

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

April 21, 1999 Hearing Room B

3:00 P.M. Tapes 59-61

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

Paula Merritt, Administrative Support

MEASURE/ISSUES HEARD: SB 1107 Public Hearing and Work Session

SB 1132 Public Hearing

SB 861 Public Hearing

SB 115 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 59, A		
001	Chair Lim	Opens meeting at 3:15 p.m. Opens public hearing on SB 1107.

SB 1107 PUBLIC HEARING

014	Carol Rives	Administrator. Explains SB 1107. This bill authorizes any seller of alcoholic beverages to accept any identification (ID) card that has been issued by any state or federal agency that bears a picture of the person and contains sufficient information for that person to be identified. Submits (EXHIBIT B) .
019	Sen. Joan Dukes	Sen. District 1. Explains that she is the sponsor of this bill and introduces Skip Hauke.
023	Skip Hauke	Hauke's Sentry Markets, Clatsop, Oregon. Submits and reads from (EXHIBIT A) . Mentions that it has been the experience at Hauke's Sentry Markets that out-of-state customers who do not have a valid drivers license, do carry an ID card and it is very embarrassing to them that the state of Oregon does not consider these cards a valid ID.
057	Hauke	States that by following the present rules, Oregon may be practicing one thing and saying another. Comments on the Statement of Age card, which is included in the exhibit. States that all Oregon retailers would like to be able to accept DMV ID cards from other states. Mentions that visitors are an important part of the economy in Oregon and on behalf of all retailers he respectfully requests the tools to treat them as we would our next door neighbors.
096	Sen. Dukes	Comments on line 17 of SB 1107. Would like to provide authorization to accept an Oregon ID card and a driver's license by another state. Refers to (EXHIBIT B) .
124	Sen. Fisher	States that he does not understand the Statement of Age card.
133	Hauke	Explains that the proper ID needed to purchase alcohol is two pieces.
137	Sen. Dukes	Sen. Dukes and Fisher conversed regarding required ID.
159	Sen. Fisher	States that this sounds like it should be a House Bill.
173	Barbara Hutchinson	Liquor Commission. States that the Commission is neutral on the bill. Introduces Mike Bullis.
183	Chair Lim	Asks about #1 amendment, (EXHIBIT B) .
187	Mike Bullis	Owner and operator of Kaleidoscope Tavern in Salem. Submits and reads from (EXHIBIT C) . States his concerns were that blind people do not have driver's licenses. States that he came today to resolve this issue. Statements of Age cards are not practical because of too much paperwork. Says that his bartenders will not serve anyone who wants to use a Statement of Age card. States that this affects non-drivers the most.

228	Sen. Gordly	Comments on written testimony. Reads from the exhibit. Asks Bullis if there is more that he would like to say about the Americans with Disabilities Act (ADA).
240	Bullis	Comments that the way Oregon has set up the identification process, it is targeting a group of people with disabilities, although this bill would solve that problem.
248	Sen. Fisher	States that he appreciates Bullis testifying on this bill.
260	Sen. Duncan	States the concern he has for the possibility of forging an ID document and asks about the U.S. Military ID.
270	Sen. Dukes	Explains the U.S. Military I.D and the ñ1 amendments. States that, yes, an Oregonís driverís license could be duplicated very easily.
309	Bullis	Explains a guide that is used by his employees to prevent forgeries. Says that all of his employees follow this guide.
323	Sen. Fisher	Asks about the state ID and how it would be used.
347	Sen. Dukes	Answers that every state has an official ID card.
388	Chair Lim	Closes the public hearing on SB 1107 and opens the work session.
<u>SB 1107 WORK SESSION</u>		
399	Sen. Gordly	MOTION: Moves to ADOPT SB 1107--1 amendments dated 04/21/99.
		VOTE: 5-0
	Chair	Hearing no objection, declares the motion CARRIED.
	Sen. Gordly	MOTION: Moves SB 1107 to the floor with a DO PASS AS AMENDED recommendation.
402		VOTE: 5-0

