

SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

April 3, 1997 Hearing Room 343

1:00PM Tapes 47 - 48

MEMBERS PRESENT:

Sen. John Lim, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Bill Fisher

Sen. Gary George

Sen. Avel Gordly

Sen. Veral Tarno

MEMBER EXCUSED:

STAFF PRESENT:

Jim Stembridge, Administrator

Julie Havel, Administrative Support

MEASURES/ISSUES HEARD:

SB 881 Public Hearing

SB 314 Work Session

SB 914 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 47, A		
005	Chair Lim	Calls meeting to order at 1:09 pm and opens public hearing on SB 881.
<u>SB 881 - PUBLIC HEARING</u>		

011	Chip Lazenby	Legal Counsel, Governor John Kitzhaber's Office, states he has reached a possible solution with the governor to improve the communication with the tribes in regard to negotiating gaming compacts. Summarizes proposal to provide a quarterly report to update the legislature on pending negotiations.
037	Chair Lim	States he does not intend to micro-manage the governor's actions, or jeopardize the governor's relationship with the tribes, but he hopes to see everyone involved from the beginning as a partner with the governor and the tribes.
064	Kathy Thole	Grand Ronde citizen, testifies in favor of SB 881 and in opposition to the expansion of tribal gaming in her city, and presents signatures of fellow citizens (EXHIBIT A).
128	Tom Bunn	Yamhill County Commissioner, testifies in opposition to SB 881, and states he believes it would create an unnecessary burden on the tribes and their efforts to negotiate compacts with the governor. Highlights the benefits Yamhill County has enjoyed since the Spirit Mountain Casino opened, including jobs and economic stability.
184	Sen. Tarno	Asks about the list of people presented by Thole who have signed in opposition to tribal gaming and whether Bunn has been in contact with them.
196	Bunn	States he has gotten a complaint from only one person, and explains there are a lot more people who would benefit than are hurt by it.
222	Sen. Fisher	Asks about the addresses of those who signed in opposition and notes some of the areas are distant from Grand Ronde.
234	Bunn	States they are indeed far away from Grand Ronde.
240	Thole	States Otis is on the way to Lincoln City, many people she knows are afraid to publicly oppose it, and states no one knew that Bunn was the liaison to the tribes, so they had no reason to go to him with their concerns.
264	Chair Lim	Acknowledges the people have a legitimate concern about this, but states silence is not the best choice, and he hopes they would come forward to share their concerns.
288	Chair Lim	Closes public hearing on SB 881, and states he intends to wait until he receives the letter from the governor before going further. If the governor is in agreement, Chair states there may not be any need for this bill.
309	Chair Lim	Closes public hearing on SB 881 and opens work session on SB 914.
<u>SB 914 - WORK SESSION</u>		
327	Jim Stembridge	Committee Administrator, explains provisions of bill, proposed -2 amendments (EXHIBIT B), and explains Sen. Gordly will be introducing her own set of amendments, and Warren Banks is available to present some new information regarding the issue.
380	Stembridge	Continues explaining details of proposed amendments.

411	Sen. Tarno	Asks how much of a substantial increase there would be.
420	Stembridge	Explains it would be an amount arrived at by the board based on the study.
TAPE 48, A		
017	Sen. Gordly	Explains provisions of her proposed -3 amendments (EXHIBIT C).
040	Sen. Fisher	Asks if there is an ongoing study currently regarding a trade office in Africa.
047	Sen. Gordly	Explains they heard earlier that there is not currently a study, but there is an opportunity to investigate the possibility.
055	Warren Banks	Manager, International Division, Oregon Economic Development Department (OEDD), explains there is potential for studies in Africa, China and Russia.
065		Discussion held on effects of the -3 amendments.
074	Chair Lim	States his concerns about replacing \$165,000 with \$330,000 on line 1, page two of the -3 amendments, and asks if they should leave the specific amount up to the Ways and Means Committee.
083	Sen. Dukes	States the committee can always change the number, but if they leave the amount blank, they could get far less than they are asking for.
088	Sen. Fisher	Asks for and receives definition of language in lines 18-20 on page one of the original bill.
093	Sen. Dukes	Asks about the intent of the sponsor of the original bill.
102		Discussion continues on how the authors of the bill arrived at \$165,000 and whether that is solely for opening an office, or whether it includes negotiations, leasing, and opening the office.
152	Sen. Gordly	Shares cost figures from California's trade office.
154	Chair Lim	Asks Banks how much business we are doing in trade with Africa.
166	Banks	Explains he does not have the 1996 figures yet, but there were 34-million dollars in exports with the Republic of South Africa for 1995.
183	Sen. Dukes	MOTION: Moves to ADOPT SB 914-3 amendments dated 4/3/97.
	Chair Lim	Hearing no objection, declares the motion CARRIED.
187	Sen. Dukes	MOTION: Moves SB 914 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
193	Sen. Gordly	Asks if Sen. Yih is expecting to carry the bill through Ways and Means.
194	Chair Lim	States she is not.
198		VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye.

