

HOUSE COMMITTEE ON COMMERCE

SUBCOMMITTEE ON BUSINESS

May 13, 1997 Hearing Room 357

8:15 A.M. Tapes 53 - 54

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 2388 Work Session

HB 2885 Public Hearing and Work Session

HB 3022 Public Hearing

HB 2041 Public Hearing and Work Session

HB 3404 Public Hearing

HB 2696 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
TAPE 53, A		
004	Chair Beyer	Opens meeting at 8:19 a.m. Opens work session on HB 2388.

**HB 2388
WORK
SESSION**

005	Keith Putman	Reviews provisions of the bill.
019	Rep. Montgomery	MOTION: Moves to ADOPT HB 2388-3 amendments dated 4/8/97.
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
023	Rep. Taylor	Comments it is her understanding that the -4 amendments were considered necessary because these inborn metabolic disorders are ongoing for the lifetime of the insured.
033	Connie Seeley	Legislative Assistant to Rep. Peter Courtney comments that Legislative Counsel advised Rep. Courtney that any bill addressing an insurance mandate not amended would be repealed after six years. Patients and their families have expressed their concern with going through this battle again in six years.
040	Chair Beyer	Asks if she worked on the insurance mandate report addressed to Senate President Brady Adams and House Speaker Lynn Lundquist dated March 21, 1997.
044	Seeley	Responds no, Kathleen Huntington from Oregon Health Science University provided the executive summary and other supplementary materials.
049	Chair Beyer	Asks if this speaks to the amendment as far as removing the six year limitation.
052	Seeley	Responds she doesn't believe so. Comments it is her understanding the executive summary and impact assessments were done purely to show a financial, as well as a social need to provide this mandate.
060	Jenny Alum	Representative, Selectcare and PACC Health Plans responds the reason for a sunset of six years is that science and medicine change over time. The insurance community objects to the -4 amendments.
075	Rep. Montgomery	Comments he believes the bill should go to floor as is because it has a better chance to pass. He feels this bill is too important to risk passage, so he doesn't support the -4 amendments; however, he is 100 percent in support of the bill.
078	Chair Beyer	Comments he is inclined to agree because things could change in six years.
089	Rep. Taylor	Requests a statement from physician in the audience.
094	Dr. Neil Buist	Physician, Oregon Health Science University responds these are lifelong treatments.
100	Dr. Grant Higginson	State Health Officer, Oregon Health Division responds he has concern with the -4 amendments for the same reasons stated by Representative Montgomery. Comments if this bill passes now it

		will become standard practice within six years and will continue as such.
114	Rep. Montgomery	MOTION: Moves HB 2388 to the full committee with a DO PASS AS AMENDED recommendation.
	Chair Beyer	Hearing no objection, declares the motion CARRIED. REP. TAYLOR will lead discussion in full committee.
116	Chair Beyer	Comments this bill has an emergency clause giving it priority in the 2003 legislative session.
129	Keith Putman	Comments the reports required by ORS173.875 have been filed and he has distributed them in accordance with other provisions of the law.
133	Chair Beyer	Closes work session on HB 2388. Opens public hearing on HB 2585.
<u>HB 2585</u> <u>PUBLIC</u> <u>HEARING</u>		
150	Mike Dewey	Representative, Oregon Cable and Telecommunications Association gives testimony in support of HB 2585.
166	Bruce Anderson	Director, Boxing and Wrestling Commission gives testimony in opposition of HB 2585 (EXHIBIT A).
212	Chair Beyer	Asks for his position on the -1 amendments.
222	Anderson	Responds the -1 amendments are unacceptable to the commission simply because it would basically kill the funding source for the regulatory program.
228	Chair Beyer	Asks how the -1 amendments would kill this program when it would generate approximately the same amount spent in the budget.
232	Anderson	Responds based on the fiscal impact statement received this morning from major discard showing revenue of \$136,000 and a shortfall of \$25,000 that would have to be made up by the general fund.
241	Rep. Devlin	Asks if this could be made up by the fee you would charge for the regulation of activities that actually occur within this state.
245	Anderson	Responds this is correct, but this is an assumption. Comments the pay per view revenues are extremely volatile because we are losing to satellites.
258	Dewey	Comments the tax is advantageous to the commission.
299	Rep. Montgomery	Asks if we can enforce a tax on an independent nation Indian tribe.
302	Anderson	Responds no.
309	Dewey	Responds the promoter can be taxed.
320		

