

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON BUSINESS

April 24, 1997 Hearing Room 357

8:30 A.M. Tapes 42 - 43

MEMBERS PRESENT:

Rep. Roger Beyer, Chair

Rep. Richard Devlin

Rep. Bob Montgomery

Rep. Jackie Taylor

MEMBER EXCUSED:

STAFF PRESENT:

Keith Putman, Administrator

Timaree Whitty, Administrative Support

MEASURE/ISSUES HEARD:

HB 2795 Public Hearing and Work Session

HB 2585 Public Hearing

HB 2696 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 42, A		
000	Chair Beyer	Opens meeting at 8:33 a.m. Opens public hearing on HB 2795.
<u>HB 2795</u> <u>PUBLIC</u> <u>HEARING</u>		
004	Chair Beyer	Asks about fiscal impact on the measure.

007	Keith Putman	Committee Administrator, responds. Estimate from Treasury Department was in the area of \$4.2 million.
011	Frank Brawner	President, Oregon Bankers Association gives testimony in support of HB 2795. Comments he was surprised with the fiscal impact statement issued for this bill and has taken it back to lending committee.
043	Mark Huston	Manager of Business Finance Section, Oregon Economic Development Department, comments on fiscal impact. Additional work needs to be done to identify the actual numbers.
060	Brawner	Comments he predicts the fiscal impact will be 25-30 percent less than is currently projected.
065	Putman	Asks if this is 25% of or off current number projected.
067	Brawner	Responds - believes final number should be in the \$3 million dollar range. Urges some tax carry forward.
075	Huston	Agrees that the ability to carry forward the tax credit is a fair way to handle the credit for small businesses.
083	Brawner	Comments that businesses cannot be bankable to participate in these three programs.
085	Chair Beyer	Asks what is meant by "bankable."
086	Brawner	Responds. These are loans that wouldn't be made without the partnerships.
098	Rep. Taylor	Is the five year allowance in the present bill?
099	Chair Beyer	Responds that this would require an LC draft to change the entire bill.
101	Brawner	Would appreciate the opportunity to get an LC draft.
103	Chair Beyer	Closes public hearing on HB 2795, opens work session.
<u>HB 2795 WORK SESSION</u>		
104	Chair Beyer	Reviews options available to committee relative to this bill.
124	Rep. Taylor	Comments she can support the bill and would like to pass it to Revenue.
135	Rep. Devlin	Comments he would like to take a further look at this to get some questions answered in this committee. Feels the need for solid justification before passing out to Revenue.
150	Chair Beyer	Asks if most loans are being made in the Portland metropolitan area or all across the state.
152	Brawner	Responds
162	Huston	

		Comments approximately 40% of loans are in rural areas across the state. Community banks have really embraced the program.
174	Chair Beyer	Asks how much money is in the Economic Development Department's budget for this program over the next biennium.
176	Huston	Responds.
180	Chair Beyer	Asks about the \$564,000 from earlier testimony and the year it applies to.
185	Huston	Responds this number was fees paid. Explains.
194	Brawner	Comments they are not satisfied with the Governor's budget. Explains what will happen if they run out of money.
215	Chair Beyer	Asks how many more loans will be made because of the tax credit.
224	Brawner	Responds
236	Chair Beyer	Asks Mr. Brawner to work to come up with reasonable impact statement and perhaps include a sunset. Department should come up with a way to track this. Asks Mr. Brawner to work with Mr. Putman to come up with amendments and bring them back to the committee later.
253	Chair Beyer	Closes work session on HB 2795. Opens public hearing on HB 2585.
<u>HB 2585</u> <u>PUBLIC</u> <u>HEARING</u>		
267	Keith Putman	Committee Administrator, reviews provisions of the bill.
288	Mike Dewey	Representative, Oregon Cable Telecommunications Association gives testimony in support of HB 2585 (EXHIBIT A).
360	Dewey	Continues with testimony.
TAPE 43, A		
010	Dewey	Continues with testimony. Discusses creative funding for Children's Trust Fund and his concerns about the connection between the commission and the Fund.
042	Rep. Taylor	Asks what has changed since the boxing and wrestling commission was created in 1987.
045	Dewey	Responds the tax was implemented in 1993 legislature after the boxing and wrestling commission had been in existence. Explains the problems at that time and his perception of the application.
074	Rep. Taylor	Asks if their main concern is the treatment of live events.
076	Dewey	Responds this is ultimately a policy question. Concern is not the live events.
095	Bob Smith	

