

HOUSE COMMITTEE ON
GENERAL GOVERNMENT AND REGULATORY REFORM

Hearing Room
Tapes - 135

MEMBERS PRESENT:

Rep. Bob Tiernan, Chair
Rep. Mike Lehman, Vice-Chair
Rep. Jerry Grisham
Rep. Cedric Hayden
Rep. Bryan Johnston
Rep. Bill Markham
Rep. Charles Starr
Rep. Ken Strobeck

MEMBER EXCUSED:

Rep. Bev Clarno
Rep. Lonnie Roberts
Rep. Barbara Ross
Rep. Sharon Wylie

STAFF PRESENT:

Greg Moore, Committee Counsel
Annetta Mullins, Committee Assistant

MEASURES HEARD:

SB 544 A - WORK SESSION
SB 719 A - WORK SESSION
SB 676 A - WORK SESSION

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

006 ACTING CHAIR MARKHAM: Calls the meeting to order at 2:22 p.m. and opens the work session on SB 544 A.

SB 544 A - WORK SESSION

025 GREG MOORE, Committee Counsel: Reviews the provisions of the bill. The Senate Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT A).

PETER GRUNDFOSSEN, Association of Oregon Housing Authorities: Explains their organization did not request the bill, but introduced an amendment on

line 26 of page 1 to add to the board an owner or manager of more than two rental housing units. There are 22 housing authorities in Oregon which own

about 8,500 units and have an interest in the appropriate development of these kinds of properties. Thinks people who manage end product should be involved in the process.

058 CHAIR MARKHAM: Asks if the Association needs to be represented on the Electrical and Elevator Board.

061 MR. GRUNDFOSSEN: We would like to have been, but will settle for the bill as it is.

070 JOHN GERVAIS, National Electrical Contractors Association: Comments that as long as there are no amendments, he has no comments.

071 MOTION: REP. LEHMAN moves that SB 544 A be sent to the Floor with a DO PASS RECOMMENDATION.

073 VOTE: In a roll call vote REPS. HAYDEN, JOHNSTON, LEHMAN, MARKHAM, STARR, STROBECK AND CHAIR TIERNAN VOTE AYE. REP. GRISHAM VOTES NO. REPS.

CLARNO, ROBERTS, ROSS AND

WYLIE ARE EXCUSED.

080 CHAIR MARKHAM: Declares the motion PASSED. REP. LEHMAN will lead discussion on the Floor.

090 CHAIR MARKHAM: Opens the work session on SB 719 A.

SB 719 A - WORK SESSION

093 MR. MOORE: Reviews the provisions of the bill. The Senate Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT B).

119 REP. STROBECK: Does this include money lost to local governments because of the taxes we have taken, such as exempting property tax collections for certain kinds of properties?

121 MR. MOORE: It only applies to state revenue.

132 CHUCK SHEKETOFF, Multnomah County Legal Aid Service, United Seniors of Oregon and the Oregon State Council of Senior Citizens: Testifies in support of SB 719 A.

> 22 states prepare a document to identify which moneys don't get paid in by looking at tax credits and other revenues not collected.

> bill was introduced last session; during the interim the Legislative Revenue Office did about 75 percent of one of these reports

> they catalogued all the expenditures, described the sunsets, purposes, how much money was lost and how much property taxes was shifted

> Section 5 is the main part of the bill;

> Legislative Revenue Office did not do the analysis of whether the purpose

was being met and how effective they were

> it is seen as an additional tool for making policy decisions for the legislature.

148 CHAIR TIERNAN: What do you intend to use the information for?

MR. SHEKETOFF: It is to help do an analysis of when sunsets come up for review and on budget issues. It is not meant to go after anyone; it is to have them all out on the table so they can all be seen.

