

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

March 01, 1999 Hearing Room B

3:00 p.m. Tapes 26 - 27

MEMBERS PRESENT: Sen. John Lim, Chair

Sen. Avel Gordly, Vice-Chair

Sen. Verne Duncan

Sen. Tony Corcoran

Sen. Bill Fisher

MEMBER EXCUSED:

STAFF PRESENT: Carol Rives, Administrator

Gary Roulier, Administrative Support

MEASURE/ISSUES HEARD: Introduction of Committee Bills

Tribal Gaming Centers

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 26, A | | |
| 002 | Chair Lim | Opens meeting at 3:08 p.m. and opens a work session on the introduction of committee bills. |
| <u>WORK SESSION</u> | | |
| 012 | Sen. Duncan | MOTION: Moves LC's: 2839, 2947, 2948, 3698, 3895, 3896, 3897 BE INTRODUCED as committee bills. |
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| 014 | | VOTE: 3-0 EXCUSED: 2 - Fisher, Gordly |
| 017 | Chair Lim | Hearing no objection, declares the motion CARRIED. |
| 023 | Chair Lim | LC 2839, 2947, 2948, 3698, 3895, 3896, 3897 will be introduced as committee bills. |
| 027 | Chair Lim | Closes work session, opens informational meeting. |
| <u>TRIBAL GAMING CENTERS</u> | | |
| 046 | Justin Martin | Director, Intergovernmental Affairs, Confederated Tribes of Grande Ronde. Remarks that the nine tribes in Oregon have significant geographic and cultural differences. Notes, however, that the tribes share many of the same concerns as other communities and use their gaming revenues to address these concerns. |
| 095 | Lt. Randy Sitton | Administrator, Gaming Enforcement Division, Oregon State Police. Outlines the purposes of the division in gambling regulation and the historical origins of tribal gaming in Oregon, authorized through the National Indian Gaming Regulatory Act (IGRA). |

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| 135 | Sitton | Discusses the compact agreements between the tribes and the state which govern gaming activities. Adds that the Gaming Enforcement Division performs four functions: investigation of licensees; independent investigation of gaming vendors; monitoring and oversight of gaming operations; and conduct of criminal investigations of suspected compact agreement violations. |
| 173 | Chair Lim | Asks which of the tribes does not have a gaming operation. |
| 175 | Sitton | Responds that the Confederated Tribes of Coos, Lower Umpqua and Siuslaw have a compact agreement but do not yet have a gaming operation. |
| 183 | Sen. Kate Brown | Senate Representative to the Legislative Commission on Indian Services. Discusses the function of the commission as the primary forum for discussing state and tribal relations. |
| 214 | Sen. Brown | Notes that the federal government controls relations with the tribes. Discusses the historical relationship between the federal government and the tribes. Emphasizes that tribal gaming centers are federally sanctioned under IGRA to raise revenues for tribal government programs. |

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| 239 | Sen. Brown | Remarks that numerous court cases have held that states cannot impose taxes on tribal governments. Emphasizes that the state and federal governments receive numerous taxes from Indian individuals or business owners not residing on reservations. |
| 275 | Sen. Brown | Relates her experience with the Legislative Commission on Indian Services and the value of this government-to-government exchange. |
| 308 | Sue Schaeffer | Chair, Cow Creek Band of Umpqua Indians. Reviews tribal life and culture which emphasizes education of the young, the strengthening of families and work within the community. Notes that the Cow Creek tribe received no services for 128 years. |
| 342 | Shaeffer | Describes the employment opportunities that the gaming operation created in South Douglas County. Remarks that unemployment in Douglas County is 9.5%, primarily because of dependence on the timber industry. |
| 392 | Shaeffer | Discusses the economic development and diversification projects the tribe is undertaking which include the purchase of a truck stop, motels, a storage facility and a beef jerky business. Notes that the relationship between the tribe and the local community is excellent. |

TAPE 27, A

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| 009 | Shaeffer | Discusses efforts to develop a child care center in South Douglas County. |
| 017 | Chair Lim | Asks about upcoming projects. |
| 020 | Shaeffer | Responds that there are several opportunities but does not feel free to discuss them in any detail at this point. |
| 027 | Chair Lim | Discusses the importance of diversification. |
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| 036 | Olney Patt, Jr. | Chair, Confederated Tribes of Warm Springs. Presents (EXHIBIT A) and reviews the history of the tribe. |
| 075 | Patt, Jr. | Summarizes the makeup of the tribal government. |
| 092 | Patt, Jr. | Discusses the comprehensive plan developed in 1959 (page 2 of the exhibit). |
| 098 | Charles Jackson | Secretary-Treasurer, Confederated Tribes of Warm Springs. Reviews the comprehensive plan for developing the tribal economy which includes development of a Warm Springs resort and other projects. |

