

HOUSE COMMITTEE ON GENERAL GOVERNMENT Subcommittee on Government

April 13, 1993 Hearing Room 357 8:30 a.m. Tapes 54 - 55

MEMBERS PRESENT: Rep. Del Parks, Chair Rep. Jim Edmunson Rep. Patti
Milne Rep. Sharon Wylie Rep. Cedric Hayden, ex-officio

VISITING MEMBER: Rep. Ken Baker

STAFF PRESENT: Janet Adkins, Committee Administrator Amy
Jahnke, Committee Assistant

MEASURES CONSIDERED: HB 2511 HB 2530 HB 3231

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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. [--- Unable To Translate Graphic ---]

TAPE 54, SIDE A

CHAIR PARKS: CALLS THE MEETING TO ORDER (9:35)

PUBLIC HEARING HB 2511 Witnesses: Rep. Tim Josi, District 2

019 REP. TIM JOSI, DISTRICT 2: Testifies in support of HB 2511; submits written testimony and informative material from Randy Kugler in support of HB 2511 (EXHIBIT A).

055 Rep. Wylie: Why didn't they annex to the city?

Rep. Josi: They are a very autonomous group of people; it is not an option that they find appealable.

061 Rep. Wylie: They have a water district that has how many elected people from the community?

Rep. Josi: I don't know.

Rep. Wylie: And they are part of a county which elects county commissioners.

JANET ADKINS, COMMITTEE ADMINISTRATOR: The City of Manzanita said the Neah Kah Nie water district has 250 homes; we asked the question why they were not annexed - the city manager said annexation is not an option because parts of the water district buy outside the urban growth

boundary; they weren't included in the urban growth boundary in the 70's probably because they already had their own water service and they were not in need of the municipal service.

069 Rep. Hayden: Can any group of citizens form a law enforcement taxing district?

Rep. Josi: Yes.

070 Rep. Edmunson: The taxing district could be contiguous with the water district or any other configuration I presume?

Rep. Josi: I can't answer that.

Rep. Edmunson: Is Neah Kah Nie incorporated?

Rep. Josi: No.

Rep. Edmunson: So that is the reason for the bill?

Rep. Josi: Right.

084 Chair Parks: Visit HB 2511 again at a future date.

PUBLIC HEARING HB 2530 Witnesses: Burton Weast, Special Districts Association of Oregon Phil Fell, League of Oregon Cities

089 Janet Adkins: Describes HB 2530

116 BURTON WEAST, SPECIAL DISTRICTS ASSOCIATION OF OREGON: Testifies in support of HB 2530

145 Rep. Wylie: What is involved in undoing an annexation?

150 Weast: A city at any time; a city, on their own motion can withdraw from a special district.

Rep. Wylie: They have to vote to get in, do they have to vote to get out?

Weast: They have to become part of the district, but the city can withdraw territory from a district upon annexation or upon its own motion.

Rep. Wylie: What is the difference between going through this process and coming up with some kind of intergovernmental agreement?

Weast: The difference is that you put the service on the tax base uniformly throughout the district.

170 PHIL FELL, LEAGUE OF OREGON CITIES: Testifies in support of HB 2530.

172 Janet Adkins: Can this be part of the city or the entire city?

Weast: The entire city.

Janet Adkins: Who in the district votes; is it also the entire district

that votes?

184 Weast: Not required to have an entire vote of the district to add territory to the district; it would be the voters in the territory to be annexed that would vote, not the entire district.

Janet Adkins: Refers to line 17 - it sounds like an election in the district as well as in city.

Weast: This is existing language; existing annexation procedure for districts is that it is not necessary to have a vote of the entire district to annex. To make clear for the record; when a fire district annexes territory, the entire district does not vote on that annexation, it is only the portion of the district that is being annexed.

203 Chair Parks: Close public hearing on HB 2530.

WORK SESSION HB 2530

REP. EDMUNSON MOVES HB 2530 TO THE FULL COMMITTEE WITH A DO PASS

RECOMMENDATION

IN A ROLL CALL VOTE THE MOTION CARRIES

PUBLIC HEARING HB 3231 Witnesses: Verl Cochran, Lottery Winner Rep. Lonnie Roberts, District 21 Gary Williams, Contract Officer, Oregon State Lottery Stephen Kantor, Lawyer and Accountant

235 Janet Adkins: Describes HB 3231; submits (-1) amendment (EXHIBIT B).

270 VERL COCHRAN, LOTTERY WINNER: Testifies in support of HB 3231 amendments; it seems the state has ruling that it has to go through probate - I cannot transfer what is left in the lottery winnings to a living trust without going through probate.

283 Rep. Edmunson: Did you win at KENO or which lottery game did you win?

Cochran: June 10, last year.

292 Parks: The justification for the bill is to protect your privacy so you won't be harassed, what was your experience - were you harassed by

people?

Cochran: No. I never got a thing but congratulatory phone calls and observations from different people.

337 Rep. Wylie: Did you receive extra solicitations for investing and buying property, junk mail, etc. after winning the lottery?

Cochran: No.

390 Rep. Hayden: Heard that lottery commission has a program to help winners place money in secure place?

372 Cochran: No, has lawyer working on his investments.

TAPE 55, SIDE A

011 REP. LONNIE ROBERTS, DISTRICT 21: Testifies in support of HB 3231.

034 GARY WILLIAMS, CONTRACT OFFICER, OREGON STATE LOTTERY: Submits written testimony in opposition to HB 3231 (EXHIBIT C).

055 JERRY BRONNER, ATTORNEY GENERAL'S OFFICE; CONTACT ATTORNEY, OREGON LOTTERY: Will send a letter to Chair Parks from Attorney General's office from someone that understands SB 500 and tell how this HB 3231 fits in to it.

