

interim. 090 SUE PROFFITT, ELECTIONS DIVISION: Currently the law requires that the proponents must furnish two people to serve on the committee to write the explanatory statement. The Secretary of State must select from whatever source, opponents to serve on the committee. The four people select a fifth person to serve. -Finding opponents to serve on the committee was more of a problem, sometimes because there are too many to select from. -Legislative Counsel must by law draft an explanatory statement to be used in case the appointed committee does come up with a statement. 109 REP. NOVICK: If there are multiple committees in opposition, how do we choose? 115 MC PHAIL: We have provided in the bill each opponent committee, who would have to be filed exclusively to do that to qualify, would nominate two people and the Secretary of State, These minutes contain materials which paraphrase and/or summarize data made during this session. Only text enclosed in quotation marks upon a speaker's exact words. For complete contents of the proceedings, please refer to the tapes. House Committee on State and Federal Affairs May 20, 1991 - Page 3

would choose from among them.

118 CHAIR MARKHAM: If there were three committees against a measure, they would have to provide six names, and the Secretary of State would have to pick the two to serve.

SB 893 - REQUIRES POLITICAL COMMITTEES ORGANIZED EXCLUSIVELY TO OPPOSE STATE MEASURE TO NOMINATE TWO MEMBERS TO EXPLANATORY STATEMENT COMMITTEE - WORK SESSION

125 MOTION: REP. FORD moved SB 893 to the floor with a "do pass" recommendation.

128 VICE CHAIR SOWA: If there is only one opponent committee, does this allow them to appoint the two best lawyers in town?

133 MC PHAIL: Yes, it would. It does not specify who, only that they represent the filed opponent.

140 VICE CHAIR SOWA: Are you sufficiently confident that the state law requires Legislative Counsel to draft an explanatory statement to use if the appointed committee cannot arrive at a consensus?

145 PROFFITT: The explanatory statements from Legislative Counsel are often used as a basis by the explanatory committee drafting their statement.

148 VICE CHAIR SOWA: Who's statement gets in the voters' pamphlet if members of the explanatory committee cannot agree?

155 PROFFITT: Explains the process of putting together an explanatory committee and how the committee functions.

168 REP. NOVICK: In most cases all the members do agree, but if they do not, it only takes three of the five committee members to agree on a usable statement.

177 VICE CHAIR SOWA: I was on one of these committees, and I felt my views were not expressed in the final statement.

187 MC PHAIL: Theoretically, this would not change the dynamics of the group. It would just allow those who are in opposition the opportunity

to appoint people they feel would be good spokesmen for their views.

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

SB 531- MODIFIES METHOD OF POOLING MONEYS IN OFF-RACE COURSE MUTUEL WAGERING - PUBLIC HEARING

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Witnesses: Steve Barham, Executive Director, Oregon Racing Commission
Mike Dewey, Multnomah Kennel Club
Dave Nelson, Racing Division, Oregon Quarterhorse Association
222 MIKE DEWEY, MULTNOMAH KENNEL CLUB:
Describes the present system of pooling moneys in off-race course mutuel wagering. -This bill allows the same kind of common pooling technique.
-Describes the system of pooling provided under the bill. -There is more stability and predictability if you have larger pools.
323 REP. FORD: If you are in a larger pool, does that mean you get a larger payoff?
324 DEWEY: Not necessarily.
325 REP. FORD: What is the advantage of a larger pool then?
339 DEWEY: They could base their payoff on the pool at Multnomah Kennel Club if they chose. We cannot dictate how they do that because they are independent of us in terms of how they want to make the payoff.
347 REP. FORD: But the money never comes into you?
350 DEWEY: The money never comes into us, but it increases the whole pool, which is good.
355 REP. FORD: I do not understand how it raises the whole pool.
359 DEWEY: It is basically electronic. The computers talk to each other. -Explains how the computer link-up operates.
370 REP. FORD: It just changes the odds then.
373 DEWEY: It changes the odds. They can payoff however they wish in Las Vegas and we will payoff on the basis of whatever is wagered at Multnomah Kennel Club plus the other participating sites.
401 REP. OAKLEY: Who stands to benefit from this?
405 DEWEY: Multnomah Kennel Club (MKC) benefits because if we are to simulcast our signal out of state, we can show that we have this amount of dollars wagered on our races. The more dollars wagered, the better opportunity we have to be able to simulcast our signal in other parts of the country or internationally. We are negotiating with Mexico for instance, to beam our signal to some of their tracks. The wagerer benefits because they like to see a larger pool.
TAPE 14S, SIDE A 011
CHAIR MARKHAM: A larger pool does not mean more people are betting, it just means you are co-mingling.

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019 REP. OAKLEY: Will this have any impact on the payoff?

021 DEWEY: It will have an impact on the payoff because the dollars in down here are part of the pool. It will not have a significant impact because the dollars down here are so few compared to the total.

025 REP. OAKLEY: So the public may gain in some instances, and MKC may gain in others?

026 DEWEY: We will not gain financially. We do not care who wins. For every dollar that is wagered, automatically approximately seventeen cents is taken away, the state gets six or seven cents of that and we get the ten cents. The eighty three cents is divided by the winners.

