

HOUSE COMMITTEE ON GENERAL GOVERNMENT Subcommittee on Transportation

March 22, 1993 Hearing Room 357 8:30 a.m. Tapes 26 - 29

MEMBERS PRESENT: Rep. Chuck Norris, Chair Rep. Ken Baker Rep. Carl Hosticka Rep. Lonnie Roberts Rep. Cedric Hayden, Ex-Officio

STAFF PRESENT: Janet Adkins, Committee Administrator Kimberly Burt, Committee Assistant

MEASURES CONSIDERED: HB 3180 HB 2345 HB 2396 HB 3155 [--- Unable To Translate Graphic ---]

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 26, SIDE A

CHAIR NORRIS: Calls meeting to order. (8:35 a.m.)

PUBLIC HEARING ON HB 3180 Witnesses: Arthur Pope, Executive Director, Northwest Youth Corps John Theodore, Citizen Warren Richards, Oregon Department of Transportation, (ODOT)

020 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 3180;

049 ARTHUR POPE, EXECUTIVE DIRECTOR, NORTHWEST YOUTH CORPS: Submits and summarizes written testimony and informative material in support of HB 3180, see (EXHIBIT A).

070 REP. ROBERTS: Is there a fiscal impact; you are expanding the program?

POPE: There will be no cost to the State of Oregon; this would allow the Northwest Youth Corps to employ more teens.

085 REP. ROBERTS: You are going to expand the numbers by reducing the number of hours of each individual?

POPE: We will be able to employ more kids as we will have more projects for them to work on.

125 REP. ROBERTS: On line five it says "may" enter into contracts; this doesn't lock them into this?

POPE: No.

142 JOHN THEODORE, CITIZEN: Testifies in support of HB 3180; submits informative material, (EXHIBIT B). - Describes how the program affected his daughter in a positive way.

CHAIR NORRIS: You are speaking to the program itself, not this bill?

THEODORE: It is very important; this would allow us to keep the group together as a unit, this would become a critical part of the program.

188 WARREN RICHARDS, OREGON DEPARTMENT OF TRANSPORTATION, (ODOT): Submits and summarizes written testimony - no position on HB 3180, see (EXHIBIT C).

CHAIR NORRIS: Does HB 3180 create any problems?

RICHARDS: No; currently we go through the Department of General Services for contracting.

208 REP. BAKER: Is your authority for contracting for anything?

RICHARDS: No, it is for clean up on the highway; the funds come from customized license plate revenues.

WORK SESSION ON HB 3180

257 MOTION: REP. ROBERTS MOVES THAT HB 3180 BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION.

262 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES UNANIMOUSLY. MEMBERS EXCUSED: HAYDEN

PUBLIC HEARING ON HB 2345 Witnesses: Rep. Chuck Norris, House District 57 Susan Daggett, Port of Umatilla Sandy Flicker Craig Satter Tom Flaherty, Bruce Lovlin, Carol Moore, Director of Executive Appointments, Governor Roberts Stu Rasmussen Gary Williams, Oregon Lottery Commission

274 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2345; submits written testimony (EXHIBIT D).

292 REP. CHUCK NORRIS, HOUSE DISTRICT 57: Testifies in support of HB 2345. - Describes district.

435 SUSAN DAGGETT, PORT OF UMATILLA: Testifies in support of HB 2345; submits written testimony, (EXHIBIT E).

TAPE 27, SIDE A

050 SANDY FLICKER, OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION: Testifies in support of HB 2345; submits written testimony, (EXHIBIT F).

060 CRAIG SATTER, MEMBER SERVICES MANAGER, UMATILLA ELECTRIC COOPERATIVE: Testifies in support of HB 2345; submits written testimony and testimony from Mayor of Boardman (EXHIBIT G).

129 TOM FLAHERTY, BOARDMAN FOODS: Testifies in support of HB 2345; describes company.

_ REP. HAYDEN arrives. (9:15 a.m.)

FLAHERTY: This area has tremendous growth opportunity; it is important that someone who understands the opportunities be representing the area.

166 BRUCE LOVLIN, EXECUTIVE DIRECTOR, NORTHWEST IRRIGATION UTILITIES: Testifies in support of HB 2345.

222 CAROL MORSE, DIRECTOR OF EXECUTIVE APPOINTMENTS, GOVERNOR ROBERTS: Testifies in opposition to HB 2345; submits written testimony, (EXHIBIT H).

