

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

March 11, 1991                      Hearing Room E 8:30 a.m.                      Tapes 60 - 61  
MEMBERS PRESENT: Rep. Bill Markham, Chair Rep. Larry Sowa, Vice-Chair  
Rep. Marie Bell Rep. Mary Alice Ford Rep. Tom Novick Rep. Carolyn Oakley  
Rep. Lonnie Roberts MEMBER EXCUSED:                      None VISITING MEMBER:                      Rep.  
Dave McTeague, District 25 STAFF PRESENT:                      Randall Jones, Committee  
Administrator Carolyn Cobb, Committee Assistant MEASURES  
CONSIDERED:                      HJM11 - Memorializes Congress to Repeal New Coast Guard  
User Fee on Recreational Boaters, PH, WS HJM10- Memorializes Congress to  
Adopt Constitutional Amendment Prohibiting Physical Desecration of the  
United States' Flag, PH, WS SB 277 - Authorizes County Clerk to Prepare  
County Voters' Pamphlet for Any Election, PH, HB 2017 - Continues  
Department of Justice Regulation of Bingo, Lotto and Raffle Games Beyond  
June 30, 1991, PH,

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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 60, SIDE A

004 CHAIR MARKHAM: Calls the meeting to order at 8:39 a.m.

HJM10 - MEMORIALIZES CONGRESS TO ADOPT CONSTITUTIONAL AMENDMENT  
PROHIBITING PHYSICAL DESECRATION OF THE UNITED STATES' FLAG - PUBLIC  
HEARING Witnesses: Denny Smith, Former Congressman, 5th District Jon  
Mangis, Citizen House Committee on State and Federal Affairs March 11,  
1991- Page 2

Lee H. Perkins, American Legion Orville A. Rummel, Veterans of World War  
I Wesley C. Homes, American Legion Hal Woods, Chairman, Legislative  
Commission, American Legion Harry W. Stephens, Past State Commander,  
AMVETS Lee Sawyer, First Vice Commander, American Legion Post 9

008 CHAIR MARKHAM: Makes opening statement in support of HJM10 and  
reviews previous efforts to legislate a ban against the physical  
desecration of the United States flag. Expresses appreciation to the  
veterans' groups represented at the hearing. 033DENNY SMITH, FORMER  
CONGRESSMAN, 5TH DISTRICT: There are laws on the books today that  
prohibit the desecration of the flag, but unfortunately, we do not seem  
to have the ability to prosecute. -Now is a propitious time to put this  
protection of the flag into the constitution. -Commends the Chairman and  
the co-sponsors of the memorial. 069 JON MANGIS, CITIZEN: Asks  
support of HJM10. Believes HJM10 represents a positive statement to  
congress of the patriotism that exists in Oregon. 086 LEE H. PERKINS,  
PAST DEPARTMENT COMMANDER, AMERICAN LEGION: Flag is not just a piece of  
cloth, it is an emblem of our country. -Cites examples of heroic  
defenses of the United States flag. -Asks favorable action on HJM10.  
177 ORVILLE A. PUMMEL, VETERANS OF WORLD WAR I: Urges the passage of  
all legislation that will protect the flag from desecration and misuse.  
202 WESLEY C. HOMES, AMERICAN LEGION: Submits and summarizes written  
testimony (EXHIBIT A) in support of the Memorial. 306 HAL WOODS,  
CHAIRMAN, LEGISLATIVE COMMISSION, AMERICAN LEGION: Submits and  
summarizes written testimony (EXHIBIT B) in support of HJM10.  
400 HARRY W. STEPHENS, PAST STATE COMMANDER, AMVETS: Submits and  
summarizes written testimony (EXHIBIT C) in support of HJM10.

TAPE 61, SIDE A

021 LEE SAWYER, FIRST VICE COMMANDER, AMERICAN LEGION POST 9: Submits and summarizes written testimony (EXHIBIT D) in support of HJM10.

HJM10 - MEMORIALIZES CONGRESS TO ADOPT CONSTITUTIONAL AMENDMENT PROHIBITING PHYSICAL DESECRATION OF THE UNITED STATES' FLAG - WORK SESSION

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066 CHAIR MARKHAM: Reports that HJM10 has thirty five out of the ninety members of the Oregon Legislature who have signed on it and believe in it. There are probably others who did not get the opportunity.