167 CHAIR TIERNAN: Would the \$100 tax credit be included?

168 MR. SHEKETOFF: They would all be there to see if they are effective.

172 CHAIR TIERNAN: How about tax deferrals?

173 MR. SHEKETOFF: They would be included in looking at tax shifts and tax losses.

171 REP. STROBECK: The State and School Finance committee just finished working on HB 2255 dealing with all the tax credits and how much those costs. The Revenue office has an analysis of each of those. It is more interesting when you start looking at who the beneficiaries of the credits

are. It would not be a bad idea to look at all credits, exceptions, etc. to see what we are doing for various group and who is benefiting.

190 REP. HAYDEN: This could be a means to identify what money I have that can be taxed.

207 REP. STROBECK: These are specific exemptions we give to people who legitimately owe the taxes to the state.

225 REP. HAYDEN: Why do other people have to make up the credit? Why doesn't the government operate with less money.

245 REP. STROBECK: We are not talking about something that is being applied

universally and across the board and it is not driven by what the end dollar amount is. We look at tax credits to see if we want to incent a certain kind of behavior among people. We have been subsidizing the solar industry for over 20 years and it has never gotten off the ground. The same is true with some corporations who 25 years ago during the gas crisis put in some energy efficiency programs and they are still getting the benefit of that.

273 REP. JOHNSTON: The bill is about information and whether or not we would benefit by having the information. All the information we can get would be helpful and we should vote in favor of it.

MOTION: REP. JOHNSTON moves that SB 719 A be sent to the Floor with a DO PASS RECOMMENDATION.

286 REP. HAYDEN: Comments he believes government is too intrusive now and will vote no.

289 CHAIR TIERNAN: Comments he will vote no, too, because there isn't anything in the bill that cannot be obtained without the necessity of having a bill. It is a function Legislative Fiscal can and should be performing.

295 REP. STROBECK: Comments these are issues that should be dealt with in a substantive committee as to whether this is good public policy and then decide whether to incorporate it into the Revenue Code of Oregon. The State and School Finance Committee ended up having to make decisions on whether programs should sunset based on the merits of the program rather than based strictly on financial information. The information is available somewhere, but it is a matter of having to go to eight or 10 locations to dig it up.

309 REP. JOHNSTON: It is simply a question of how do you get information to make good decisions.

325 CHAIR TIERNAN: Notes that the Legislative Fiscal statement indicates the bill will require one and a half persons to compile the information at a cost of \$162,000.

329 VOTE: In a roll call vote, REPS. JOHNSTON, LEHMAN, MARKHAM AND STROBECK VOTE AYE. REPS. GRISHAM, HAYDEN, STARR AND TIERNAN VOTE NO. REPS. CLARNO, ROBERTS, ROSS AND WYLIE ARE EXCUSED. REP.

336 CHAIR TIERNAN: Declares the motion FAILED.

338 CHAIR TIERNAN: Opens the work session on SB 676 A.
SB 676 A - WORK SESSION

348 MR. MOORE: Explains the provision of the bill. The Senate Staff Measure Summary and Legislative Fiscal and Revenue statements are hereby made a part of these minutes (EXHIBIT C).

369 ROSS LAYBOURN, Attorney in Charge of Charitable Activities Section, Department of Justice: The bill was brought in by some big Class A bingo licensees in the Portland area who are in competition with Vancouver, Washington, licensees who can offer prizes in excess of \$750. The Department of Justice has taken no position on the bill. It will not have an impact on revenue. It is a question of whether or not licensees in Oregon ought to be able to offer prizes in a greater amount than they do now.

391 REP. JOHNSON: How long have we had bingo?

390 MR. LAYBOURN: Approximately two decades. The current legislation was passed in 1987.

395 REP. JOHNSTON: Did the 1987 law include the \$750?

395 MR. LAYBOURN: That is correct. There are two competing concerns. The 1987 legislation put in a number of caps on the size of the games. I think

the philosophy was to some degree big is bad. On the other hand, between the competition of the games from Washington as well as Indian bingo our licensees are facing more competition than they have had previously.

417 REP. MARKHAM: What do you see happening with the Indian bingo games?

421 MR. LAYBOURN: I am not sure other than all of them are much larger than any number we are talking about here. People who are attracted to big pay outs and are willing to travel a fair distance are going to go to the Indian games whether this bill passes or not.

