

HOUSE COMMITTEE ON
COMMERCE

Hearing Room
Tapes -6

MEMBERS PRESENT:

Rep. Eldon Johnson, Chair
Rep. Cynthia Wooten, Vice-Chair
Rep. Chuck Carpenter
Rep. Michael Fahey
Rep. Tony Federici
Rep. Lynn Lundquist
Rep. Gail Shibley
Rep. Lynn Snodgrass
Rep. Larry Wells

MEMBER EXCUSED:

STAFF PRESENT:

Daniel Jarman, Committee Administrator
Jodie Hall, Committee Assistant

MEASURES HEARD:

Work Session
Introduction LC 2619, LC 2620, LC 2621, LC 2622, LC 2623
HB 2033

Informational Meeting

Presentation of the "Oregon Garden Project"
Staff Presentation: Overview of Economic Development/Lottery Expenditures.

These minutes contain materials which paraphrase and/or summarize
statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings,
please refer to the tapes.

TAPE , A

000 CHAIR JOHNSON CALLS MEETING TO ORDER AT 1:30 PM
018 -summarizes LC 2619, 2620, 2621, 2622, 2623.

035 MOTION: REP. SHIBLEY moves to introduce LC 2619, LC 2620, LC 2621, LC
2622, LC 2623: Exhibits C, D, E, F and G.

039 VOTE: In a roll call vote, all members present vote AYE. Rep. Wooten
Excused.

045 REP. SHIBLEY: Who introduced the LC drafts?

046 DAN JARMAN, Committee Administrator: Oregon Banker's Association.

052 OPENS WORK SESSION ON HB 2033.

055 REP. LUNDQUIST: Introduces HB 2033 as amended to the full Committee on
Commerce.

065 FOR THE RECORD: Requests that a letter from Mary Alice Bjork, the Administrator of the Insurance Division of the Department of Consumer and Business Services, to Rep. Eldon Johnson, Chair of the House Commerce Committee, and a copy of a document of model rules entitled "Disclosure of Materials and Transactions Model Act" be marked as Exhibit A. (Please refer

to Exhibit M submitted after the meeting, a letter from Bruce Bishop, Kaiser Permanente.)

"I further request that it be clearly stated in the committee minutes, that

the Department of Consumer and Business Services agrees to adopt the language verbatim in the "Disclosure of Materials and Transactions Model Act" when they exercise their rule making authority when implementing this legislation.

The Department and Industry have worked out this good faith agreement, and

although it will not become statutory law upon passage of this bill, the stated intention of the Department of Consumer and Business Services should

be part of the committee record."

069 REP. LUNDQUIST: Continues with overview of HB 2033-1.

123 REP. SHIBLEY: Did the subcommittee consider any amendments? What were they?

125 REP. LUNDQUIST: Yes, LC 2033-1 amendment submitted by DCBS was adopted.

LC 2033-2 and LC 2033-3 amendments proposed by the Health Insurance Industry were not adopted.

141 REP. FAHEY: Is it group insurance?

148 REP. LUNDQUIST: In response to Rep. Fahey's inquiry, intent of the bill is from the company standpoint, not the consumer directly.

154 REP. FAHEY: What tool do you use to regulate the confidentiality across state lines?

166 CHARLES NICOLOFF, Deputy Administrator, Insurance Division, Department of Consumer and Business Services: Responds to concerns of Rep. Fahey. In

effect we have the same basic requirements as 44 other states which are also accredited by the National Association of Insurance Commissioners.

185 MOTION: REP. SHIBLEY: Moves that HB 2033 AS AMENDED, be sent to the floor with a DO PASS recommendation.

192 VOTE: In a roll call vote, all members present vote AYE. (Note Tape 5, Side B, 345).

Rep. Federici will lead discussion on the floor.

193 CLOSES WORK SESSION ON HB 2033 AS AMENDED.

203 CLAYTON HANNON, Executive Director, Oregon Nurserymen's Association, Inc: Introduces Oregon Garden Project, Exhibit B.

212 -four major parts of the project: education, research, marketing and tourism.

250 -continues with introduction of the "Oregon Garden Project".

274 -two sites being reviewed: Wilsonville and Silverton.

288 MILES MCCOY, Oregon Garden Project Coordinator: Introduces slides of the garden developed by the task force, conceptual drawing of the garden with visual tour of garden.

320 -continues with presentation of slides: entry plaza.

349 -continues with presentation of slides: restaurants, a tram, central garden.

383 -continues with presentation of slides: various garden styles.

429 -continues with presentation of slides: formal garden.
470 -continues with presentation of slides: conifers.

