

**SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT**

**April 29, 1999 Hearing Room D**

**6:30 p.m. Tapes 69-70**

**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 952 Public Hearing and Work Session**

**SB 404 Public Hearing and Work Session**

**SB 1313 Public Hearing**

**SB 1221 Public Hearing and Work Session**

**SB 949 Public Hearing**

**SB 115 Public Hearing and Work Session**

**SB 1307 Public Hearing**

**SB 1242 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 69, A		

003	Chair Lim	Opens meeting at 6:40 p.m. Opens public hearing on SB 952.
<b><u>SB 952 PUBLIC HEARING</u></b>		
013	Scott Andrews	Chairman, Portland Oregon Sports Authority Foundation (POSA). Submits <b>(EXHIBIT A)</b> . Explains POSA. Mentions that there are 70 sports authorities in the U. S. today and it is a very competitive business bringing sports events to communities. States it is the foundations job to bring together the officials of the communities with proposals and presentations to bring events to the state of Oregon.
060	Andrews	SB 952 sends a clear message that Oregon wants to be a player in world events. States that Oregon can build on the established relationships that POSA has made throughout the year while hosting events. States that POSA is interested in designating a member of the executive committee as one of the commission members under SB 952.
082	Chair Lim	Asks about the Womenís Soccer Team from Korea and asks if they will be playing here.
090	Andrews	Answers that Korea is one of the four teams that will be playing in Oregon. States that over 18,000 tickets have been sold to date for this event.
099	Chair Lim	Believes that all sports events are very important to all countries.
107	Jack Elder	States his concern about the language in SB 952. Wants to make sure that it is a broad umbrella. Mentions that there have been questions as to whether or not this wording would include the Olympic games only or other games as well. Believes it should be less specific. Encourages the committee to support SB 952.
156	Chair Lim	Asks Elder about the number of members to be included on the Olympic Commission.
172	Carol Rives	Administrator. Submits <b>(EXHIBIT B)</b> SB 952 ñ1 amendments. Asks Elder what his opinion is on the name.
178	Elder	Answers, he believes that "Olympic Games Commission" would be specific enough.
182	Chair Lim	Closes public hearing and opens work session on SB 952.
<b><u>SB 952 WORK SESSION</u></b>		
183	Sen. Gordly	<b>MOTION: Moves to ADOPT SB 952 -1 amendments dated 04/29/99.</b>

		<b>VOTE: 5-0</b>
<b>190</b>	<b>Chair Lim</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>223</b>	<b>Sen. Gordly</b>	<b>MOTION: Moves SB 952 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 5-0</b>
<b>280</b>	<b>Chair Lim</b>	<p><b>The motion CARRIES.</b></p> <p><b>SEN. LIM will lead discussion on the floor.</b></p>
<b>285</b>	<b>Chair Lim</b>	Closes work session on SB 952. Opens public hearing on SB 404.
<b><u>SB 404 PUBLIC HEARING</u></b>		
<b>318</b>	<b>Don Schellenberg</b>	Oregon Farm Bureau. Submits <b>(EXHIBIT C)</b> . States that he has not seen the amendments until today. Believes that the amendments are a great improvement to the language. Supports SB 404.
<b>319</b>	<b>Rives</b>	Submits the SB 404 ñ2 amendments <b>(EXHIBIT D)</b> .
<b>320</b>	<b>Mike MacArthur</b>	President, Wheat Growers League (WGL). States that SB 404 meets the criteria that the WGL was looking for.
<b>321</b>	<b>Harold Haugen</b>	County Commissioner, Josephine County. Supports SB 404 and -2 amendments.
<b>325</b>	<b>Chair Lim</b>	Closes public hearing on SB 404 and opens work session.
<b><u>SB 404 WORK SESSION</u></b>		

326	Sen. Duncan	<b>MOTION: Moves to ADOPT SB 404 -2 amendments dated 04/15/99.</b>
		<b>VOTE: 5-0</b>
	Chair Lim	<b>Hearing no objection, declares the motion CARRIED.</b>
328	Sen. Duncan	<b>MOTION: Moves SB 404 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 5-0</b>
330	Chair Lim	<b>The motion CARRIES.</b>  <b>Sen. GORDLY will lead discussion on the floor.</b>
348	Chair Lim	Closes work session on SB 404 and opens public hearing on SB 1313.
<b><u>SB 1313 PUBLIC HEARING</u></b>		
349	Chair Lim	Closes public hearing on SB 1313. Opens public hearing on SB 1221.
<b><u>SB 1221 PUBLIC HEARING</u></b>		
387	Rives	Explains that SB 1221 limits the percentage of compensation that is paid to video lottery game retailers, which is based on gross revenues. SB 1221 reduces the percentage paid to video lottery retailers. The amount that is saved from that reduction would then be used for programs that specifically named in the bill. Submits <b>(EXHIBIT E)</b> . The ñ1 amendments provide a different mix of percentages that would be paid to the video retailers as compensation and change the allocation from the State Police to the Inter Agency Narcotics. SB 1221 has no subsequent referral.
432	Chris Lyons	Director, Oregon Lottery. States she does not have additional comments since the last committee meeting.
449	Sen. Duncan	Asks Lyons if the Oregon Lottery opposes or supports SB 1221.
450	Lyons	Answers that the Lottery is neutral on SB 1221. Highlights the commission rates

