

**SENATE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT**

**February 27, 1997 Hearing Room 343**

**1:00PM Tapes 26 - 28**

**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**

**MEASURE/ISSUES HEARD:**

**SB 16 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 26, A</b>		
005	Chair Lim	Calls meeting to order at 1:08pm. and opens public hearing on SB 16.
<b><u>SB 16 - PUBLIC HEARING</u></b>		
024	Jim Stembridge	Committee Administrator, reviews provisions of the bill.
	Leo	Oregon Association of Evangelicals, testifies in favor of SB 16

037	Thornton	( <b>EXHIBIT A</b> ), but states it is only a partial answer to the problem of gambling.
089	Sen. Fisher	Asks for and receives clarification about the origin of the lottery in Oregon referred to in Thornton's testimony.
133	Muriel Goldman	Children First for Oregon, testifies in support of SB 16 ( <b>EXHIBIT B</b> ).
175	Sen. Gordly	Praises Goldman's service in the area of protecting and serving children.
198	Emory May	First Baptist Church, Odell, Oregon. Testifies in favor of SB 16 ( <b>EXHIBIT C</b> ).
251	May	Continues testimony.
305	May	Continues testimony.
342	Wallace Snyder	American Advertising Federation, Washington D.C., testifies in opposition to SB 16 ( <b>EXHIBIT D</b> ).
<b>TAPE 27, A</b>		
007	Snyder	Continues testimony, stating he does not see a link between advertising and addiction, and SB 16 would have a major effect on the advertising industry.
038	Chair Lim	Asks if Snyder is here from Washington D.C. to testify on this bill.
048	Snyder	Explains he is here for that purpose, but states he also spoke earlier to the Portland Advertising Federation.
049	Sen. Gordly	Asks for and receives clarification about his reference to the "Harvard Study."
051	Sen. Gordly	Asks follow up question regarding his testimony of "sending the appropriate message" and what he means by that.
060	Snyder	Explains there is a likelihood that this advertising can be done correctly and responsibly.
072	Chair Lim	States it is his intention to share lottery advertising tape with committee at a future meeting.
079	Sen. Dukes	Asks what prompted the Federation to take such an interest in this bill.
089	Snyder	Explains his group's interest is to preserve "truth in advertising."
091		Discussion continues on the structure of Portland Advertising Association and who may be producing lottery ads within the Portland area.
116	Sen. George	Asks Snyder's perspective on the relation between the number of gamblers and number of addicts that lottery advertising might bring in.
140	Snyder	States he believes that if gambling advertising were stopped, there would not be much difference in the numbers of people addicted.
156	Chair Lim	Comments he sees very little "truthful" advertising. He sees ads promising big lifestyle changes, but very few that state what the actual odds are of winning.

175	Chair Lim	Asks if Snyder has studied Massachusetts' experience with the elimination of lottery advertising.
207	Snyder	States he believes without advertising, fewer people will participate, and end up shifting to other forms outside the state.
198		Discussion continues on effects of advertising on gamblers.
200	Kim Schwabauer	Portland Advertising Federation, testifies in opposition to SB 16 <b>(EXHIBIT E)</b> .
250	Schwabauer	Continues testimony.
293	Sen. Dukes	Asks if any of the members in the Association hold contracts with the Oregon Lottery.
306	Schwabauer	States there are.
315	Sen. Dukes	Shares her disagreement with Schwabauer's statements that the Oregon Lottery is an Oregon product.
330	Schwabauer	Clarifies statements regarding this issue.
347		Discussion continues on issue.
361	Sen. Gordly	States that people who live in the poorer areas of the state may be some of the heaviest players of the lottery. Asks if Schwabauer knows how many of her approximately 25 dues-paying members play the lottery.
380	Schwabauer	States she does not know their personal habits.
390	Sen. George	States there is no way the lottery can compete with events like Kenny Rogers coming to perform at Spirit Mountain Casino, and the lottery will likely respond by promising more bang for the buck. Asks if there is a point at which we have to say enough is enough.
402	Schwabauer	Replies that if we are to have an Oregon product that generates revenue, we should run it like a business and allow it to promote itself. States that if the committee does not like the product, it should take steps to eliminate the product, not the advertising.
<b>TAPE 26, B</b>		
028	Chair Lim	Asks for and receives clarification on figures used in Schwabauer's testimony.
039		Discussion continues on biennial expenditures on the Lottery and the profits it has returned to the economy of Oregon.
048	Tom Holt	Oregonians for Fiscal Responsibility, testifies his organization does not take formal positions on issues, but that SB 16 would be a significant step toward a more appropriate policy discussion regarding lottery advertising <b>(EXHIBITS F &amp; G)</b> .
098	Holt	Continues testimony.
145	Holt	Continues testimony, explaining his belief that the state needs to break its own addiction to lottery revenues.
165	Sen. Gordly	Asks for brief history on Holt's organization.
175	Holt	Explains they are a small "think-tank" based in Portland that provides information on various issues and represents a broad cross section of the