		AYE: In a roll call vote, all members present vote Aye.
	Chair Lim	<p>The motion CARRIES.</p> <p>SEN. DUKES will lead discussion on the floor.</p>
437	Chair Lim	Closes work session on SB 1107 and opens public hearing on SB 1132.
<u>SB 1132 PUBLIC HEARING</u>		
TAPE 60, A		
028	Chris Lyons	Director, Oregon Lottery. Introduces David Hooper. Explains the Governor's Task Force on Gambling. Explains that Sen. Corcoran sat on this task force and leadership from both houses of the Legislative Assembly, appointees by the Governor, representatives from the lottery and the Indian tribes. Explains research and submits and reads from (EXHIBIT D) .
092	Sen. Gordly	Comments on the testimony. Reads from the exhibit. Asks what the differences are between the task force proposed by SB 1132 and the Governor's task force and its final report issued in 1996.
095	Lyons	States that she must reiterate the point of social costs. Feels that there was not enough data gathered in the previous task force.
130	Sen. Corcoran	Comments on the social impacts. Says it is very difficult to get hard data on the consequences of gambling. States that no one had the information to back them up.
154	David Hooper	Public Affairs Manager, Oregon Lottery. States that the key is to build research to get the data; the lottery has initiated many studies.
162	Chair Lim	Comments on the history and the data. States that gambling is the third oldest occupation in the world today. Feels that there is data to be found and Oregon needs to gather it. States he is amazed that we cannot come up with the data needed.
188	Lyons	States that the task force spent a lot of time and money trying to gather information. They were all surprised to not find hard and fast facts on gambling. The data was just not there.
250	Mike McCracken	Oregon Gambling Addiction Treatment Foundation. Submits and reads from

		(EXHIBIT E).
380	McCracken	Continues to read from exhibit. States that their task forces are not funded by tax dollars.
400	Ellen Lowe	Director, Public Policy, Oregon Gambling Addiction Treatment Foundation. Served on the Governor's task force. States that the lack of data has become clear. States that Oregon needs to have data on file to provide to future voters.
426	Lowe	States that, as a foundation, they do not involve themselves in political activities, but give solid information and build on it. They must make sure that data is there to be found.
TAPE 59, B		
028	Sen. Duncan	Asks question about the well-balanced committee she spoke of. Asks if so well balanced that they find the need to testify in this committee.
040	Lowe	Answers that she accepts the methodology of the researcher. States that they would make any decisions after the research.
050	McCracken	Comments on the nine members of the board. Four of them are gambling addiction treatment providers. States because of working with victims of gambling, they tend to be biased.
072	Chair Lim	Comments on the urgency of this matter. States that while we are conducting research people are suffering. He does not think we can wait very much longer.
089	McCracken	States that he wants to move faster than they have moved in the past. Mentions that Oregon is the only state that has a commitment to providing treatment for gambling addiction. Oregon law allows spouses and children to be treated as well.
106	Sen. Gordly	Comments that she appreciates the steps moving forward against addiction. Asks about tax dollars involved.
113	McCracken	Answers that no tax dollars are used in this research.
115	Sen. Gordly	Asks if the research can take place without tax dollars.
127	McCracken	Answers yes.
128	Sen. Gordly	Agrees with sense of urgency. Asks why we do not move forward with this now and defer to the experts.

139	Lowe	Responds that Oregon has treatment, which works, and this should continue.
148	Chair Lim	Asks about a study that is being done now.
166	Sen. Gordly	Wants to defer to the Foundation at this time.
173	Sen. Corcoran	States he thought the Foundation was speaking in favor of the bill.
178	Chair Lim	Wants to keep SB 1132 and consider it for later date. Closes public hearing on SB 1132 and opens public hearing on SB 861.
<u>SB 861 PUBLIC HEARING</u>		
207	Brian Boe	Oregon Retail Liquor Association. Opposes SB 861. Introduces Barbara Hutchinson. States that this bill does not achieve and address all of the issues for Oregon to make a transition from a controlled environment to a privatized environment for retailing spirits.
247	Barbara Hutchinson	Oregon Liquor Commission. Opposes SB 861. Thinks it may be time to look at this bill in a broader manner.
276	Chair Lim	Asks about the number of individuals involved in the operation of the warehousing of spirits.
283	Hutchinson	States that she does not have the figures with her, but they are in the budget books that the Ways and Means Committee have copies of.
294	Chair Lim	Asks how many employees are working and controlling inventory.
299	Hutchinson	Answers there is a director of stores and four district managers. Says each of them is responsible for 70-80 stores throughout the state.
304	Chair Lim	Asks why they would not be able to purchase their own inventory.
318	Hutchinson	Answers that there is an unintended consequence to this approach. States that customer service is important to them and there is a chance that customers would not have the same choices. Additionally, there would need to be \$100,000 investment from each agent. She feels that not all of them would could afford to do this.
366	Chair Lim	States that he believes that this industry needs to be privately operated and not operated through the state.

