

**SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT**

April 26, 1999 Hearing Room B

3:00 p.m. Tapes 63-65

**MEMBERS PRESENT: Sen. John Lim, Chair**

**Sen. Avel Gordly, Vice-Chair**

**Sen. Verne Duncan**

**Sen. Tony Corcoran**

**MEMBER EXCUSED: Sen. Bill Fisher**

**STAFF PRESENT: Carol Rives, Administrator**

**Paula Merritt, Administrative Support**

**MEASURE/ISSUES HEARD: HB 2092A Public Hearing and Work Session**

**HB 2247A Public Hearing and Work Session**

**SB 947 Public Hearing and Work Session**

**SB 1307 Public Hearing and 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.

TAPE/#	Speaker	Comments
<b>TAPE 63, A</b>		
003	Chair Lim	Opens meeting at 3:10 p.m. Opens public hearing on HB 2092A.
<b><u>HB 2092 PUBLIC HEARING</u></b>		
043	Carol Rives	Administrator. Describes HB 2092A which establishes the Oregon Resource and Technology Development Fund (ORTDA) within the Education Endowment

		Account. It allows the ORTDA board flexibility to choose a state agency to assist with administration.
080	Rollie Wisbrock	Oregon Treasury. Introduces Wayne Embree Cascadia Pacific Management and Cynthia Byrnes, Department of Justice. Submits and reads from <b>(EXHIBIT A)</b> . Explains that ORTDF was created to provide venture capital funds in Oregon. Mentions that Wayne Embree has made this very successful. Explains venture capital and how the ORTDF functions.
092	Sen. Gordly	Asks Embree which House committee heard HB 2092 and if they had one or several hearings.
098	Wayne Embree	Cascadia Pacific Management. Answers that it was the House Commerce Committee and that there were multiple hearings.
108	Cynthia Byrnes	Department of Justice. States that this bill will create a new account. Reads from exhibit A.
115	Chair Lim	Closes public hearing on HB 2092 and opens work session.
<b><u>HB 2092 WORK SESSION</u></b>		
<b>019</b>	<b>Sen. Gordly</b>	<b>MOTION: Moves HB 2092 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>
<b>120</b>		<b>VOTE: 5-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b>
	<b>Chair Lim</b>	<b>The motion CARRIES.</b>  <b>SEN. GORDLY will lead discussion on the floor.</b>
150	Chair Lim	Closes work session on HB 2092 and opens public hearing on HB 2247A.
<b><u>HB 2247A PUBLIC HEARING</u></b>		
200	Greg Smith	Port of Morrow. Submits and reads from <b>(EXHIBIT B)</b> . Describes recent mill closures in Morrow County and the enterprise zones. Explains that the Port of Morrow proposes a conceptual amendment to HB 2247A that would allow the distance of an enterprise zone to be extended from 25 miles to 50 miles. States

		that this would not be for creating new zones but for taking current zones and moving to communities that have the needs. Believes that this affects all of rural, eastern Oregon.
215	Sen. Fisher	Asks Smith about the extended area he is talking about.
222	Smith	Answers that in rural eastern Oregon it makes sense to have one committee and one manager oversee the zones that benefit those areas.
230	Chair Lim	Asks which counties and which cities he is talking about.
232	Smith	The cities of Boardman and Hepner in Morrow County. Mentions that he has spoken to Sen. Nelson's office and he has talked with representatives from those cities and counties.
241	Mike Burton	Oregon Economic Development Department (OEDD). Explains that in 1997 the legislature changed the distances that were allowed in zones from no more than 5 miles from separate parts and no more than 12 miles overall to no more than 15 miles in separate parts and no more than 25 miles overall. Explains that these distances have helped very large areas in need. States that these are good distances in eastern Oregon but there is allowance for urban areas to ask for their own enterprise zones.
290	Art Fish	Assistant Director, Oregon Economic Development Department. Explains that he has already provided testimony on this bill. Urges Chair Lim's support of HB 2247A.
291	Chair Lim	Closes public hearing on HB 2247A and opens work session.
306	Sen. Corcoran	Asks Chair Lim to hold HB 2247A until next week. States that he does not care for enterprise zones.
324	Chair Lim	Explains that the committee has until May 13, 1999 to consider this bill.
325	Chair Lim	Closes work session on HB 2247A. Opens public hearing on SB 947.
<b><u>SB 947 PUBLIC HEARING</u></b>		
397	Rives	Explains that SB 947 prohibits the Oregon State Lottery from doing promotional advertising of Lottery games. It allows limited advertising for new games for a specified period of time. There are no amendments proposed. There are revenue and fiscal impacts.
<b>TAPE 64, A</b>		