436 REP. MARKHAM: Comments that the Lions and the Rogue River Senior Center are dependent on bingo and if the Indians are going to out bid them, it would worry him.

443 REP. HAYDEN: Are there limits on the pots on social gaming in small towns?

445 MR. LAYBOURN: Not to my knowledge. Social gaming is controlled typically by local ordinance. There may be places where they do control the size by local ordinance.

TAPE 135, A

014 REP. GRISHAM: What is the limit on handle limitation?

017 MR. LAYBOURN: It is just short of \$1.3 million.

018 REP. JOHNSTON: Comments if someone is inclined to vote against the

bill, they should move amend the amount of handle.

030 REP. STROBECK AND MR. LAYBOURN: Discuss the cost to play bingo per night and potential competition from Indian gaming.

043 MOTION: REP. LEHMAN moves that SB 676 A be sent to the Floor with a DO PASS RECOMMENDATION

048 REP. LEHMAN: Explains he has voted for every liquor and gambling bill that has come before the committee, and he will vote against SB 676 A because of concern of losing the flavor that exists in the local communities.

060 MOTION: REP. JOHNSTON moves that action on SB 676 A be postponed to a date certain.

(No action was taken on the motion)

072 REP. STROBECK: Is this change from \$750 to \$1,500 such a big incentive that the people who live in the neighborhood are going to drive three hours to an Indian casino?

080 REP. JOHNSTON: These people do travel. They move from one game to another. There is competition between the sponsors because of the prizes.

They can only play three nights a week .

089 REP. MARKHAM: Comments the public voted through the years saying they want to gamble in Oregon. The Legislature's responsibility is to try to build fences around it so it doesn't get out of hand.

105 REP. HAYDEN: Comments if this is a social night out I don't think it will be impacted by the presence or absence of a \$1,500 prize. It would seem if the people are concerned about the prize that those people will be going to the video poker salons.

129 CHAIR TIERNAN: Announces that SB 667 A will be moved to the committee's agenda for Wednesday and closes the work session.

131 CHAIR TIERNAN: Announces that SB 769 A will be moved to the committee's agenda for Wednesday, also.

149 CHAIR TIERNAN: Opens the work session on SB 203 A.

SB 203 A - WORK SESSION

152 MR. MOORE: Reviews provisions of SB 203 and advises the committee a hearing was held last week.

190 REP. STROBECK: Reports he has followed up with the people involved in the bill and feels it is valid in what it cleans up and the authorizations it makes.

199 MOTION: REP. STROBECK moves that SB 203 A be sent to the Floor with a DO PASS RECOMMENDATION.

203 REP. JOHNSTON: Comments the provisions in the bill on financing and local government powers are areas where the local governments need the authority and it needs to be straightened out. We should let them do it.

210 CHAIR TIERNAN: Announces that due to the lack of a quorum and the need for members to be on the Floor, SB 203 A will be rescheduled on Tuesday.

216 CHAIR TIERNAN: Announces the committee has only two more days to hear bills, that the committee still has the bills relating to cable TV and pornography and requests that Rep. Johnston and Rep. Strobeck and possibly Rep. Wiley, if she is here, with no outside people, to work with Anne Tweedt, Counsel, to come up with a resolution based upon the three porno cable bills before the committee for Tuesday or Wednesday's committee meeting.

243 CHAIR TIERNAN: Announces that SB 266 A will also be moved to the committee's agenda for Tuesday.

244 CHAIR TIERNAN: Declares the meeting adjourned at 3:06 p.m.

Submitted by, Reviewed by,

Annetta Mullins Gregory G. Moore
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - SB 544, Senate Staff Measure Summary, Legislative Fiscal and Revenue
statements, staff, 3 pp
B - SB 719, Senate Staff Measure Summary, Legislative Fiscal and Revenue
statements, staff, 4 pp
C - SB 676, Senate Staff Measure Summary, Legislative Fiscal and Revenue
statements, staff, 2 pp
C -