TAPE 5, SIDE B

043 MCCOY: continues with presentation of slides.
060 -continues with presentation of slides: theme gardens.
066 -continues with presentation of slides: shade trees.
077 -continues with presentation of slides: amphitheaters.
079 -continues with presentation of slides: native wetlands.
087 -continues with presentation of slides: arboretum.
094 -continues with presentation of slides: education and research.

129 BRUCE ANDERSON, Director, Department of Agriculture: Offers testimony on
the Oregon Garden Project. Department of Agriculture is highly supportive.
162 -continues with support for the opportunity to showcase Oregon.

172 RICK GUSTAFSON, Consultant, Shiels Oblatz Johnson: Consultant with site
assessment study. Evaluation of Oregon Garden Project: Success.
Tremendous industry support. Potential for attracting visitors.

214 HANNON: Closes presentation of Oregon Garden Project. Would like to
come back to the committee within 30-40 days with an economic development
request for matching funds. If there is money left over in economic
development planning funds for this biennium, could use \$50,000 to assist
with planning.

236 REP. SNODGRASS: Maturity time for plant material? Going to do
weddings? What about staffing?

238 MCCOY: Depends, possibly reach mature look in 7-8 years. Yes want to
do weddings. Would like to involve as many volunteer groups as they can
within staffing.

259 REP. FEDERICI: Struck by emphasis on education, is extremely valuable.
Project may count on two fronts economic development/tourism as well as
education.

280 -anyone familiar with Maynard Drossen of Salem? Has written five books
on this subject matter.
would hope he might be consulted on the Project.

299 REP. LUNDQUIST: Supportive of project.

318 REP. SHIBLEY: Appreciative of presentation with slides. Possibly take
into consideration other transportation modes within the design.

336 CHAIR JOHNSON: Thanks individuals for presentation.

345 MOTION: REP. SHIBLEY: Moves to suspend the rules to allow Rep. Wooten
to vote on HB 2033-1.

347 VOTE: Hearing no objections, the motion PASSES. (Vote recorded in
motion to send HB 2033-1 to the full committee with a do pass
recommendation.)

353 JOE CORTRIGHT, Executive Director, Senate Trade and Economic Development
Committee: Introduces presentation. Will discuss lottery funds and how it

has been spent in the last decade. Finally will discuss what is in the
Governor's recommended budget.

396 -introduces Exhibit H, (Payroll of Principal Traded Sector Industries,
1993).

413 -in response to Rep. Shibley: interstate travel is by people, not goods.

420 -in response to Rep. Wooten: transportation equipment includes; rail
car manufacturing, aerospace, travel trailers, large trucks.

441 -in response to Rep. Shibley: would also include ships and boats.

TAPE 4, SIDE B

043 CORTRIGHT: Continues with presentation of Exhibit H (Pay Levels of Principal Traded Sector Industries, 1993).
063 -in response to Rep. Wooten: yes, Joe could provide similar information

on non-traded sectors: education, health care, etc.

068 -in responds to Rep. Fahey's inquiry concerning paper and printing and publishing categories.: Bulk of paper printing in Oregon is within high manufacturing.

099 REP. FAHEY: Offers a comment: would think it would be cheaper to use recycled paper, is not.

110 CORTRIGHT: In response to Rep. Lundquist: does not reflect same numbers if you were able to calculate on dollars per hour.

122 -in response to Rep. Fahey: Full time jobs would have to average about \$12.50 for 2000 hours.

131 CORTRIGHT: Presents Exhibits I and J. Lottery in its first ten years has created \$783 million that has been allocated by the legislature. Historically lottery revenues have been difficult to predict. Growth in lottery revenues have come from Keno and Video Poker. Looking at \$700 million in revenues this biennium.

181 -in response to Rep. Wooten: trend is favorable with regards to video lottery.

189 -presents information on successes of video lottery, refer to Exhibit J, page 5.

219 -in response to Rep. Wooten: no other examples on video lottery from other states that are comparable to Oregon.

230 -in response to Rep. Federici: lottery and department of administrative services are using the demographic approach as opposed to looking at the trend approach to predict lottery revenues.

253 -continues with presentation of Exhibit J, page 2 (Lottery has produced big carry forwards).

272 -in response to Rep. Shibley: the \$600 million is the net revenue to the state. Constitutions states: at least 84% of the money wagered must be

returned to the public in prizes or economic development. 88 cents of the dollar wagered returns to the player in prizes with video poker. Constitutionally additional funds of video poker could all go to administrative costs.

332 -in response to Rep. Wooten: historical perspective on lottery commissions in relation to video poker.