005	Chair Lim	Asks Rives the meaning of Section 2, line 16.
020	Rives	Answers that the bill defines what advertising is and suggests that this prohibition does not apply in some instances. Reads from SB 947.
042	Chris Lyons	Director, Oregon Lottery.
072	Chair Lim	Asks Lyons to explain Section 2 of the bill.
075	Lyons	Answers, there are approximately 36 new scratch tickets each year and there are sale materials, banners, and posters supplied to each business for these tickets. States that these materials are used to advertise for approximately sixty days.
084	Sen. Fisher	Asks Lyons if these advertising dollars are put back into the budget.
088	Lyons	Answers no, they are not.
091	Sen. Fisher	Asks Lyons how past advertisement has been handled.
098	Lyons	Answers that advertisement continues on an ongoing basis. States that several campaigns are run throughout the year.
113	Sen. Fisher	Asks Lyons if materials go out to individual stores and, if so, whether fines are assessed when advertisement is not shown by the deadline.
114	Lyons	Answers that there are no restrictions at this time. Believes it is a violation of law if these materials remain untouched.
115	Fisher	Comments on the fact that SB 947 has not been well thought out. States he does not want to cause retailers additional hardship to track materials.
150	David Hooper	Public Affairs Manager. Explains retailer advertising. States that some retailers do their own advertisements.
196	Sen. Corcoran	Explains that he saw a sign, which read, "Buy a lottery ticket and save the schools." He believes that Oregon should not be using lottery money for education and he cannot support the bill because of this issue.
214	Sen. Gordly	Asks for further clarification. Asks Rives about the revenue amounts on the bill.
229	Rives	Answers that the revenue impact on SB 947 is 19 million dollars per year.

230	Sen. Gordly	Asks about the State School Fund.
240	Sen Gordly	States she is trying to establish the potential losses to these funds.
254	Sen. Gordly	Requests the most current figures for this fund. Asks how this would effect jobs in small businesses.
273	Chair Lim	Closes public hearing on SB 947 and opens work session on SB 947.
<b><u>SB 947 WORK SESSION</u></b>		
288	Sen. Fisher	Asks Chair Lim about page 1, line 12.
371	Chair Lim	Explains that his concern is what losses the individual may suffer.
384	Sen. Corcoran	States that equity should be taxed in Oregon because we live off of sin taxes.
423	Sen. Gordly	States that she agrees there are social costs. She is willing to provide a courtesy vote, but she will not support the bill on the senate floor. States that there needs to be a plan to transition away from these kinds of dollars. She understands there is no other plan at this time, but believes it is the legislators' responsibility to provide an alternative.
<b>TAPE 63, B</b>		
032	Chair Lim	States that SB 947 has merit for discussion.
040	Adrienne Sexton	Fiscal Analyst. States that she is here to answer questions.
045	Sen. Gordly	Asks Sexton what the loss to the State School Fund would be.
046	Sexton	Refers to page 2 of SB 947. Revenue reductions would be in the range of \$12-23 million in the first biennium.
093	Chair Lim	Asks Sexton if she is referring to reduction from video poker.
097	Sexton	Refers this question to Lyons.
117	Lyons	Explains the distinction between the various games. Lottery and video revenue are combined dollars.

143	Sen. Duncan	Asks Chair Lim if there is a referral to the Ways and Means Committee.
147	Chair Lim	Answers no.
149	Sen. Fisher	Asks about billboard advertising and suggests that time restrictions would be impractical for billboard advertising.
170	Chair Lim	Refers to page 1, line 16, which reads "not more than 90 days." States that this would need to be complied to.
171	Sen. Gordly	Suggests that the committee needs more time on this bill in order to receive and review additional information.
172	Chair Lim	States that there is no subsequent referral. Will bring back at a later date.
178	Rives	States that the committee may recommend that the bill be referred to the Ways and Means Committee.
180	Chair Lim	Comments that he does not want to do this. States the committee has heard this bill many times. It is now time to move on.
243	Sen. Duncan	States opposition to SB 947.
245	Sen. Corcoran	States opposition to SB 947.
246	Chair. Lim	<b>MOTION: Moves to AMEND SB 947, on page 1, in line 16, delete the blank and insert "90".</b>
	<b>Chair</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
247	<b>Chair Lim</b>	<b>MOTION: Moves SB 947 to the floor with a DO PASS AS AMENDED recommendation.</b>
269		<b>VOTE: 4-1</b> <b>AYE: 4 - Corcoran, Duncan, Gordly, Lim</b> <b>NAY: 1 ñ Fisher</b>