	Greg Williford	Captain, State Police responds a tax cannot be put on a sovereign nation; however, the Federal Boxing Safety Act passed last year allows tribes to either self-regulate or use the services of the boxing commission. If the tribe chose to use the state boxing commission and the promoter was someone other than the tribe, the six percent gate tax would apply.
333	Rep. Montgomery	Asks if this is the same as taxing HBO for home subscription to finance the film and video section of the state Economic Development Department.
337	Anderson	Responds no he doesn't think it is the same analogy; HBO is a premium channel as opposed to pay per view.
344	Rep. Montgomery	Asks if consumer complaints to the additional fee showing up on their cable bill is a result of a lack of understanding.
358	Dewey	Responds it does become a public policy question.
TAPE 54, A		
000	Rep. Devlin	Asks in a live sporting event if it is the commission's intent to seek the state regulatory role.
007	Anderson	Responds we feel it is in the best interest of the state and the tribes for the commission to provide the regulation.
014	Rep. Devlin	Ask if it is fair to assume that if you did that you would be generating some revenue.
017	Anderson	Responds the commission is currently looking at three possible venues that may in time create some kind of boxing activity, but he wouldn't want to bet the program on that assumption. It is difficult to assume how much revenue could be raised on potential events as well.
039	Chair Beyer	Asks state police to address the -1 amendments and SB 908 which would eliminate the boxing and wrestling commission.
044	Williford	Responds the State Police would share the concern of the commission in reference to the -1 amendments, recognizing that the funding of this regulatory body is a policy issue for the legislature. We are concerned that the volatility of the current funding mechanism is not a sure thing by any means. This is the first biennium that the pay per view revenues have been as high as they are and there is actually going to be a transfer over to the children's trust fund. They believe there very well could be inadequate revenues at three percent to fund the commission. Comments SB 908 had a public hearing last Thursday and there were amendments proposed that would keep the six percent pay per view in tact and create two commissions: a boxing commission and a wrestling commission, with three members each appointed by the Governor. The regulatory body would remain within the State Police. They oppose these amendments and believe the current one regulatory body is adequate to regulate the activity in this state and both industries.

067	Rep. Taylor	Asks how the commission was funded prior to the pay per view tax put into affect in 1993.
070	Williford	Responds when the commission was moved to the State Police jurisdiction the pay per view funding source was established by the legislature. Prior to that funding came from the six percent gate fees and licensing fees which comes to approximately \$9,000 per biennium. This has been factored in to our fiscal impact as revenue under the -1 amendment.
080	Chair Beyer	Asks if the -1 amendments remove that licensing fee.
081	Williford	Responds no.
084	Rep. Devlin	Asks if the revenue estimates for the -1 amendments include any remaining balance from this biennium. Comments there should be a significant ending balance at the end of this biennium that is not dedicated to the children's fund but retained by the commission.
088	Williford	Responds the estimated ending balance which would be approximately 25 percent of any excess, 75 percent would go to the children's trust fund. This is currently estimated at about \$30,000 on the budget for the next biennium.
093	Chair Beyer	Closes public hearing on HB 2885. Opens work session on HB 2585.
<u>HB 2585</u> <u>WORK</u> <u>SESSION</u>		
100	Chair Beyer	Comments he proposed to conceptually amend the -1 amendments to make it a 3.5 percent tax rather than a 3 percent tax.
104	Rep. Montgomery	MOTION: Moves to ADOPT HB 2585-1 amendments dated 5/5/97, and conceptually amended to replace " 3 percent" with "3.5 percent" on lines 8, 13 and 15 on page one.
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
111	Rep. Taylor	Comments she can support this compromise.
120	Rep. Devlin	Comments he agrees with Rep. Taylor.
135	Rep. Montgomery	MOTION: Moves HB 2858 to the full committee with a DO PASS AS AMENDED recommendation.
	Chair Beyer	Hearing no objection, declares the motion CARRIED. REP. MONTGOMERY will lead discussion in full committee.
145	Chair Beyer	Closes work session on HB 2585. Opens public hearing on HB 3022.
<u>HB 3022</u> <u>PUBLIC</u> <u>HEARING</u>		
149	Keith Putman	Committee Administrator reviews provisions of the bill.

