

SENATE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

May 10, 1999 Hearing Room B

3:00 p.m. Tapes 71-72

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 2247 A Public Hearing and Work Session

HB 2968 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 71, A		
003	Chair Lim	Opens meeting at 3:10 p. m. Opens public hearing on HB 2247.
HB 2247 PUBLIC HEARING		
004	Greg Smith	Port of Morrow. Supports HB 2247. States this bill will be a benefit to Eastern Oregon. States HB 2247 will allow rural communities to attract industry, to

		create employment and allow for greater efficiencies, administratively.
038	Sen. Nelson	Mentioned the Heppner Mill shut down which left 100 individuals out of work. States that this loss was devastating to a rural community. HB 2247 will encourage inclusion in an enterprise zone.
058	Ben Boswell	Board of Commissioners, Wallowa County. Supports HB 2247. Wallowa metropolitan area would find an enterprise zone beneficial. States that the unemployment rate in Wallowa County is 14 percent.
090	Sen. Corcoran	Asks Boswell to explain what he would consider the benefits of this bill.
097	Boswell	States that citizens in Wallowa County have a strategic plan of how to use industrial sites. Mentions that the county would develop sites to attract appropriate industries.
114	Sen. Duncan	Asks what impact the art industry has had in Wallowa County.
115	Boswell	Answers that the art industry is a very positive one. States there are three foundries in this area right now. States that this has had a residual effect on second jobs.
137	Sen. Gordly	Comments that she visited Wallowa County last year and was very impressed. Says that it left her wondering how many people treasure this secret.
148	Boswell	States that artists from all around world come to their area.
157	Chair Lim	Thanks Boswell for testifying.
162	Sen. Nelson	Supports HB 2247. Feels that the ñA3 amendments (EXHIBIT A) are flexible, which will allow for the current enterprise zones to be adjusted accordingly.
204	Sen. Gordly	Asks about the mill closure, when this took place and the number of jobs lost.
205	Sen. Nelson	Responds that the mill closed in 1998 and 100 jobs were lost. States that Port of Morrow is trying to develop another industry to open up new jobs for these individuals, but this will impact only 30 jobs.
224	Sen. Gordly	Asks what happens to mill equipment when these closures occur.
227	Sen. Nelson	Answers that in this case, an auction was held.
232	Sen. Duncan	Explains a mill closure in Burns that took the community 10 years to recover.

241	Sen. Ferrioli	Supports new enterprise zones in Oregon. Urges the committee to look at the ñA3 amendments. Explains the mill closures in each area and the status at this time.
290	Sen. Ferrioli	Answers Sen. Gordlyís questions about mill closure. States that approximately 30-60 jobs that were lost, moved to Pilot Rock.
300	Sen. Duncan	Reminds everyone of the impact of a mill closure.
305	Sen. Ferrioli	Describes unintended consequences of mill closures. A county loses its tax base and the community no longer has the multiplier effect of the payroll being reinvested into local services.
323	Chair Lim	Asks Sen. Ferrioli if he believes the committee is moving in the right direction on HB 2247.
341	Sen. Ferrioli	States that this bill will make a huge difference for rural and distressed communities.
361	Michael Burton	Assistant Director, Oregon Economic Development Department (OEDD). States that he can add little more to the testimony that has been delivered. Supports HB 2247 and the ñA3 amendments.
TAPE 72, A		
001	Chair Lim	Closes public hearing on HB 2247. Opens public hearing on HB 2968.
<u>HB 2968 PUBLIC HEARING</u>		
002	Carol Rives	Administrator. Explains HB 2968. Requires the Oregon State Lottery to provide disclaimers on lottery tickets that state the approximate pay-out percentage that is returned, the odds on winning the prize, and a statement that lottery games are based on chance, are not for investment purposes, but as entertainment only. The bill also establishes disclaimer requirements for various media forms. Excludes from the requirement of the disclaimer those lottery advertisements for the sole purpose of educating the public about gambling addiction programs.
020	Jeff Merkley	House District 16. Feels that if the state can help an individual to better understand the game they are playing, then it is acting responsibly.
030	Chris Lyons	Director, Oregon Lottery. Submits testimony (EXHIBIT B). Reads from the exhibit. States that the committee should resolve policy questions.
061	Merkley	Brings attention to page 2 of the engrossed bill, line 17, sub-section 5. States that the phrase, "or other problems", was meant to be read in context, but several

		individuals wanted this clarified. Believes that the phrase "and available treatments", would be a better replacement.
070	Lyons	Believes that the wording should be "and", instead of "or" because it will give more flexibility.
082	Chair Lim	Asks about the individual who plays the lottery and loses but continues to play and continues to lose.
087	Merkley	Answers that some people abuse this game, but the majority does not.
100	Chair Lim	Mentions that statistics show Oregon has the second highest dollars invested in lottery games of all states in the nation.
111	Lyons	The Lottery is trying to do everything they can think of to provide individuals with full information about lottery games. 97 percent of Oregonians play responsibly.
133	Sen. Corcoran	Asks Merkley his impression of the lottery ad that reads, "Play the lottery and help the schools." States that he was offended by this ad.
148	Merkley	Answers that the Lottery was trying to be responsible when deciding on appropriate advertising. States that the House committee also thought about using, "The Lottery may be dangerous to your financial health."
157	Sen. Gordly	Asks Merkley if they ever considered using the phrase "the lottery may be dangerous to your health."
164	Merkley	Answers no, their first choice was, "A lottery game is a purchase of entertainment and not an investment."
171	Sen. Duncan	Agrees with Sen. Corcoran's concern with the ad that reads "Play the Lottery and help the schools".
172	Lyons	States that there are 500 of these ads posted at this time and they are planning to take these ads down and display them in a different manner by the end of summer.
208	Chair Lim	Asks Lyons about the policy on advertisement, at the present time.
214	Lyons	Answers that policy has always required that the odds of winning be placed on the ticket.
225	Chair Lim	Asks if she believes that this disclaimer is helpful.

227	Lyons	Answers that it is more of a public policy issue than assistance for those who buy lottery tickets. Believes that the individuals who abuse need real treatment. States that the lottery has no issues with HB 2968.
240	Chair Lim	Closes public hearing on HB 2968. Opens work session on HB 2247.
<u>HB 2247 WORK SESSION</u>		
241	Sen. Duncan	MOTION: Moves to ADOPT HB 2247-A3 amendments dated 05/10/99.
		VOTE: 4-0 EXCUSED: 1 - Sen. Fisher
242	Chair	Hearing no objection, declares the motion CARRIED.
243	Sen. Duncan	MOTION: Moves HB 2247A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 EXCUSED: 1 - Sen. Fisher
244	Chair Lim	The motion CARRIES. SEN. DUNCAN will lead discussion on the floor.
245	Chair Lim	Closes work session on HB 2247. Adjourns meeting at 3:55 p.m.

Submitted By, Reviewed By,

Paula Merritt, Carol Rives,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ HB 2247A3, -3 amendments, staff, 1 p

B ñ HB 2968, written testimony, Chris Lyons, 1 p