		EXCUSED: 1 - George
199	Chair Lim	The motion CARRIES.
204	Chair Lim	Closes work session on SB 914 and opens work session on SB 314.
WORK SESSION - SB 314		
210	Jim Stemberge	Committee Administrator, explains provisions of SB 314 and the -5 amendments (EXHIBIT D).
254	Jessica Harris	Legislative Aide, Sen. Jeannette Hamby, further explains the -5 amendments and states they were mutually agreed upon by the lottery, the state police, and Sen. Hamby. States Sen. Hamby would like the blank filled in with "50 percent."
284	Sen. Fisher	Asks about the use of the word "or" regarding floor space and how 15 percent of floor space is treated with regard to dominant purpose.
325	David Hooper	Public Affairs Manager, Oregon State Lottery, explains administrative rule restricts floor space to 15 percent .
349	Sen. Fisher	Asks for further definition of floor space, whether it includes the placement of play slips and brochures on tables, and whether that is counted as part of the 15 percent.
372	Hooper	Explains it is not considered in the 15 percent because the table has multiple uses.
382	Sen. Fisher	Continues with follow up questions regarding what qualifies as floor space.
TAPE 47, B		
005		Discussion continues on floor space limitation and the effects of the amendments codifying it into law.
019	Hooper	Explains the only area they disagree on is the percentage to be filled in on line 4 of page two of the amendments.
037		Discussion continues on issue of preventing an establishment from creatively avoiding the 15 percent on limitations of floor space.
061	Chair Lim	Asks if the 50 percent limit is already in place.
062	Hooper	Explains this has been in rule since 1994 when the lottery first adopted its dominant use/dominant purpose rule, so no member of the retail community should find it shocking or confusing.
071	Chair Lim	States the percentage is the next major issue to consider, and re-states Sen. Hamby's position on the amount.
079	Sen. Fisher	States he is not satisfied that the committee has received adequate input from the public.
085	Chair Lim	States they have already held a public hearing on the bill.
088	Sen. Tarno	States he shares Sen. Fisher's concerns.
096	Sen. Fisher	Asks for and receives clarification that they are on the verge of adopting

		all the administrative rules and only adjusting the percent.
112	Stembridge	Explains statistics regarding establishments' current percentages and those which are out of compliance (EXHIBIT E).
155	Sen. Fisher	Asks if the Lottery Commission has figures on all 1800 establishments.
152	Hooper	Explains they have received information on over 300 of their retailers which have voluntarily supplied that information, but they believe at least 600 need to be randomly selected and audited to determine what percentage is actually being met.
168	Chair Lim	States the information they have currently is not enough to make an intelligent decision at this point.
176	Hooper	States he agrees.
180	Sen. Dukes	Asks how the lottery itself arrived at the 66 percent.
189	Hooper	Explains at the time, they felt the word dominant meant a super-majority rather than a simple majority.
203	Chair Lim	States his intention to use a prudent approach, and put "not to exceed 60 percent" and to look at it again and decide whether to increase or decrease it.
233	Sen. Lim	MOTION: Moves to ADOPT SB 314-5 amendments dated 4/3/97 and that the measure be FURTHER AMENDED on page 2, line 5, by inserting "not to exceed 60 " after "within the premises".
		Sen. George, Gordly object.
	Chair Lim	Hearing objection, WITHDRAWS the motion.
237	Sen. Dukes	MOTION: Moves to ADOPT SB 914-5 amendments dated 4/3/97 and that the measure be FURTHER AMENDED on page 2, line 5, by inserting "51 " after "exceeds".
240		Discussion held on members' interpretation of "dominant use."
255	Sen. George	Asks about language in court ruling on dominant.
262	Harris	Explains they left that definition up to the legislature to define what dominant is.
269	Sen. George	Uses example of hypothetical restaurant that offers lottery and states he only feels comfortable with 50 percent.
270	Sen. Dukes	MOTION: Amends motion to ADOPT SB 914-5 amendments dated 4/3/97 and that the measure be FURTHER AMENDED on page 2, line 5, by inserting "50" after "exceeds".
293	Sen. Fisher	States his concerns about the percent and the random study not being far reaching enough to be an accurate representation of all the businesses. States he is not prepared to make a judgment on that.
361		Lim, Fisher object.
	Chair Lim	Hearing objection, declares the motion FAILED.
361		Discussion held on what percentage members would feel comfortable arriving at.

403	Sen. Lim	MOTION: Moves to ADOPT SB 314-5 amendments dated 4/3/97.
	Chair Lim	Hearing no objection, declares the motion CARRIED.
390	Chair Lim	Closes work session and adjourns meeting at 2:25pm.

Submitted By, Reviewed By,

Julie Havel, Jim Stembridge,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 881, written testimony and newspaper, Kathy Thole, 8pp.

B -SB 914, proposed -2 amendments, staff, 2pp.

C -SB 914, proposed -3 amendments, staff, 2pp.

D -SB 314, proposed -5 amendments, staff, 2pp.

E -SB 314, dominant use statistics, staff, 1p.