373 -in response to Rep. Wooten: What impact would changing the retailer commission have on retailer participation on the games? Can offer the information to the committee.

389 Rep. Federici: Offers comment on concerns of his constituents with Keno.

411 CORTRIGHT: Continues with presentation of Exhibit J, page 8 (\$160 Million of lottery funds for backfills in 1993-1995).

440 -continues with presentation of Exhibit J, page 8.

472 - continues with presentation of Exhibit J, page 9 (Backfills of Lottery Funds, by Department).

TAPE 5, SIDE B

056 CORTRIGHT: In response to Rep. Wooten: There are individual program areas that have been historically funded by the General Fund, tourism and international trade the largest.

066 -responds to inquiry of Rep. Shibley concerning Exhibit I, page 2: Comparison figures are in Exhibit J, page 9.

086 -continues with presentation of Exhibit J, page 11 (Most lottery funds have gone to public works, corrections, and communities).

106 -continues with presentation of Exhibit J, page 14 (Local Governments'

share of lottery has increased sharply).
122 -responds to inquiry of Rep. Wooten concerning funding to local governments.
150 -continues with presentation of Exhibit J (Most lottery funds have gone to Economic Development Department).
162 -continues with presentation of Exhibit J (Lottery Funds, 1985-1995, Largest Programs).
187 -in response to Rep. Wooten: Governor's proposed budget increases strategic reserve funding by a million and a half dollars.
195 -continues with presentation of Exhibit J (Lottery Funds, 1985-1995, Largest Programs).
225 -in response to Rep. Shibley: reviews when we began putting lottery money into these programs.
252 -in response to Rep. Shibley: discusses precedence of the lottery in court cases.
284 -in response to Rep. Lundquist: will offer information on current and proposed funding levels later in his presentation.
293 -in response to Rep. Wooten: discuss county economic development fund.

326 -introduces Exhibit K (Lottery Fund Expenditure Analysis).
368 -in response to Rep. Shibley: Funding was given to OPB in the 1993 legislature. Refer to Exhibit J Page B-7.
425 -continues with presentation of Exhibit K (Allocation of Lottery Funds by Sector).
465 -continues with presentation of Exhibit K (Allocation of Lottery Funds by Sector).

TAPE 6, SIDE A

041 REP. WOOTEN: 13 Key industries and how they allocate their money. How are we spending and our results?

052 CORTRIGHT: Can provide members with specific figures in many different ways, especially to give members a sense of where money is being spent.

062 -introduces Exhibit L (Summary of all changes in lottery spending, 1993-1995 to 1995-1997).

097 -continues with presentation of Exhibit L (Programs Eliminated 1993-1995 v. 1995-1997).

105 -clarifies for Rep. Wooten that program terminates does not mean the program will terminate, lottery funding will terminate.

121 -in response to Rep. Wooten: The diagram in Exhibit L, page 2 does reflect the Governor's Budget.

142 -continues with presentation of Exhibit L (Programs Shifted to General Fund, 1993-1995, v. 1995-1997).

158 -continues with presentation of Exhibit L, last page.

171 -in response to Rep. Snodgrass: defines clackamas light rail.

188 -in response to Rep. Fahey: discusses reasons for dropping funding for dislocated workers.

212 -responds to Rep. Fahey concerning interest on lottery dollars.

260 -in response to Rep. Wells concerning increases from 1993-1995 v 1995-1997 biennium (Exhibit L, page 3).

284 REP. WOOTEN: Thanks Joe for presentation.

292 VICE CHAIR WOOTEN ADJOURNS THE MEETING AT 3:45 PM.

Submitted by, Reviewed by,

Jodie Hall Daniel Jarman
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Department of Consumer and Business Services - Rep. Lundquist - 5 pages
B - "Oregon Garden Project" - Clayton Hannon, Executive Director, Oregon
Nurserymen's Association, Inc. - 7 pages
C - LC 2619 - Staff - 17 pages
D - LC 2620 - Staff - 3 pages
E - LC 2621 - Staff - 2 pages
F - LC 2622 - Staff - 5 pages
G - LC 2623 - Staff - 4 pages
H - "Payroll of Principal Traded Sector Industries, 1993" - Joe Cortright,
Executive Director, Senate Trade and Economic Development Committee - 4
pages
I - "1993 Economic Development Legislation" - Joe Cortright - 15 pages
J - "Lottery Funds: Where they come from, where they go" - Joe Cortright -
18 pages
K - "Lottery Fund Expenditures Analysis" - Joe Cortright - 3 pages
L - "Analysis of Lottery Fund Allocation" - Joe Cortright - 5 pages
M - Kaiser Permanente - Staff - 5 pages