		Falcon Cable, explains buy rates and how they are affected. Refers to page 5 of EXHIBIT A. Offerings are made based upon projected buy rates.
139	Dewey	Comments on boxing tax scenario showing a 50/50 split.
148	Chair Beyer	Asks for clarification of a 50/50 split.
150	Dewey	Responds
184	Sandra Coleman	North Willamette Telecom, gives testimony in support of HB 2585.
240	Coleman	Continues with testimony. If they bill the customer and don't collect the taxes, the customer is disconnected, but the provider still has to pay the taxes on the event.
264	Dewey	Comments that the law provides within ten days of an event a form must be provided that shows the number of buys and the gross income.
282	Rep. Taylor	Asks about charges for events and how much the cable distributor is getting.
290	Coleman	Responds
297	Rep. Taylor	Asks if the contract is set on the anticipated volume.
300	Coleman	Responds big events involve high-priced marketing.
310	Rep. Devlin	Asks Mr. Dewey about the history of this issue.
336	Dewey	Responds he is correct in his summation. Continues with explanation.
364	Greg Willeford	Director, Department of State Police Gaming Enforcement Division gives testimony in opposition to HB 2585 (EXHIBIT B).
TAPE 42, B		
012	Chair Beyer	Asks if the 75% to Children's Trust Fund is in statute.
014	Willeford	Responds affirmatively. Continues with testimony.
048	Chair Beyer	Asks if there currently is a scheduled events with one of the tribes.
050	Willeford	Responds
060	Chair Beyer	Asks if there is a promoter.
061	Willeford	Responds if the state commission is used, the statute regarding the gross receipt tax is required to be paid by the promoter. If the tribal government is the promoter, there would be negotiation with the government.
067	Willeford	Continues with testimony.
089	Rep. Taylor	

		Asks if tribes presently have a choice of using the boxing commission or self-regulation. Has the one compact that's been signed with state government address this?
096	Willeford	Responds the state has no authority over tribal government. Continues with response.
112	Chair Beyer	Indicates the committee will not get any further than HB 2696 today.
115	Willeford	Completes testimony.
130	Bruce Samuelson	Director of Boxing and Wrestling Commission, gives testimony in opposition to HB 2585. Describes memorandum of understanding with the tribes. Believes there is something political driving the agreement between the commission and the Children's Trust Fund.
200	Samuelson	Continues with testimony.
242	Rep. Taylor	Asks if he can understand the view that cable companies have a hard time
252	Samuelson	Responds
282	Chair Beyer	Asks if the DBSS systems pay.
284	Samuelson	Responds satellite people are exempt due to definition in original bill.
297	Chair Beyer	Asks Mr. Willeford for clarification on State Police Gaming Enforcement Division's budget. Asks where the money is for the Children's Trust Fund.
315	Samuelson	Responds the revenue projection were underestimated. At this time the projection is \$250,000 to \$275,000 for next biennium.
325	Chair Beyer	In the projected budget, expenses are listed at \$170,000.
327	Samuelson	Responds
354	Chair Beyer	Indicates he will bring the bill back at a later date. Closes public hearing on HB 2585. Opens public hearing on HB 2696.
<u>HB 2696</u> <u>PUBLIC</u> <u>HEARING</u>		
363	Keith Putman	Committee Administrator, reviews provisions of the bill.
367	Emily Cedarleaf	Presents written testimony (EXHIBIT C).
377	Chair Beyer	Closes public hearing on HB 2696. Adjourns meeting at 9:55 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator

Transcribed by,

Carolyn Brooks

EXHIBIT SUMMARY

A - HB 2585, written testimony, Mike Dewey, 5 pp

B - HB 2585, written testimony, Greg Willeford, 3 pp

C - HB 2696, written testimony, Emily Cedarleaf, 1 p