REP. ROBERTS: Who was the PUC appointment?

MOORSE: Roger Hamilton from Bonanza. - The concern the governor has is that a two member board shouldn't have this requirement.

WORK SESSION ON HB 2345

355 MOTION: REP. ROBERTS MOVES HB 2345 BE SENT TO THE FULL COMMITTEE WITH A DO PASS RECOMMENDATION. REP. HOSTICKA: Opposes.

383 VOTE: IN A ROLL CALL VOTE THE MOTION CARRIES. MEMBERS VOTING NO: REP. HOSTICKA

CHAIR NORRIS: The work session on HB 2345 is closed.

402 MOTION: REP. HOSTICKA MOVES THAT REP. HAYDEN BE ALLOWED TO VOTE ON 3180.

408 VOTE: IN A ROLL CALL VOTE REP. HAYDEN VOTES AYE.

PUBLIC HEARING ON HB 3155 Witnesses: Ken Hector, Mayor of Silverton Stu Rasmussen, Vice-President of Engineering, OLGAMES Manufacturing Gary Williams, Oregon Lottery Commission Rodger Jincks, Sergeant, Criminal Investigation Division, Lottery Section, Oregon State Police

462 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 3155; submits hand engrossed version of the (-1) amendments and a fiscal impact statement, (EXHIBIT I).

036 REP. HOSTICKA: Do you have a legal opinion on if this is within legislature' authority?

Adkins: I don't; we can check with legislative council, I think that's why they put the "when feasible" in.

TAPE 26, SIDE B

048 KEN HECTOR, MAYOR OF SILVERTON: Testifies in support of HB 3155; It is ironic that a measure designed to facilitate economic development virtually precluded opportunity for Oregon Business.

- OLGAMES, a Silverton Oregon company, has the capability of manufacturing video devices that meet lottery commission standards.

085 STU RASMUSSEN, VICE-PRESIDENT OF ENGINEERING, OLGAMES MANUFACTURING: Testifies in support of HB 3155, submits written testimony, (EXHIBIT J).

REP. BAKER: How many entities in Oregon are there that could have competed for this contract?

RASMUSSEN: There are two licensed manufacturers of video lottery

terminals in the state.

REP. BAKER: Do you believe that is a large enough pool to allow the state to have qualified bidders?

RASMUSSEN: If this were opened up to Oregon vendors there would be more of them available.

REP. BAKER: If Oregon were to pass this bill, what is to prevent Washington, Idaho, California or Montana or anybody else doing likewise so that effectively every state has its own manufacturer.

RASMUSSEN: The current manufacturers of these terminals got their start in their home state. VLC is in Montana and would not be in existence today if Montana had not given them a preference for the business. IGT another in Reno, Nevada; Nevada does not buy the machines but they regulate them.

REP. BAKER: Once you start up, you would probably need a wider market to allow you to keep expanding or to hold your market and if a state has the protection, you may start up and get that big contract, but that may be the end of you at that point.

RASMUSSEN: That would be the end of us if we were only looking at lottery related products. However we have a couple of other terminal products that use the same technology that are not lottery related and would be available to a wide market. But we don't have the funding or financing to address those markets.

REP. HOSTICKA: Would it also be a good idea to say that the owners or principle shareholder should be residents of the state of Oregon?

RASMUSSEN: That would not be a problem for us.

185 GARY WILLIAMS, LOTTERY COMMISSION: Testifies in opposition to HB 3155; submits written testimony, (EXHIBIT K).

258 REP. HAYDEN: It was my understanding that the lottery made five year leases renewable in one year increments; are you saying that there are certain contractous specifications where you must continue past the one year line?

WILLIAMS: No. What we are saying is the pricing from the manufacturers side was done based upon a five year pricing is what they did. We have the option at the end of each year. But what I'm saying is I'm not sure that the vender would accept that because their pricing is spread over five years. REP. HAYDEN: What option would they have if you terminated the least as the state stipulated that you would be able to do.

WILLIAMS: I'm not sure. I'm just saying it is likely there could be some kind of challenge from them.

REP. HAYDEN: You state you would loose half of your terminal base. Then you state that if you did loose half your terminal base, you would loose \$75 million because you would only have half the number of terminals that you needed. Is this true, are the terminals that specific?

WILLIAMS: What I'm talking about is the overall entire market.

