

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

February 5, 1993                      Hearing Room B 9:00 a.m.                      Tapes 15 - 16  
MEMBERS PRESENT: Senator Tricia Smith, Chair Senator Grattan Kerans,  
Vice Chair Senator Brady Adams Senator Wes Cooley Senator Peg Jolin  
STAFF PRESENT: Joan Van Almen, Committee Counsel Joan Green,  
Committee Assistant EXCUSED: Stephanie Holmes, Committee Research

MEASURES HEARD: SB 43 relating to donated property; appropriating money  
SB 165 relating to racing; declaring an emergency WITNESSES: Cameron  
Birnie, Administrator, Transportation & Distribution Division,  
Department of General Services Skip Morton, Manager, Surplus Property  
Program for State of Oregon Don Hillman, Oregon State Fair Joanne  
McAdam, Chair, Oregon Racing Commission Glen Knickerbocker, Lone Oak  
Racing Steve Barham, Oregon Racing Commission 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 15, SIDE A

006 Chair Smith: Meeting called to order at 9:10 a.m.

INFORMATIONAL MEETING INTRODUCTION OF BILL PACKET 021 MOTION: SEN.  
KERANS MOVED THAT THE PACKET OF LEGISLATIVE DRAFTS, EXHIBIT A, BE  
INTRODUCED AS COMMITTEE BILLS.

027 VOTE: HEARING NO OBJECTION, SO ORDERED.

PUBLIC HEARING SB 4.3 RELATING TO DONATED PROPERTY; APPROPRIATING MONEY  
040 CAMERON BIRNIE, ADMINISTRATOR, TRANSPORTATION & DISTRIBUTION  
DIVISION, DEPARTMENT OF GENERAL SERVICES: Speaks in support of the bill,  
Exhibit Senate Labor and Government Operations February 5, 1993 - Page 2

B. Distributes amendments, Exhibit C. 114                      Sen. Kerans: On SB 43, pg.  
2, lost 9-14, this is what you suggest be deleted?

116 Birnie: Responds.

117 Sen. Kerans: The person would set the donated value?

132 Birnie: Responds.

139 Sen. Kerans: This bill would cost money, by allowing a tax  
exemption?

146 Birnie: Responds. 173                      SKIP MORTON, MANAGER, SURPLUS PROPERTY  
PROGRAM FOR STATE OF OREGON: Responds to Sen. Kerans's question.

190 Chair Smith: Taking money away from the private sector and giving  
it to the government concerns me. What have your conversations with the  
private entities been? 215                      Birnie: Responds. 237 Chair Smith:

Disagrees. It places these private vendors in competition with the State  
and puts them at a disadvantage. Until we are willing to provide those  
services, I am not willing to take this away from the private sector, at  
least not until these organizations have been consulted. 260 Sen.  
Jolin: What kind of items are donated? 269                      Birnie: Responds.

289 Sen. Kerans: Requests written responses from the charitable  
organizations. If the Department of Revenue believes this is revenue  
neutral and if you don't find them in the charitable organizations,  
where would these be disposed of and to what non-profit agency, in order

to recoup tax advantage? 306 Birnie: Responds. ,

309 Sen. Kerans: Requests a description of the Oregon State Productivity Improvement Revolving fund.

316 Birnie: Responds.

322 Sen. Kerans: Are any individual incentives given from this fund to state employees?

328 Birnie: Responds. 332 Sen. Kerans: Refers to ORS 182.375. This allows for taking donated corporate equipment for resale through our own distribution system for surplus property, use the money to give cash

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incentives to state employees and keep the material out of the private market. I have concerns regarding the bill.

374 Sen. Adams: I don't understand the need for involving another entity.

385 Chair Smith: We have notified those charitable organizations, we will hold off on action on the bill until we hear from them. 392Joan Van Almen, Counsel: What efforts were made to be sure that the bill complied with the federal law? 407 Birnie: Responds.

TAPE 16, SIDE A 007 Van Almen: Did you ask the Attorney General or the federal property manager whether there is any federal prohibition to do what you would like the state to do?

016 Birnie: Responds. 023 Van Almen: I feel it might be useful to ask that question?

026 Birnie: Responds. .

028 Chair Smith: Directs him to inquire directly with the federal authorities.

029 Entered for the record fiscal impact, Exhibit F.

SB 165 RELATING TO RACING: DECLARING AN EMERGENCY

054 STEVE BARHAM, OREGON RACING COMMISSION: Speaks in support of the bill.

111 Chair Smith: Is the photo finish different from the video patrol?

115 Barham: Responds. 129 Chair Smith: I presume these costs will be passed on. What is the health of the horse racing industry?

133 Barham: Responds. 135 Chair Smith: What would be the impact of passing these costs on? 137 Barham: Responds.

149 Sen. Cooley: This would affect only two state tracks?

152 Barham: Yes. . . . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only

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153 Sen. Cooley: Once the cameras are installed isn't it a reasonable cost thereafter?