		from other states and other jurisdictions. States that retailers in Oregon earn approximately \$72,000 annually on video lottery.
<b>TAPE 70, A</b>		
030	Lyons	Advises the committee to check with legal counsel as to the disbursement of funds. States that the July 1, 1999 effective date causes many obstacles. Y2K makes it impossible to implement compensation changes unless they are all done manually, which would be extensive work.
040	Chair Lim	Asks Lyons the dollar amount estimated for implementing this process.
055	David Hooper	Public Affairs, Oregon Lottery. Mentions that when the fiscal impact was estimated, it was on the premise that the bill would affect all retailers, but the estimate is no longer accurate. States they have about 100 new retailers per year. They would anticipate 200-400 retailers that would be impacted by these new rates.
076	Chair Lim	Asks if this is impossible to calculate.
077	Lyons	Answers, the amount to be compensated could be done manually, one-by-one. Estimates that by the end of the year about 200 retailers would be at the lower compensation rate.
090	Hooper	States it is difficult to forecast what the new retail sales threshold would be.
098	Sen. Fisher	Asks Hooper how the retailers feel about this compensation change.
099	Corcoran	Answers that they have not been told yet. States this will not affect the very small, private businesses.
110	Sen. Fisher	States that he is not happy about changing formulas midstream.
128	Chair Lim	Asks how this change in compensation would affect retailers if the effective date were after the year 2000.
130	Lyons	Answers that using the computer generated method, it will take until April 2000 to complete the computer programming.
154	Hooper	States that on a fiscal cycle, the July 1, 2000 date would be a more natural date. This would give programmers the time that they need.
164	Sen. Corcoran	Refers to the last line on page 2.

165	Rives	Explains that the emergency clause should be removed and the date that the committee decides upon should be added.
167	Hooper	States that he has estimated this implementation would affect the top 15 percent of video retailers, those who earn over \$300,000.
189	Sen. Gordly	Asks if fraternal organizations qualify for compensation change.
190	Lyons	Answers yes, if they met the volume. States they did not run a computer listing of which retailers would be affected and they would be happy to do this for the committee.
193	Sen. Gordly	States her support of SB 1221, but would like to have this listing.
200	Chair Lim	Asks about the people affected by SB 1221.
222	Sen. Gordly	States that she has had twelve telephone calls regarding this bill.
223	Sen. Corcoran	States that he also received phone calls. States that there are approximately 200 fraternal organizations earning money from video lottery.
240	Chair Lim	Asks for an explanation of which retailers would be affected and when.
245	Lyons	Answers that only new retailers will be affected, along with all retailers with expired contracts, until the year 2004, at which time all retailers will be affected.
251	Chair Lim	Explains that he is willing to move this bill, but would like to wait until he hears from everyone. Would like to hear more retailer opinions.
264	Sen. Corcoran	Answers that there is an organization, the Restaurant Association, whose business it is to keep restaurant owners informed.
265	Chair Lim	Closes public hearing on SB 1221 and opens work session.
<b><u>SB 1221 WORK SESSION</u></b>		
266	Rives	Explains ñ1 amendments. States that she would recommend a motion to adopt the ñ1 amendments and another motion to remove the emergency clause and state that the act takes effect on a date chosen by committee.
270	Sen. Corcoran	<b>MOTION: Moves to SUSPEND the rules for the purpose of making conceptual amendment in section 7, page 2 of SB 1221, which would remove the emergency clause and</b>

		change the effective date to July 1, 2000.
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Fisher</b>
271	Chair Lim	Hearing no objection, declares the motion CARRIED.
275	Sen. Corcoran	<b>MOTION: Moves to ADOPT SB 1221-1 amendments dated 04/19/99.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1-Sen. Fisher</b>
285	Chair Lim	Hearing no objection, declares the motion CARRIED.
300	Sen. Corcoran	<b>MOTION: Moves SB 1221 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 ñ Sen. Fisher</b>
325	Chair Lim	<b>The motion CARRIES.</b>  <b>Sen. CORCORAN will lead discussion on the floor.</b>
362	Chair Lim	Closes work session on SB 1221. Opens public hearing on SB 949.
<b><u>SB 949 PUBLIC HEARING</u></b>		
<b>TAPE 69, B</b>		
035	Bill Rotzien	Citizen. States that he believes that unclaimed lottery money should be returned to the citizens.
052	Sen. Duncan	Asks Lyons what currently happens to these dollars.