325 RASMUSSEN: Comments on intent of HB 3155.

REP. ROBERTS: The people created the lottery with the guise of economic development for Oregon; it was understood that these would be owned by the people who operated them, yet we find that the state owns the machines. In my opinion the state double-crossed the people.

380 RODGER JINCKS, SERGEANT, CRIMINAL INVESTIGATION DIVISION, LOTTERY SECTION, OREGON STATE POLICE: Testifies in opposition to HB 3155; submits written testimony , (EXHIBIT L)

REP. ROBERTS: Do you think this is going to be tougher to the law enforcement segment of the lottery if this bill were to go through?

JINCKS: Yes. I feel it would.

REP. HAYDEN: You believe that it should be a national market in which you seek your goods. Why not a global market?

JINCKS: I can concede to that point.

TAPE 27, SIDE B

022 REP. HAYDEN: On line 11 of the bill it stipulates that the quality has to be acceptable to the lottery. So you don't have to buy a machine made in Oregon or Iran or anywhere. You only have to accept from people that meet the standards that you specify, is that correct?

027 JINCKS: That is correct.

- Continues with testimony.

080 REP. ROBERTS: How many Oregon dollars went out of state for the purchase of these terminals; how much state tax did these corporations pay to Oregon? I think it is important to the fact that the people of Oregon were sold on the lottery on the basis of economic development to the state of Oregon and I don't think it has been totally delivered.

WILLIAMS: The average amount going out of the state was about \$2000 annually per terminal. They are required to register with the department of revenue how much taxes they pay in Oregon.

RASMUSSEN: That is 5000 machines per year. \$10 million per year over five years is \$50 million dollars.

- Our terminal was designed, and prototype built to specifically meet the requirements of the Oregon state lottery through their RFP process. The sole reason we were turned down was that we couldn't produce enough, but we were told we could this year.

160 WILLIAMS: Mr. Rasmussen's company was rejected specifically rejected because of his inability to provide enough terminals.

REP. HAYDEN: The bill says you wouldn't have to buy anything if the price wasn't competitive. - Is the OLGAMES system technically compatible with the existing system?

JINCKS: Yes it is.

WILLIAMS: I could not say that because it has not been tested to meet our standards yet.

PUBLIC HEARING ON HB 2396 Witnesses: Rep. Shiprack, House District 23 Joe French, Oregon Forest Products Transportation Association Michael Robinson, Attorney Greg Wolf, Director, Department of Land Conservation and Development David Imholt, property owner Jerry Justice, Director, Clackamas County Office of Governmental Affairs Wayne Carter Dave Smith, Director of Legal Affairs, Oregonians in Action Barry Mammario Jerry McCloud

213 JANET ADKINS, COMMITTEE ADMINISTRATOR: Describes HB 2396; submits (-1) amendments, (EXHIBIT M).

_ VISITING MEMBER: REP. REPINE

249 REP. SHIPRACK, HOUSE DISTRICT 23: Testifies in support of HB 2396

REP. HAYDEN: Will there be additional amendments to the (-1) amendment?

SHIPRACK: Yes.

REP. HAYDEN: Would you agree that the face of forestry is changing and we are seeing a good deal of the resource now coming from suburban farms that are closing to the urban growth boundaries; now we need these to effectively transport this resource...that we are going to have to have truck depots closer to the source which will be in farming areas?

SHIPRACK: There is no doubt. As the national forests are being shut down, small wood lot owners are becoming much more productive, there is more interest moving into it and it is good business. I am seeing a great deal more cutting from small wood lot owners and there will probably be more conflicts coming.

343 REP. HOSTICKA: Do you intend to allow large depots of trucks?

SHIPRACK: Most of the log truck operations are small.

REP. HOSTICKA: On page eight of the amendments it says "without the imposition of conditions". Do you intend to have a depot where these trucks are parked and serviced?

SHIPRACK: The bill would allow parking and servicing of trucks; I should have been more specific and there will be amendments offered.

402 REP. BAKER: Why is this limited to log trucks?

SHIPRACK: This was brought to me by constituents to deal with this specific problem; we weren't interested in making giant revisions in the land use laws regarding parking these vehicles.

TAPE 28, SIDE A

030 JOE FRENCH, OREGON FOREST PRODUCTS TRANSPORTATION ASSOCIATION: Testifies in support of HB 2396. 089 MICHAEL C. ROBINSON, ATTORNEY: Testifies in support of HB 2396.