070 MOTION: VICE CHAIR SOWA moved HJM10 to the floor with a "do pass" recommendation.

074 REP. FORD: Expresses wish to have the opportunity to put her name on as a sponsor before it goes to congress.

078 REP. BELL: As a former Girl Scout and Cub Scout leader, strongly supports the bill.

083 REP. NOVICK: Makes explanatory statement regarding his vote on HJM10 (EXHIBIT E).

102 REP. ROBERTS: I firmly believe if the framers of the Constitution had understood what was going to happen in the twentieth century, they would have put this protection in the Constitution of the United States. I support this Memorial whole heartedly. 118 VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Oakley, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE. Rep. Novick voting NAY.

127 CHAIR MARKHAM: Recesses the meeting at 9: 10 a.m.

-Resumes meeting at 9:27 a.m.

HJM11 - MEMORIALIZES CONGRESS TO REPEAL NEW COAST GUARD USER FEE ON RECREATIONAL BOATERS - PUBLIC HEARING Witnesses: Dave McTeague, State Representative, District 25 Larry Sowa, State Representative, District 26 Paul Donheffner, Director, State Marine Board Chip Ross-Gardes, Oregon Federation of Boaters Ginny Van Loo, Northwest Steelheaders

130 DAVE MC TEAGUE, STATE REPRESENTATIVE, DISTRICT 25: HJM11 was introduced at the request of the Oregon Federation of Boaters, Inc. This is a Memorial that is well worth doing. -Asks Congress to repeal the user fee on recreational boaters. -There is legislation in Congress now to repeal, so the Memorial is timely. -The fee has nothing to do with boats, access projects or Coast Guard enforcement, it is just to raise funds to apply to the federal deficit. 179 REP. ROBERTS: Boaters will pay if they are getting something back for their fees. What amount of money did the Federal government hope to raise from this? 187 REP. MC TEAGUE: This is going to raise maybe a \$100 million nationwide. Anyone

who uses a navigable river will have to pay the fee. It will be an enforcement nightmare for the Coast

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Guard.

199 LARRY SOWA, STATE REPRESENTATIVE, DISTRICT 26: When fees are raised, they should go to our regulatory agencies here in Oregon or to some agency that will benefit the payers of the tax. -Asks passage of HJM11 to encourage congress to repeal the tax. -This tax has no relationship to boaters or the policing of them.

216 PAUL DONHEFFNER, DIRECTOR, STATE MARINE BOARD: Submits and summarizes written testimony (EXHIBIT F) in support of HJM11 and repeal of the Coast Guard "user fees". . 268 REP. ROBERTS: When they say fee, to me that means you are paying for something that is related to whatever is being taxed. Just because someone owns a boat, they should not be singled out.

277 REP. FORD: Do you know who is responsible for attaching this to the omnibus budget bill?

281 DONHEFFNER: The amendments to the bill were crafted by a group led by Rep. Pinetta of California. These fees were a small portion of the Deficit Reduction Act.

298 REP. NOVICK: This is not the only area where Congress did this, another example is the increase in the gasoline tax.

307 REP. ROBERTS: Was there any other recreation that fees were raised on?

312 DONHEFFNER: No, recreational boating was the only form of outdoor recreation singled out.

335 CHIP ROSS-GARDES, OREGON FEDERATION OF BOATERS: Urges passage of the Memorial because this user fee is nothing more than a tax levied on a group of people that are perceived in congress as being "fat cats". Most boats registered with the State Marine Board are pretty small. None of the fee will go to the Coast Guard in the enforcement of the tax. The Coast Guard will be diverted from other activities to enforce the tax. The user fees coupled with the new luxury tax is going to cost the boating industry about 8,000 jobs across the country. The Oregon Federation of Boaters would appreciate your timely support and action with a "do pass" on this Memorial.

372 GINNY VAN LOO, PAST PRESIDENT, NORTHWEST STEELHEADERS: Submits and summarizes written testimony (EXHIBIT G) in support of HJM11.

HJM11 - MEMORIALIZES CONGRESS TO REPEAL NEW COAST GUARD USER FEE ON RECREATIONAL BOATERS - WORK SESSION

404 MOTION: REP. SOWA moved HJM11 to the floor with a "do pass" recommendation.

VOTE: In a roll call vote, the motion carried, with Rep. Bell, Rep. Ford, Rep. Novick, Rep. Roberts, Rep. Sowa, and Chair Markham voting AYE. Rep. Oakley was excused.