270	Chair Lim	<b>The motion CARRIES.</b>  <b>SEN. LIM will lead discussion on the floor.</b>
288	Chair Lim	Closes work session on SB 947 and opens public hearing on SB 1307.
<b><u>SB 1307 PUBLIC HEARING</u></b>		
334	Diane Perry	Columbia River Channel Coalition (CRCC). Submits <b>(EXHIBIT C)</b> .
354	Irv Fletcher	Oregon AFL-CIO. Introduces Diane Perry. States that both Perry and he oppose SB 1307.
383	Sen. Corcoran	Asks how many people in the room are opposed to this bill.
408	Chair Lim	States that there will be no work session on SB 1307 today.
<b>TAPE 64, B</b>		
004	Perry	States that seven ports are sponsoring the channel study and those seven ports also founded CRCC. These ports are Astoria, Portland, St. Helens, Kalama, Longview, Vancouver and Woodland. Reads from exhibit.
040	Sen. Gordly	Asks Perry how the legislature might be involved in the public review and asks if there was thought given to involvement.
063	Perry	Answers that there is a mailing list and invites Sen. Gordly to be added to list. Explains that there is a notice of availability.
066	Fred Bohne	Clatsop County. Supports SB 1307. Testifies on the size of sailing vessels today. States that Oregon must invest in a seaport eventually. States this is an opportunity for Portland to expand business and increase jobs.
100	Richard Gustafson	Longshoreman, Astoria. Submits <b>(EXHIBIT D)</b> . Supports SB 1307. States that he has witnessed changes in shipping for the past 30 years. Reads from the exhibit.
298	Jon Westerholm	"Salmon for All", Astoria. States that he has been a commercial fisherman and gill-netter and he speaks from the heart, not the pocketbook. Feels that the study of the river is omitting facts. Believes that prevention is better than the cure and

		Oregon should try to resolve the salmon problem. States that having a port in Astoria would be helpful for all of Oregon.
277	Karen Goddin	Executive Director, Pacific Northwest International Trade Association (PNITA). Submits <b>(EXHIBIT E)</b> . Opposes SB 1307. PNITA promotes the economic well being of Oregon and the Pacific Northwest through international trade. Reads from exhibit.
340	Chair Lim	Asks Goddin her opinion of receiving larger ships each year and if she has statistics.
350	Goddin	Answers that she has no statistics.
363	Fred Nussbaum	Portland. Promotes cost-effective, environmentally sustainable transportation. Supports SB 1307. Feels Oregon needs a long-term solution to trade needs. Mentions that he has read testimony today and can see that most in the room support SB 1307. He does not agree that in keeping up with other ports we need to dredge the river. Believes that dredging the river is not the only solution.
<b>TAPE 65, A</b>		
037	Keith Leavitt	Port of Portland. Submits <b>(EXHIBIT F)</b> . Opposes SB 1307. States that Port of Portland has recently completed a \$6.1 million study to look at the feasibility to deepen the channel. This study includes the Astoria alternative. The sponsors of the study include the Port of Astoria, as well as other ports in Washington. Mentions that Washington ports see more tonnage than the Oregon side of the river. Reads from the exhibit.
080	Ken Armstrong	Executive Director, Oregon Public Ports. Opposes SB 1307. Mentions that the Port of Astoria does not support this bill. Says it is being promoted by a group that has worked outside of the process and has not worked in good faith with individuals that would be partners in this issue.
132	Mike Burton	Assistant Director, Oregon Economic Development Department (OEDD). Submits and refers to <b>(EXHIBIT G)</b> . States that the OEDD is not sure whether it understands what is indicated for the study. States that the project could potentially become very costly and there are no resources to support this.
165	Mike Dewey	Oregon Wheat Growers League and The Oregon Potato Commission. Submits <b>(EXHIBIT H)</b> . Opposes SB 1307. Invites the committee to read the exhibits for information, due to time constraints of the hearing.
190	Chair Lim	Closes public hearing on SB 1307.  Adjourns meeting at 5:18 p.m.



Paula Merritt, Carol Rives,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 2092A, written testimony, Wayne Embree, 24 pp**

**B ñ HB 2247A, letters, Greg Smith, 2 p**

**C ñ SB 1307, written testimony, C. Dianne Perry, City of Heppner, 13 pp**

**D ñ SB 1307, written testimony, Richard Gustafson, 12 pp**

**E ñ SB 1307, written testimony, Karen Goddin, 6 pp**

**F ñ SB 1307, written testimony, Keith Leavitt, 8 pp**

**G ñ SB 1307, written testimony, Mike Burton, 3 pp**

**H ñ SB 1307, letters, Daren Coppock, Will Wise, 4 pp**

**I - HB 2247, letter, Terry Tallman, Morrow County, 1 p**

**J - HB 2247, letter Gerald Breazeale, City of Heppner, 1 p**