160 Barham: Responds.

81 Sen. Adams: Why would Portland Meadows want to continue in business and increase their loss, and if they aren't in business what is the point of having the system?

186 Barham: Responds.

216 Chair Smith: Does the Commission set the number of race days?

220 Barham: Responds.

237 Chair Smith: Is someone scheduled to race somewhere all of the time?

239 Barham: Responds.

250 Sen. Jolin: Is your money received from fees or a percentage from each track?

259 Barham: Responds.

288 Sen. Jolin: How do you allocate funds?

289 Barham: Responds.

319 Sen. Jolin: There is no room to absorb the cost discussed in SB 165?

333 Barham: Responds. 368 Sen. Jolin: Does the Governor's budget proposal allow the State to gain more of the revenue that you potentially generate?

382 Barham: Responds.

389 Sen. Jolin: Who requested SB 183?

399 Barham: Responds.

402 Chair Smith: None of the Commission's operating budget comes from the general fund?

408 Barham: Responds.

410 Chair Smith: Is this the way to raise general fund money or is this a policy decision.

TAPE 15. SIDE B

008 Sen. Jolin: Agrees.

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010 Sen. Cooley: What has been your average total income?

012 Barham: Responds.

024 Sen. Cooley: Requests a breakdown of funds?

032 Barham: Responds.

045 Sen. Kerans: Is this increase already accounted for?

050 Barham: Yes. 055 Sen. Kerans: Our concern will be whether the Commission retains enough under its mandated budget to continue monitoring and regulating the operators and protecting the public, correct?

067 Barham: Responds.

068 Sen. Kerans: Do you have enough money to do the oversight?

072 Barham: Responds.

073 Sen. Cooley: If the Veterinary School is no longer there what happens?

074 Barham: Responds.

084 Sen. Cooley: What is the cost for the urine/blood/saliva tests?

088 Barham: Responds.

096 Sen. Adams: How much income is generated from meets, that might be put in jeopardy by this additional cost to licensees, who cannot afford any more?

110 Barham: Responds.

112 Sen. Adams: Is there a profit margin in it?

114 Barham: Responds. 118 Sen. Adams: Are we going to put at risk significant portions of net income to the state by enacting this bill?

127 Barham: Responds.

143 Sen. Kerans: Does your budget limitation include this \$140,000 as an expenditure?

150 Barham: Responds.

157 Sen. Kerans: Refers to fiscal impact statement, Exhibit E. Is this correct?

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165 Barham: Responds.

187 Sen. Adams: What portion of the budget does that \$140,000 represent?

188 Barham: Responds.

190 Sen. Adams: This cut might have the least impact?

196 Barham: Responds. 198 Sen. Adams: How does the 2% population increase factor in? 211 Barham: Responds. 226 JOANNE MCADAM, CHAIR, OREGON RACING COMMISSION: Speaks in support of the bill.

244 DON HILLMAN, OREGON STATE FAIR: Presents testimony, Exhibit D.

262 GLEN KNICKERBOCKER, LONE OAK RACING: Speaks in opposition to the bill, Exhibit G. Expresses Portland Meadow's representative, Dave Nelson's concerns with the bill. 294 Sen. Kerans: Are your financial statements a matter of public record? 299 Knickerbocker: We are not

required to submit that information to the State Fair, but it is - submitted to the Commission.

338 Sen. Adams: What impact would there be to your organization in absorbing this additional cost?

346 Knickerbocker: Responds.

350 Sen. Adams: It would represent the majority of your current profits?

355 Knickerbocker: Responds.

380 Sen. Cooley: Give me an estimate of how much Lone Oak Racing contributes to the general fund? 387 Knickerbocker: Responds.

393 Sen. Cooley: Approximately \$300,000 is contributed to the total revenue collected by the fair?

399 Knickerbocker: Responds.

400 Sen. Adams: If Lone Oaks were not contracting with the State Fair, would the Fair get back into the racing business? 401 Hillman: Responds.

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414 Sen. Adams: If we do not continue to attract and provide proper opportunities for private business, in effect we put at jeopardy those revenues? 417 Hillman: Responds. 418 Sen. Kerans: Discusses options available to the committee, and how this impacts all parties. 464 Chair Smith: Requests written testimony be submitted a day prior to hearing. Hearing adjourned at 10:40 a.m. Submitted by: Reviewed by:

Joan Green Joan Van Almen Assistant Counsel EXHIBIT LOG: A - Packet of legislative drafts - Staff - 9 pages B - Testimony on SB 43 - Birnie - 2 pages C - Amendments to SB 43 - Birnie - 1 page D - Testimony to SB 165 - Hillman - 1 page E - Fiscal impact statement to SB 165 - Staff - 1 page F - Fiscal impact statement to SB 43 - Birnie - 1 page G

- Testimony to SB 165 - Knickerbocker - 1 page

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