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| 144 | Jackson | Notes the need for diversification necessitated by the reduction in the available timber harvest. Summarizes tribal employment statistics and other challenges including a declining high school graduation rate. |
| 178 | Mike Clemons | General Manager, Economic Development, Confederated Tribes of Warm Springs. States that the tribal philosophy for economic development is one of total community development. Discusses future opportunities for economic development which include tourism. |
| 216 | Clemons | Relates efforts to update the Tribal comprehensive plan, meet infrastructure requirements, strengthen partnerships, and develop independent businesses and training for the local workforce. |
| 252 | Patt, Jr. | Summarizes that the tribe wants to diversify and gaming is a link in that effort. |
| 266 | Vice-Chair Gordly | Relates that she participated in an annual spiritual retreat at Warm Springs. Adds that the National Caucus of Black State Legislators is on the record as being in support of tribal gaming. |
| 296 | Chair Lim | Asks about the education of tribal youth. |
| 304 | Jackson | Notes that K-6 children attend school on the reservation and junior and high school students attend off the reservation. Notes that the high school graduation rate is less than 50%. |
| 326 | Chair Lim | Remarks that education and economic development go hand in hand, and maintaining tribal cultural identity is important. |
| 354 | Kathryn Harrison | Chair, Confederated Tribes of Grande Ronde. Presents (EXHIBIT B) and discusses the history of the tribe and the successes of the tribal council. |

TAPE 26, B

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| 007 | Harrison | Continues a discussion of restoration and the formation of the economic development arm of the tribe. |
| 014 | Bruce Thomas | President, Spirit Mountain Corporation. Summarizes the impact of gaming facilities which often benefit depressed areas. Notes that casino revenues are spent in Oregon, bring tourists to the area and are reinvested in Oregon. |
| 040 | Thomas | Remarks that the casino employs 1,900 with a payroll of \$32 million, which results in approximately \$7 million in state and federal taxes. Adds that the casino spends \$25 million in vendor goods and services in Oregon (page 16 of the exhibit). |

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| 069 | Thomas | Outlines the economic impact of the casinos on the communities of Willamina and Sheridan. Summarizes the grants given by the tribe to various charitable organizations (page 16 of the exhibit). |
| 104 | Sen. Corcoran | Comments on the high level of security at Grande Ronde and applauds the use of gambling revenues to benefit the community. |
| 118 | Chair Lim | Asks about investment in education. |
| 121 | Harrison | Responds that the interest in education among tribal youth is growing. |
| 145 | Antone Minthorn | Chair, Confederated Tribes of Umatilla. Presents (EXHIBIT C) and outlines the organization of the tribe. |
| 189 | Minthorn | Reviews the rights granted to the tribe which include hunting, gathering and cattle grazing. Notes the progress made in economic development primarily due to the Wild Horse Gaming Resort in Pendleton. |
| 212 | Minthorn | Discusses projects which include the development of a resort hotel and golf course. Notes that the tribe has made \$7 million in charitable contributions to the surrounding communities. |
| 243 | Minthorn | Concludes by discussing policies to insure the safety and security of the gaming operation. |
| 282 | Vivian Kimbol | Assistant Planner, Economic Development, The Klamath Tribes. Remarks that the gaming facility in Klamath County is only a stepping stone to other economic development projects. |
| 324 | Vivian Kimbol | Summarizes the tribal economic development projects and notes that the projects are being done on a regional basis. |
| 359 | Jessie Davis | Tribal Council, Confederated Tribes of Siletz. Presents (EXHIBIT D) and summarizes the history of the tribe. Remarks that declining timber revenues led to the development of the Chinook Winds Center in Lincoln City. |

TAPE 27, B

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| 004 | Davis | Outlines plans that earmark 50% of net gaming revenues for economic development (page 2 of the exhibit). Discusses the casino's impact on the Lincoln City economy. |
| 028 | Davis | Discusses the security policies of the casino (page 3 of the exhibit). |
| 058 | Sen. Fisher | Asks why more employees of the casino are not tribal members |

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| 068 | Davis | Answers that only 400 of the 3,000 tribal members live in Lincoln County where the casino is located. |
| 082 | Ron Brainard | Tribal Member, Confederated Tribes of Coos, Lower Umpqua & Siuslaw. Presents (EXHIBIT E) and summarizes the Reservation Plan adopted in 1999. |
| 116 | Brainard | Notes that the tribe does not have a gaming facility but is planning for the development of a casino in the future. |
| 142 | Chair Lim | Asks about the size of the tribe. |
| 146 | Brainard | Responds that there are approximately 620 members. |
| 165 | Ed Metcalf | Chair, Coquille Indian Tribe. Presents (EXHIBIT F) and a video tape (EXHIBIT G) which outlines the development of the Mill Casino in Coos Bay. |
| 202 | Metcalf | Continues the video tape demonstrating farming operations, the development of an assisted living facility for Alzheimeris patients and the formation of the Coquille Housing Authority. |
| 243 | Metcalf | Concludes that the purpose of the economic development effort is to benefit both tribal members and the community as a whole. |
| 292 | Vice-Chair Gordly | States that she would like a copy of the video tape. Emphasizes that economic development not only increases local revenues but enhances communities. |
| 319 | Chair Lim | Closes informational meeting and adjourns meeting at 4:54 p.m. |

Submitted By, Reviewed By,

Gary Roulier, Carol Rives,
Administrative Support Administrator

EXHIBIT SUMMARY

A ñ Written testimony, Olney Patt, Jr., 6 pp

B ñ Written testimony, Kathryn Harrison, 27 pp

C ñ Written testimony, Anton Mithorn, 20 pp

D ñ Written testimony, Jessie Davis, 3 pp

E ñ Written testimony, Ron Brainard, 1 pp

F ñ Written testimony, Ed Metcalf, 2 pp

G ñ Video tape, "Mill Casino," Ed Metcalf, oversized