testimony in support of HB 3429 <b>[EXHIBIT J]</b> . Reviews his experience at a winery in California's Napa Valley. Urges the committee's support of the bill.
177	Sen. Trow	Asks if there has been any opposition to the bill.
179	Hamacher	States there has been no opposition. States both large and small wineries are excited about the bill.
181	Egan	Discusses an ancillary benefit to a large production facility.
189	Sen. Trow	Asks if other states have similar laws.

190	Egan	States California has similar laws, and California is Oregon's biggest competitor.
196	Hamacher	Comments on the ability of a person or winery operating in California, that is in a similar situation such as he, to operate as a complete winery with complete privileges in Oregon. States he is unable to do the same things as a wholesaler in Oregon. Comments on the effects of the emergency on this year's harvest.
220	Chair Duncan	States the committee can work the bill with the amendment.
232	Barb Hutchison	OLCC. States there might be a very small privilege tax reduction as a result of the bill. States there are no regulatory or enforcement problems.
243	Chair Duncan	Closes the public hearing on HB 3429. Opens a work session HB 2892-A.
<b><u>HB 2892-A WORK SESSION</u></b>		
250	Sen. Trow	<b>MOTION: Moves to ADOPT HB 2892A-12 amendments dated 5/13/99.</b>
255	Chair Duncan	Reviews the provisions of the HB 2892-A12 amendments for Sen. Lim.
		<b>VOTE: 3-0</b> <b>EXCUSED: 2 - Shannon, Shields</b>
		<b>Chair Duncan</b> <b>Hearing no objection, declares the motion CARRIED.</b>
260	Sen. Trow	<b>MOTION: Moves HB 2892A to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 3-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 2 - Shannon, Shields</b>
		<b>Chair Duncan</b> <b>The motion CARRIES.</b> <b>SEN. TROW will lead discussion on the floor.</b>
269	Chair Duncan	Announces the committee will not meet on Tuesday, May 18, but will meet on Thursday, May 20, for the last meeting. States the Racing Commission will be on the agenda. Adjourns the meeting at 4:21 p.m.
		Staff submits testimony in support of HB 2884 on behalf of Erath Vineyards <b>[EXHIBIT K]</b> .

Valerie Luhr, Marjorie Taylor,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SJM 12, written information, Gena Isom 1 p.**

**B ñ SJM 12, written testimony, Betsy Bergstein, 1 p.**

**C ñ SJM 12, written information, staff, 2 pp.**

**D ñ HB 2884, -A3 amendments, staff, 1 p.**

**E ñ HJM 12, written testimony, Angela Morris, 12 pp.**

**F ñ HCR 7-A, written testimony, Angela Morris, 1 p.**

**G ñ HB 2892-A, written testimony, Barbara Hutchison, 5 pp.**

**H ñ HB 2892, -A12 amendments, staff, 1 p.**

**I ñ HB 3429, written testimony, Pat Egan, 3 pp.**

**J ñ HB 3429, written testimony, Eric Hamacher, 1 p.**

**K ñ HB 2884-A, written testimony, staff, 1 p.**