

HOUSE COMMITTEE ON
COMMERCE
SUBCOMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

March 28, 1995 Hearing Room H170
1:30 p.m. Tape 36

MEMBERS PRESENT: Rep. Chuck Carpenter, Chair
Rep. Michael Fahey
Rep. Cynthia Wooten

MEMBERS EXCUSED: Rep. Gail Shibley, Vice-Chair

STAFF PRESENT: Joseph Cortright, Executive Officer
Jeri Chase, Office Manager
Bobby Sullinger, Committee Assistant

WITNESSES: William Nessly, Oregon Department of Justice
Gary William, Contract Officer, Oregon State Lottery

MEASURES HEARD: HB 2957 -- Limits maximum prize paid to any one winner in
certain lottery games to \$7 million -- WS

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 36, SIDE A

002 CHAIR CARPENTER: Brings the committee to order at 1:35 p.m.

HB 2957 -- Limits maximum prize paid to any one winner in certain lottery
games to \$7 million -- Work Session

003 CHAIR CARPENTER: Opens PUBLIC HEARING on HB 2957.

004 CORTRIGHT: Overviews Proposed Amendments To House Bill 2957-2 [EXHIBIT
A].

015 WILLIAM NESSLY: Presents Proposed Amendments to Proposed Amendments to
House Bill 2957 (HB 2957-1;LC 3335) [EXHIBIT B].

042 REP. WOOTEN: Can you explain the adverse tax consequences to a lottery
winner as a result of this legislation?

049 NESSLY: Responds to committee discussion relating to federal income tax
codes.

059 REP. WOOTEN: Could you expand why the IRS would require the full tax
assessment up front?

070 CHAIR CARPENTER: Clarifies the intent of the proposed amendments.

074 NESSLY: Responds to committee discussion relating to taxes and Oregon
law.

081 CHAIR CARPENTER: I do not want to bring undo burden on a lottery prize
winner.

084 REP. WOOTEN: Has there ever been a precedence set relating to the tax
issue and lottery winners?

089 NESSLY: Responds to committee discussion.

103 REP. FAHEY: Questions current tax codes relating to lottery prizes.

106 GARY WILLIAMS: Responds to committee discussion relating to the options
that are currently available to lottery winners.

113 CORTRIGHT: Overviews Proposed Amendments To HB 2957-2 Amendments
[EXHIBIT C].

149 CHAIR CARPENTER: Closed PUBLIC HEARING on HB 2957.

150 CHAIR CARPENTER: Opens WORK SESSION on HB 2957.

151 MOTION: REP. WOOTEN: MOVES to AMEND HB 2957-2 amendments on page 2,
line 17 delete "does not and will" and insert "shall not".

171 VOTE: CHAIR CARPENTER: Hearing no objection the amendments are
ADOPTED. REP. SHIBLEY is EXCUSED.

184 MOTION: REP. WOOTEN: MOVES to AMEND HB 2957-2 amendments on page 5,
after line 8, insert "SECTION 5. Notwithstanding Section 2 of this Act or
the amendments to ORS 461.250 made by section 3 of this Act, if the Oregon
State Lottery Commission determines that the judicial authorization of
voluntary assignments of lottery prizes results in adverse income tax
consequences to prizewinners who do not seek the assignment of their
prizes, the commission may refuse to honor or comply with all orders issued

pursuant to Section 2 of this Act on or after the date of such
determination, without any liability or judicial sanction arising from such

refusal. Upon making the determination, the commission shall adopt and
administrative rule which announces that such assignments will not be
permitted."

186 VOTE: CHAIR CARPENTER: Hearing no objection the amendments are
ADOPTED. REP. SHIBLEY is EXCUSED.

189 MOTION: REP. WOOTEN: MOVES to ADOPT HB 2957-2 amendments, AS AMENDED
above.

190 VOTE: CHAIR CARPENTER: Hearing no objection the amendments are
ADOPTED. REP. SHIBLEY is EXCUSED.

191 MOTION: REP. WOOTEN: MOVES HB 2957 to the Commerce Committee with a DO
PASS AS AMENDED recommendation.

192 VOTE: PASSES: In a roll call vote, all members present vote AYE. REP.
SHIBLEY is EXCUSED.

196 REP. WOOTEN will lead discussion on the Commerce Committee Floor.

197 CHAIR CARPENTER: Closed WORK SESSION on HB 2957.

197 CHAIR CARPENTER: Adjourns committee meeting at 2:05 p.m.

Submitted by

Bobby Sullinger
EXHIBIT LOG

EXHIBIT A - Proposed Amendments To House Bill 2957-2, Presented by Joseph
Cortright, 5 pages.

EXHIBIT B - Proposed Amendments to Proposed Amendments to House Bill 2957
(HB 2957-1;LC 3335), Presented by William Nessly, 1 page.

EXHIBIT C - Proposed Amendments To HB 2957-2 Amendments, Presented by Joseph
Cortright, 1 page.