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TAPE 60, SIDE B

SB 277 - AUTHORIZES COUNTY CLERK TO PREPARE COUNTY VOTERS' PAMPHLET FOR ANY ELECTION - PUBLIC HEARING Witnesses: Charles Stern, Oregon Association of County Clerks Sue Proffitt, Elections Division

016 CHARLES STERN, OREGON ASSOCIATION OF COUNTY CLERKS: -This bill establishes that county voters' pamphlets are no longer an experiment, but an accepted procedure and therefore repeals the sunset clause. -Describes survey on influences on the voters, which showed voters' pamphlet was second highest only after hearsay. -We found it very successful in reaching every home with voting information. 064 REP. ROBERTS: Who sets the rates for those who wish to be included in the voters' pamphlet? 067 STEIN: Under current law, for the March election they are set by administrative rule, all other elections by county ordinance. This bill would bring all elections under the umbrella of the state law and administrative rules. 071 REP. ROBERTS: You do not set the rates in your own county?

074 STERN: For all elections other than March. All other elections were not subject to last session's actions and were governed by county ordinances. This bill makes all elections subject to the same statewide rules.

081 REP. ROBERTS: On line 7 of the bill it says "may" and on line 12 it changes the "may" to "shall". Could you explain those?

085 STERN: The first one you make reference to is the non-mandated voters' pamphlet. In most counties they have done this through an ordinance. This bill provides the voters' pamphlet is one of the regular costs of elections. It is somewhat expense neutral.

104 CHAIR MARKHAM: What if the district cannot afford the pamphlet?

108 STERN: The county can decide not to put out a pamphlet. If they decide to put out a pamphlet, it becomes part of election costs to be borne by whoever is on the ballot.

116 REP. NOVICK: What reason would there be for a county to put out a voters' pamphlet for a primary or general election when it is already covered by the state voters' pamphlet?

121 STERN: Local municipalities cannot place issues in the state pamphlet.

126 REP. NOVICK: Are we discriminating against small cities?

131 STERN: It is true there are some cities and districts who can get in and others not. Those decisions are made by the legislature.

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136 REP. FORD: Will some candidates be in both the state pamphlet and the county pamphlet?

142 STERN: Under present law, it is all different. Some counties have ruled if you are in the state pamphlet, you may not be in the county pamphlet. In Yamhill County, none of the cities or districts can get in the state pamphlet because they are not large enough.

151 REP. BELL: Do areas such as Portland that can get their material in the state pamphlet, pay the entire cost or is it partially subsidized by the state?

157 STERN: The representative of the Secretary of State can answer better than I. It is my understanding that no one who puts material in the voters' pamphlet pays the entire cost.

162 VICE CHAIR SOWA: Do you have long-range plans for the voters' pamphlet that would eliminate duplications?

172 STERN: I am not aware of any discussions by any county with the Secretary of State towards crafting that type of legislation and long-range plan. The size of the State Pamphlet is a concern.

190 SUE PROFFITT, ELECTIONS DIVISION: The current cost per page of the statewide voters' pamphlet, including the outside front cover, the inside front cover, the index page, and every other page, runs between \$250 and \$300. People who file arguments and candidates are paying only for the cost of their page, and the State has to pay the rest.

209 REP. FORD: Are you going to have charge of all the rules for the local pamphlets, will you have a rule that will say what people have to pay to be in the pamphlet, and will you dictate where they have to be printed?

215 PROFFITT: I cannot speak to the cost at this time, that will come from management staff.

218 REP. FORD: But you will be determining the charge the local candidate must pay to get into a county pamphlet?

222 PROFFITT: If that is what goes into the new rule, but at this point I cannot say. I personally do not believe the rules will specify who will print the voters' pamphlet. The problem with the State Voters' Pamphlet is that because of the size and the tight time frame, there are only about two printers in the state willing to bid. Hopefully with the counties doing their own pamphlets, they will find other printers who could do the lower volume.

234 REP. FORD: If you decide to do it, you can determine how much any of the local candidates would have to pay? -What if there was a lot of fluctuation from county to county in what these were going to cost, would there be any flexibility for these costs?

248 PROFFITT: I cannot answer that, it depends on what is available to

those counties.

249 REP. FORD: What are you doing for the March election, what are those rules?

252 STERN: The Secretary of State has adopted a graduated scale for the March election through

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a hearing process.

264 REP. FORD: Would either of you have any idea whether the rule adopted for the March election might be continued?

268 PROFFITT: I cannot answer that. I would think the rule would be reviewed to see how effective it is and if there are any areas that need to be revised.

275 REP. ROBERTS: Does this legislation spell out the Secretary of State will make the rules?

280 STERN: That was in Chapter 1031, Section 17, Oregon Laws, which deals with one area of the sunset clause. In the deleted section of the bill, there is a section dealing with the challenge process.