163	Joe Brewer	Administrator, Building Codes Division, Department of Consumer and Business Services gives testimony on HB 3022(EXHIBIT B).
210	Rep. Montgomery	Asks if there is another bill that addresses this same issue.
212	Chair Beyer	Responds affirmatively.
213	Putman	Responds HB 3384 is the bill referred to which passed out of full committee last Thursday and will be dropped today to go to the floor.
220	John Gervais	Representative, National Electrical Contractors Association gives testimony in opposition of HB 3022.
242	Rep. Montgomery	Asks if they are opposed to him working on his own house.
248	Gervais	Responds no.
263	Rep. Montgomery	Asks if they are opposed to him performing repairs on his rental property.
265	Gervais	Responds a bill was recently passed allowing an apartment manager or landlord to perform their own repair and maintenance work on rental properties.
272	Rep. Devlin	Comments the bill Mr. Gervais is referring to had full cooperation from all parties involved, which isn't the case with HB 3022.
276	Gary Wright	U.A. Plumbers and Pipefitters, Local 290 gives testimony in opposition of HB 3022.
299	Chair Beyer	Closes public hearing on HB 3022. Opens public hearing on HB 2041.
<u>HB 2041</u> <u>PUBLIC</u> <u>HEARING</u>		
310	Ken Keudell	Administrator, Construction Contractors Board gives testimony in support of -1 amendments to HB 2041.
329	Mike Scott	Representative, Power Rents and Oregon Equipment Rental Association gives testimony in support of HB 2041 and -1 amendments.
337	Chair Beyer	Closes public hearing on HB 2041. Opens public hearing on HB 3404.
<u>HB 3404</u> <u>PUBLIC</u> <u>HEARING</u>		
348	Keith Putman	Committee Administrator reviews provisions of the bill.
355	David Hooper	Public Affairs Manager, Oregon State Lottery gives testimony in opposition of HB 3404 in its original form and in support of the -1 amendments.
394	Rodger Jinchs	Sergeant, Oregon State Police gives testimony in support of the -1 amendments to HB 3404.

400	Steve McCoy	Representative, Oregon Grocery Industry Association gives testimony in support of the -1 amendments to HB 3404.
TAPE 53, B		
004	Chair Beyer	Closes public hearing on HB 3404. Opens work session HB 3404.
<u>HB 2041 WORK SESSION</u>		
005	Rep. Montgomery	MOTION: Moves to ADOPT HB 3404-1 amendments dated 5/12/97.
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
	Rep. Montgomery	MOTION: Moves HB 3404 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 3-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Devlin, Taylor
	Chair Beyer	The motion CARRIES. REP. BEYER will lead discussion on the floor.
020	Chair Beyer	Closes work session on HB 3404. Opens work session on HB 2041.
<u>HB 2041 WORK SESSION</u>		
021	Rep. Montgomery	MOTION: Moves to ADOPT HB 2041-1 amendments dated 5/7/97.
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
023	Rep. Montgomery	MOTION: Moves HB 2041 to the full committee with a DO PASS AS AMENDED recommendation.
	Chair Beyer	Hearing no objection, declares the motion CARRIED. REP. DEVLIN will lead discussion in full committee.
	Chair Beyer	Closes work session on 2041. Opens public hearing on HB 2696.
<u>HB 2696 PUBLIC HEARING</u>		
037	Chair Beyer	Comments no one is signed up to testify. Closes public hearing on HB 2696. Opens work session on HB 2696.
<u>HB 2696 WORK SESSION</u>		

053	Emily Cedarleaf	Representative, Multifamily Housing Council comments on fiscal impact on the general fund.
067	Rep. Montgomery	MOTION: Moves to ADOPT HB 2696-1 amendments dated 4/4/97.
	Chair Beyer	Hearing no objection, declares the motion CARRIED.
072	Rep. Montgomery	MOTION: Moves HB 2696 to the full committee with a DO PASS AS AMENDED recommendation.
	Chair Beyer	Hearing no objection, declares the motion CARRIED. REP. TAYLOR will lead discussion in full committee.
091	Chair Beyer	Adjourns meeting at 9:22 a.m.

Submitted By, Reviewed By,

Timaree Whitty, Keith Putman,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2585, revenue report, Bruce Anderson, 7 pp.

B - HB 3022, written testimony, Joe Brewer, 3 pp.