Chair Parks: How much money goes unclaimed in the lottery?

Williams: One to two percent of all the prizes get paid out and the one that are unclaimed go over to the state's economic development fund.

Chair Parks: You don't have anybody that has won the grand prize and failed to show up do you?

Williams: About two years ago there was a megabucks unclaimed prize; I believe it was in the vicinity of \$2 million; by law that has to get turned back over to the state as part of an economic development transfer.

070 Chair Parks: This bill exempts persons from the active military service from the one year ticket redemption period; how are you going to handle that?

Williams: It may complicate things a bit; part of the amendment does say that the person does have to notify us so at least we know that the prize was not unclaimed. Chair Parks: Under the soldiers and sailors relief act, where does that requirement that you notify...

Williams: You lose by default.

078 Chair Parks: If you had a contract and you were sued on it, you have an absolute delaying defense anyway?

087 Edmunson: If it was statute that provides for the one year notification that it would be construed as a state regulation that limits the rights and the doctrine of obstante, the soldiers and sailors act would apply; but if it were a contract - a regulation established as a condition of

purchase of the ticket, it would not. Do you agree with that?

091 Bronner: The soldiers and sailors relief act appears to put a hold on various requirements during the time a person is in the military

service. The intent of the provision before you is that during the time

someone is in the military service he doesn't have to worry about actually receiving and investing - picking up the prize. He/she can wait until after discharged from the military before picking up the prize.

Chair Parks: What about the notice?

Bronner: The reason we need to have a notification requirement is the lottery is supposed to take any unclaimed prizes and give it to economic development fund to be used for the public purpose.

112 Chair Parks: Under soldiers and sailors relief act, this law imposes the requirement on a member of the military service that they provide a notice within one year or they forfeit a legal right; my question is can we do that under soldiers and sailors relief, I am guessing we cant?

Bronner: Yes we can.

121 Rep. Edmunson: In the absence of a statute may the lottery as a condition printed on the ticket require notification which would be

something less than a state law?

Bronner: That is right.

Rep. Wylie: What we are talking about is putting receipt of the money on hold; if there is a period of time where this person is in the military and they choose to get a divorce; does the money not then get figured into child support and property settlements in the divorce?

What impact would it have?

134 Chair Parks: If you were going to get a divorce and you intentionally didn't divulge that to you soon to be ex-spouse, that would either be

devious or the result of good legal advice.

142 Rep. Edmunson: What we have here is a privilege being exercised by the lottery winner who says to the state if you request please withhold

information and that privilege then must be honored by the state in the same manner that an attorneys confidence may not be disclosed. If winner then goes to check out at store - bragging - does that person waive the privilege? Wonder about non-waiveable kind of law...Does any other state have such a law for the lottery? If so I would like to see

copies of the statutes that provide it to see if there is any exceptions.

174 Rep. Hayden: Do you have counseling program for winners?

Williams: Not really - advise them to be cautious; there are situations where it seems like before the people come in to actually claim the prize, they would have benefitted by getting counseling before claiming prize.

196 Rep. Hayden: Do people track winners closely?

208 Williams: I don't think as much as it use to be. We do get some requests from people who want the names and addresses of all the people who have won a million dollars or more; so there is some.

218 Chair Parks: What is position re: transfer to living trust?

Williams: We would be in favor as long as all the proper precautions and legal concerns are taken care of.

228 Rep. Edmunson: Refers to video poker...counseling for losers...why not counsel for winners?

236 Williams: The video poker provision is for people deemed to be compulsive gamblers and the money funnelled down to the counties for

that purpose. We do give winners of extremely large amounts of money a couple pages of advice that we think they ought to follow.

Rep. Edmunson: Do people who win play a lot.....compulsive gamblers?

Williams: Some do; some people play one time and they win.

250 Rep. Hayden: Do you think there is a possibility that some of these compulsive gamblers that we are counselling are perpetual winners?

Rep. Edmunson: Yes.

Rep. Hayden: We shouldn't be counselling them, we should be seeking their counsel.

Rep. Edmunson: If outcome is the measure of a vice, then successful thieves should be praised.

260 Bronner: Refers to ORS 461.716; gives further testimony.

294 Rep. Edmunson: Would you not agree that if HB 3231 passes in its introduced form that statute is effectively repealed?

298 Bronner: I think you would have an inconsistency between two statutes.

310 Chair Parks: What about the Department of Revenue, you take taxes out...

Bronner: The bill presently deals with that; it says you can provide information to state and federal law enforcement agencies or revenue collecting agencies.

Rep. Edmunson: Suggest that a better solution would be to say any state or federal agency or court.

322 Williams: Refers to amendments offered by Mr. Kantor.

342 STEPHEN E. KANTOR, LAWYER AND ACCOUNTANT: Testifies in support of (-1) amendment to HB 3231; submits written testimony (EXHIBIT D).

396 Rep. Edmunson: What about question - may the state require notice by a service person as a condition of receipt; how is that effected by the

1940 act?

Kantor: I don't know the answer to the question; what this provision does is says all you have to do is notify the lottery commission within one year and then you have another year after discharge within which to claim your ticket.

TAPE 54, SIDE B

023 Parks: We will return to this at a future time when we have a couple of questions answered by the attorney general.

Meeting Adjourned.

Submitted by, Reviewed by,

Timothy Marshall Janet Adkins Committee Clerk Committee Administrator

EXHIBIT SUMMARY:

A - HB 2511: Written testimony and informative material from Randy Kugler submitted by Rep. Josi, pp 1. B - HB 3231: (-1) amendments submitted by staff, pp 4. C - HB 3231: Written testimony submitted by Williams, pp 4. D - HB 3231: Written testimony submitted by Kantor, pp 8. E - HB 3231: HB 3231 submitted by staff, not mentioned in minutes.