120 GREG WOLF, DIRECTOR, DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT, (DLCD): Testifies in opposition to HB 2396.

CHAIR NORRIS: Is the parking of a log truck in an EFU zone prohibited under law or rule?

WOLF: We do not believe it is.

REP. HAYDEN: ORS 215.283 section 2, says that one exception is commercial activities that are in conjunction with farm use. I would take the position that this is a commercial activity that is in conjunction with farm use of harvesting forest products. Is that a defensible position?

WOLF: I think you could view it that way. The other provision in the statute that we look to is the one that says the propagation and harvesting of forest products is allowed.

REP. HAYDEN: Would it require legislative action to say these trucks are allowed?

WOLF: I don't believe legislative action is necessary; we could do it by administrative rule.

154 DAVID IMHOLT, PROPERTY OWNER: Testifies in opposition to HB 2396; submits written testimony, (EXHIBIT N).

227 JERRY JUSTICE, DIRECTOR, CLACKAMAS COUNTY OFFICE OF GOVERNMENTAL AFFAIRS: Testifies in opposition to HB 2396; submits written testimony. (EXHIBIT O).

355 REP. HAYDEN: Is this a narrow focus or a broad policy issue?

JUSTICE: I would hope that we would continue to take a look at appropriateness both in terms of the area, the soil conditions and the general potential for production. We have an equal need to maintain class one and two prime agricultural soil in farm use.

406 REP. HAYDEN: Is there any restriction on the right of the farmer to plant a timber product if they wish?

JUSTICE: If you look at small woodland operations, any number of individuals have made a choice to take their land out of agricultural production and put it into small woodland or christmas trees. 440 WAYNE CARTER: Testifies in opposition to HB 2396; submits written testimony, (EXHIBIT P).

TAPE 29, SIDE A

075 DAVE SMITH, DIRECTOR OF LEGAL AFFAIRS, OREGONIANS IN ACTION: Testifies in support of HB 2396.

195 REP. HAYDEN: Would it be true that there is almost an essential need to have one or more places to park these trucks within a radius of 10 - 30 miles in order to service these small farm wood lots?

SMITH: Yes.

220 WOLF: States he believes the issue in HB 2396 was dealt with in

the existing statute and that log truck parking would be allowed in the EFU zone. It is a very narrow legal reading of the statute to conclude that you can't park log trucks over night in the resource zone areas.

250 REP. REPINE: Did the issue not come up as it was overlooked?

WOLF: The issue wasn't raised specifically to us so it didn't come up; had it come up I'm sure we would have decided that it is already covered in existing law.

300 BARRY MAMMARIO: Testifies in support of HB 2396.

325 JERRY McCLOUD: Testifies in support of HB 2396.

Meeting adjourned.

Submitted by, Reviewed by,

Timothy

A.

Marshall

Janet Adkins, Committee
Assistant

Committee Administrator

EXHIBIT SUMMARY:

A - HB 3180: Written testimony submitted by Pope, pp 1. B - HB 3180: Informative Information submitted by Theodore, pp 2. C - HB 3180: Written Testimony submitted by Richards, pp 2. D - HB 2345: Written Testimony submitted by staff, pp 3. E - HB 2345: Written testimony submitted by Daggett, pp 3. F - HB 2345: Written testimony submitted by Flicker, pp 3. G - HB 2345: Written testimony submitted by Satter, pp 3. H - HB 2345: Written testimony submitted by Morse, pp 3. I - HB 3155: Engrossed version of Amendments and fiscal impact statement submitted by staff, pp 4. J - HB 3155: Written testimony submitted by Rasmussen, pp 4. K - HB 3155: Written testimony submitted by Williams, pp 5. L - HB 3155: Written testimony submitted by Jincks, pp 6. M - HB 2396: -1 Amendments submitted by staff, pp 8. N - HB 2396: Written testimony submitted by Imholt, pp 9. O - HB 2396: Written testimony submitted by Justice, pp 9. P - HB 2396: Written testimony submitted by Carter, pp 10. Q - HB 2396: Written testimony submitted by Seigneur, not mentioned in minutes. R - HB 2396: Written testimony submitted by Hammond, not mentioned in minutes. S - HB 2396: Written testimony submitted by residents of S. Fish Road, not mentioned in minutes.