307 CHAIR MARKHAM: Is the proposal under this bill that the Secretary of State will produce a uniform format so wherever you are living in the state, the voters' pamphlet will have the same appearance? 315 STERN: The intent was that the rules would be the same in every county. The actual size is determined by the amount of material submitted.

330 REP. BELL: How much is the State of Oregon subsidizing the metropolitan counties by including their material in the statewide voters' pamphlet? 338 PROFFITT: I cannot answer that. 350 CHAIR MARKHAM: Closes the hearing.

HJM10 - MEMORIALIZES CONGRESS TO ADOPT CONSTITUTIONAL AMENDMENT PROHIBITING PHYSICAL DESECRATION OF THE UNITED STATES FLAG - WORK SESSION

374 REP. OAKLEY: Requests unanimous consent that the rules be suspended to allow her to be recorded as voting AYE on the motion to send HMJ 10 to the floor with a "do pass" recommendation.

376 CHAIR MARKHAM: Hearing no objection, it is so ordered.

HJM11 - MEMORIALIZES CONGRESS TO REPEAL NEW COAST GUARD USER FEE ON RECREATIONAL BOATERS - WORK SESSION

382 REP. OAKLEY: Requests unanimous consent that the rules be suspended to allow her to be recorded as voting AYE on the motion to send HJM11 with a "do pass" recommendation.

384 CHAIR MARKHAM: Hearing no objection, it is so ordered.

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HB 2017 - CONTINUES DEPARTMENT OF JUSTICE REGULATION OF BINGO, LOTTO AND RAFFLE GAMES BEYOND JUNE 30. 1991 - PUBLIC HEARING Witnesses: Ross Laybourn, Assistant Attorney General Jack Elder, Oregon Sports Action

392 ROSS LAYBOURN, ASSISTANT ATTORNEY GENERAL: Submits and summarizes written testimony (EXHIBIT H) in support of HB 2017. Submits proposed amendments to HB 2017 (EXHIBIT I).

TAPE 61, SIDE B

064 CHAIR MARKHAM: What is the escalator geared to, the cost of living index?

067 LAYBOURN: Yes, if this measure is passed we would have to work out the rules then, but I believe it would be tied to the cost of living.

073 CHAIR MARKHAM: How does your department get your fees for policing these activities?

074 LAYBOURN: We have a fee schedule which the Attorney General sets by administrative rule.

086 CHAIR MARKHAM: How large a crew do you have supervising these activities?

088 LAYBOURN: Our current staff includes one attorney position, a supervising investigator, an auditor, an investigator and two inspectors.

125 REP. ROBERTS: Can you use the RICO laws on these charitable frauds?

132 LAYBOURN: We have used RICO prior to 1987 against two or three of what we perceived to be phony religious organizations. It has not been used against any bona fide charitable organization. 137 REP. ROBERTS: I think if you do not have this, we are going right back to where we were prior to 1987 when fraudulent activities were not uncommon.

147 JACK ELDER, OREGON SPORTS ACTION: Submits and summarizes written testimony (EXHIBIT J) expressing support for the bill and the proposed amendment from the Department of Justice. Asks to be allowed to give employees a pay raise. Submits and reviews a proposed amendments to HB 2017 (EXHIBIT K). 239 CHAIR MARKHAM: Are you in agreement with Mr. Laybourn? 243 ELDER: Absolutely. However, we just found out about this on Thursday. 253 CHAIR MARKHAM: Asks interest parties to get together to prepare amendments on the bill. - House Committee on State and Federal Affairs March 11, 1991 - Page 9



Submitted by:      Reviewed by: Carolyn Cobb              Randall Jones  
Assistant            Administrator

. EXHIBIT LOG:

A - Testimony on HJM10 - Wesley C. Homes - 3 pages B - Testimony on HJM10 - Hal Woods - 2 pages C - Testimony on HJM10 - Harry Stephens - 2 pages D - Testimony on HJM10 - Lee Sawyer - 2 pages E - Statement on HJM10 - Rep. Novick - 2 pages F - Testimony on HJM11 - Paul Donheffner - 1 page G - Testimony on HJM11 - Ginny Van Loo - 1 page H - Testimony on HB 2017 - Ross Laybourn - 2 pages I - Amendments to HB 2017 - Ross Laybourn - 2 pages J - Testimony on HB 2017 - Jack Elder - 3 pages K - Amendments to HB 2017 - Jack Elder - 3 pages

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