382	Boe	Believes that there are Oregon birthrights and this is one of them.
390	Chair Lim	States his intention is not to control the liquor, but control the price.
419	Rives	Explains amendment on SB 861. Submits (EXHIBIT F) . This would make a seven-member commission, not a five-member commission, with three members from the industry, as opposed to one member that is currently from the industry.
440	Hutchinson	Comments on the ñ1 amendments. States she had not seen these yet. Has not had a chance to talk with anyone about these. States that the five-member commission has worked very well for a number of years, and there is no need for change.
TAPE 60, B		
006	Boe	States the commission membership requirements were mandated in 1933. States he feels the larger the commission, the more difficult it is to function, for many reasons.
058	Chair Lim	Feels there is no balance on the commission now.
096	Sen. Gordly	Suggests that the committee require more information. Wants history of the commission and its current makeup. States this is an issue that is out of context.
112	Chair Lim	States that there will be no work session on this bill today. Closes public hearing on SB 861 and opens public hearing on SB 115.
<u>SB 115 PUBLIC HEARING</u>		
135	Rives	Explains SB 115. Introduces ñ2 and ñ3 amendments. (EXHIBITS H) . This will roll SB 119 into SB 115. Reads from exhibit.
204	Sen. Duncan	Asks if there are current uniform standards and procedures.
205	Rives	Answers no.
206	Hutchinson	Introduces Dan McNeal.
207	Dan McNeal	Manager, Oregon Liquor Control Commission (OLCC)
220	Hutchinson	This is in place, now.

224	Sen. Duncan	Asks if McNeal and Hutchinson are familiar with amendments.
231	Hutchinson	Answers yes.
234	McNeal	States concern with language under section 2C. States that they do try to refrain from decoy practices during a time which law enforcement agencies are conducting operations. States that OLCC does not receive notice in every jurisdiction.
252	McNeal	Section 3 addresses issue of double jeopardy. States concern to get businesses in compliance and penalty schedule.
307	Sen. Duncan	Asks if a sheriff could overlook operations and not inform all parties concerned.
320	McNeal	Answers yes, this is a possibility.
323	Hutchinson	Adds that they work very closely with local law officials and it has always worked in the past.
337	Sen. Duncan	Comments on a local sheriff in a county who is close with all residents.
344	Chair Lim	Asks if OLCC could work with the committee's staff to to make improvements.
345	Hutchinson	Answers that there are a lot of issues on the table. OLCC is willing to go forward with SB 119, but cannot ensure that all local jurisdictions will follow.
369	Chair Lim	Asks about minor decoys used in "stings" and the training provided.
382	McNeal	Answers that there is one-on-one training. Most of the decoys are people that are involved in some kind of law enforcement training or explorer program. Managers or inspectors meet with them and go over in detail the procedures so that everything is clear.
TAPE 61, A		
025	Chair Lim	Asks if any guidelines are written at this time.
026	McNeal	Answers that he believes there are, but he cannot locate at this time.
027	Chair Lim	Asks for guidelines to be found and brought to the committee for review.

027	Sen. Gordly	Asks if they would support SB 119, as written.
030	Hutchinson	Answers that they take a neutral position on most bills.
043	Sen. Gordly	Asks that someone from the commission come and visit with her and explain everything that is already in place with the uniform standards and the training to the standards.
050	Chair Lim	Closes public hearing on SB 115. Re-opens public hearing on SB 115.
029	M. Catherine Lunsford-Bowles	Submits (EXHIBIT G) . States that she is concerned over amendments to the bill.
030	Lunsford-Bowles	States that she made a mistake on the bills and was referring to SB 119. Apologizes to the committee.
040	Chair Lim	Re-closes public hearing on SB 115. States there will be no work session at this time. Adjourns meeting at 5:15 p.m.

Submitted By, Reviewed By,

Paula Merritt Carol Rives,

Administrative Support Administrator

EXHIBIT SUMMARY

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A ñ SB 1107, written testimony, Skip Hauke, 6 pp

B ñ SB 1107, Proposed ñ1 amendments, staff, 1 p

C ñ SB 1107, written testimony, Mike Bullis, 1 p

D ñ SB 1132, written testimony, Chris Lyons, 1 p

E ñ SB 1132, written testimony, Mike McCracken, 1 p

F ñ SB 861, -2 amendments, staff, 3 pp

G ñ SB 115, written testimony, M. Catherine Lunsford-Bowles, 1 p

H ñ SB 115, -2 amendments, staff 2 p

I - SB 115, -3 amendments, requested by Richard Koesan, staff 2 p