059	Lyons	Answers that unclaimed prizes come back to the Economic Development Fund which funds school programs and jobs.
060	Sen. Duncan	Asks if any of this goes into the addiction fund.
068	Lyons	Asks Hooper to answer.
080	Hooper	Lottery funds are currently being used for problem gambling. States that the allocation for the 97-99 biennium of lottery funds for gambling treatment is a million dollars. Unclaimed prizes are part of that total.
085	Rotzien	Mentions that other states that return the lottery money to the citizens have an increase in sales.
088	Sen. Duncan	Asks why an individual should benefit if someone else does not claim money.
100	Sen. Duncan	States that he is opposed to any lottery, so he would not care whether this money goes back to the citizens.
117	Lyons	States that the Governor's budget currently has dollars built into it for projected prizes.
123	Hooper	Adds that the lottery pays about 6 million dollars per year in prizes.
142	Chair Lim	Closes public hearing on SB 949.
164	Sen. Duncan	States that he is opposed to SB 949. Comments that he is not prepared to vote for something that is going to change the budget at this time.
166	Sen. Gordly	Opposes SB 949.
193	Chair Lim	Closes public hearing on SB 949. Opens public hearing on SB 115.
<b><u>SB 115 PUBLIC HEARING</u></b>		
195	Rives	Explains SB 115 the ñ4 amendments ( <b>EXHIBIT F</b> ). SB 115 refers to the Minor Decoy Program.
246	Barbara Hutchinson	Supports SB 115. States that she has met with all concerned and the ñ4 amendments are acceptable to all parties. Introduces James Miller to explain the program.



450	James Miller	Oregon Liquor Control Commission, Minor Decoy Program. Submits <b>(EXHIBIT G)</b> . Refers to the exhibit, policies and procedures, training agenda and program standards.
451	Sen. Gordly	Asks Miller when the training agenda was written.
452	Miller	Answers that he typed it up a few nights ago.
453	Sen. Gordly	Thanks Miller for writing this. States that this is what the committee has been wanting to see and expects this to be put into place as soon as possible. States that the program is moving forward.
494	Chair Lim	Thanks Sen. Gordly for this bill.
400	Chair Lim	Closes public hearing on SB 115 and opens work session.
<b><u>SB 115 WORK SESSION</u></b>		
<b>401</b>	<b>Sen. Duncan</b>	<b>MOTION: Moves to ADOPT SB 115-4 amendments dated 04/29/99.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Fisher</b>
<b>Chair</b>		<b>Hearing no objection declares the motion CARRIED.</b>
<b>402</b>	<b>Sen. Duncan</b>	<b>MOTION: Moves SB 115 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Fisher</b>
<b>404</b>	<b>Chair Lim</b>	<b>The motion CARRIES.</b>  <b>SEN. GORDLY will lead discussion on the floor.</b>

405	Chair Lim	Closes work session on SB 115. Opens public hearing on SB 1307.
<b><u>SB 1307 PUBLIC HEARING</u></b>		
<b>TAPE 70, B</b>		
018	Jonathon Schlueter	Pacific N.W. Grain and Feed Association, Washington County. Submits <b>(EXHIBIT H)</b> . Refers to testimony and suggests that there is more information enclosed than is probably needed. Reads from the exhibit.
050	Chair Lim	Comments about the depth of the channel and the increasing size of future ships.
065	Schlueter	Answers there is a point of diminishing return in the Columbia River Channel.
086	Chair Lim	Closes public hearing on SB 1307. Opens public hearing on SB 1242.
<b><u>SB 1242 PUBLIC HEARING</u></b>		
198	Chair Lim	Closes public hearing on SB 1242.
100	Rives	Explains SB 1242 and that Sen. Ferrioli came to discuss his support for construction of the Sacajawea memorial in The Dalles. Sen. Ferrioli would like to see SB 1242 passed out of committee. This bill has a referral to Ways and Means Committee.
124	Sen. Duncan	Explains that he would like to send SB 1242 to Ways and Means Committee without recommendation.
125	Chair Lim	Opens work session on SB 1242.
<b><u>SB 1242 WORK SESSION</u></b>		
126	Sen. Corcoran	<b>MOTION: Moves SB 1242 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the Ways and Means Committee.</b>
		<b>VOTE: 4-0</b> <b>EXCUSED: 1 - Sen. Fisher</b>
129	Chair Lim	<b>The motion CARRIES.</b>

130	Chair Lim	Closes work session on SB 1242. Adjourns meeting at 8:15 p.m.
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Submitted By, Reviewed By,

Paula Merritt, Carol Rives,

Administrative Support Administrator

### **EXHIBIT SUMMARY**

**A-SB 952, written testimony, POSA brochures, and budget, Scott Andrews, 28 pp**

**B-SB 952, -1 amendments, staff, 3 pp**

**C-SB 404, written testimony, Don Schellenberg, 2 pp**

**D-SB 404, -2 amendments, staff, 14 pp**

**E-SB 1221, -1 amendments, staff, 1 p**

**F-SB 115, -4 amendments, staff, 5 pp**

**G-SB 115, OLCC Minor Decoy Program materials, James Miller, 16 pp**

**H-SB 1307, written testimony, Jonathon Schlueter, 5 pp**