		community.
184	Chris Greenwood	Graphic Designer/Photographer, testifies in opposition to SB 16, <b>(EXHIBIT H)</b> , stating the grounds that this advertising creates an addiction is "fallacious." References Sen. Lim's editorial article that appeared in the Statesman Journal Newspaper on February 12, 1997.
232	Greenwood	Continues testimony, citing various statistics and studies on compulsive gamblers which he obtained from the internet.
293	Monica Cory	Multnomah Portland Area Radio Council and citizen, testifies in opposition to SB 16, stating she is very concerned about the negative ramifications on Oregon's schools. States she is very nervous about tampering with a revenue source before finding an alternative funding method.
348	Cory	Continues presentation, explaining how difficult it is for advertisers to create ads which are entertaining, informative, and will please everyone.
<b>TAPE 27, B</b>		
008	Sen. Gordly	Asks Greenwood for clarification on his reference to a " Maryland study ."
040	Bill Johnstone	Oregon Association of Broadcasters, testifies in opposition to SB 16 <b>(EXHIBIT I)</b> .
080	Lou Beres	Christian Coalition, testifies in favor of SB 16 <b>(EXHIBIT J)</b> .
122	Beres	Continues testimony.
153	Sen. Fisher	Asks for clarification on reference in magazine article to the \$500 billion figure.
171	Beres	Responds, using example of his brother-in-law's experience.
195		Discussion continues on odds of winning and whether the lottery is a "hidden tax on the poor" or whether it is something for people to spend their "discretionary income" on.
212	Sen. Gordly	Comments they have not received any testimony to date that shows Oregon is anywhere close to Louisiana's experience that suggests mob influence or any other organized crime is occurring here.
242	Ronda Hatefi	Concerned citizen, testifies in favor of SB 16, and gives example of her brother's suicide after losing his life's savings from being addicted to the lottery.
305	Hatefi	Continues testimony.
330	Diana Hafemann	Concerned citizen, testifies in favor of SB 16 and gives additional testimony of how her family was affected when her son committed suicide after losing his life savings playing video poker <b>(EXHIBITS K &amp; L)</b> .
<b>TAPE 28, A</b>		
003	Gerald George	Gresham resident, testifies in favor of SB 16 <b>(EXHIBIT M)</b> .

027	Chair Lim	States those who did not get to testify will be invited back at future hearing.
032	Chair Lim	Adjourns meeting at 3:05pm

Submitted By, Reviewed By,

Julie Havel, Jim Stenbridge,

Administrative Support Administrator

### **EXHIBIT SUMMARY**

**A - SB 16, written testimony, Leo Thornton, 2 pp.**

**B - SB 16, written testimony, Muriel Goldman, 1p.**

**C - SB 16, written testimony, Emory May, 3pp.**

**D - SB 16, written testimony, Wally Snyder, 4 pp.**

**E - SB 16, written testimony, Kim Schwabauer, 1p.**

**F - SB 16, written testimony, Tom Holt, 4 pp.**

**G - SB 16, gambling article, Tom Holt, 12pp.**

**H - SB 16, written testimony and gambling statistics, Chris Greenwood, 48 pp.**

**I - SB 16, written testimony, Bill Johnstone, 2 pp.**

**J - SB 16, gambling article, Lou Beres, 6 pp.**

**K - SB 16, written testimony, Diana Hafemann, 11pp.**

**L - SB 16, newspaper article and quick facts on gambling, Diana Hafemann, 8 pp.**

**M - SB 16, written testimony, Gerald George, 2 pp.**

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