034 REP. OAKLEY: Would the distribution be a little different because of going

036 DEWEY: The distribution could be different because the people who are wagering outside of Oregon may be inclined to do something entirely different than what the average person is doing up here.

047 DAVE NELSON, RACING DIVISION, OREGON QUARTERHORSE ASSOCIATION: We support the bill because it is basically an arithmetic bill. -The way I look at this bill is that it allows the addition of host track mutuel wagering pool with the Oregon pool if you are betting on an out-of-state race. -Explains how the bill would affect Portland Meadows wagering pool. -It is simply an arithmetic bill on how the odds are calculated.

098 DEWEY: It is all permissive, you do not have to do it that way.

101 VICE CHAIR SOWA: Tell me what this is going to do to the purses?

105 NELSON: I do not think the bill will have any direct effect on the purses. It will probably make the fan happier and perhaps they will wager a little more on some of those races, and that through just volume will increase some of those purses, but that would be the extent of it.

109 DEWEY: At MKC there is literally no effect. It could be positive over the long term in that if you make more money, you have more money for purses.

113 STEVE BARHAM, EXECUTIVE DIRECTOR, OREGON RACING COMMISSION: Interstate common pool wagering is an upcoming trend. Pari-mutuel rules are the most important thing our national association has to deal with because of this common pool wagering. There are a lot of technicalities involved. The positive things for the fans we agree with. The Racing Commission supports the bill. We will be establishing rules which are national uniform rules to accomplish this. -Describes the two types of wagering in the country, pari-mutuel and casino. 176 REP. FORD: Is it casino wagering the way the bookmakers do it? 177 BARHAM: Generally, yes.

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180 CHAIR MARKHAM: This bill has nothing to do with casino gambling.

182 BARHAM: What this bill does, as far as MKC is concerned, is allow Nevada to go into a parimutuel pool which safeguards the casino, makes their players happy, which is the benefit Nevada sees in it. The benefit in Oregon, and to the horses, is that we can put our money wagered here into a larger pool, so you do not get the wild fluctuations, people can wager the amount they want, and it makes no difference to the track.

197 REP. OAKLEY: Is what you are saying, it may affect the odds, but not the total dollar amount wagered?

204 BARHAM: It depends upon the handicapping abilities at the various sites. -It allows people to wager the amount they want without unduly affecting the odds.

237 VICE CHAIR SOWA: I do not really approve of gambling, but I do support it when it applies direct benefits to Oregon breeders of race horses and Oregon breeders of dogs. How is this going to help them?

246 DEWEY: Since we have pari-mutuel wagering, this will help us to grow, employ more people, and pay more in purses if we make some money. At the same time, for those who come out to the track, it does provide them more predictability and stability because of the larger pool.

277 NELSON: I think the greatest benefit of this bill is the stability it gives to the calculation of the odds. That allows the fan base to grow. It may help to turn things around in the horse racing industry, and create more opportunity for horsemen.

292 REP. NOVICK: The horse breeders have indicated their support for the bill.

SB 531- MODIFIES METHOD OF POOLING MONEYS IN OFF-RACE COURSE MUTUEL WAGERING - WORK SESSION

303 MOTION: REP. NOVICK moved SB 531 to the floor with a "do pass" recommendation.

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

SB 31 - EXPANDS CATEGORY OF ENTITIES TO WHICH DEPARTMENT OF GENERAL SERVICES MAY TRANSFER CERTAIN PROPERTY - PUBLIC HEARING Witnesses: Cameron Birnie, Administrator, Transportation and Distribution Division, Oregon Department of General Services

342 CAMERON BIRNIE, ADMINISTRATOR, TRANSPORTATION AND DISTRIBUTION DIVISION, OREGON DEPARTMENT OF GENERAL SERVICES: Submits and summarizes written testimony (EXHIBIT B) in support of SB 31.

These nunutes contain materiab which paraphreae and/or summanze ~tementr made during thia ccuion. Only text enclosed in quotation rnarb report a speaker's exact words. For complete contents of the proceedinge, please refer to the tapes. House Committee on State and Federal Afifairs inlay 20, 1991- Page 7

414 REP. FORD: If we are broadening the pool and there are more organizations that are qualified to purchase, does that mean there will be more competition and there will be a higher price?

419 BIRNIE: The consequence would be there would be less properties going to the public at public auctions. We set the price for the other public agencies and the non-profits. So competition does not bid it up.

427 CHAIR MARKHAM: How do you set the price of a used lawn mower?

429 BIRNIE: We get out a blue book if we can find a blue book. We set a price based on past sales at surplus auctions, what appears to be fair and what the market will bear.

430 REP. FORD: If you set a price before anybody but the public gets in, what if five different organizations want the item, how do you decide who gets it?

439 BIRNIE: Usually the first one on the scene is the one that gets it.

TAPE 144, SIDE B

019 CHAIR MARIUIAM: Don't you send out a flyer also?

020 BIRNIE: We do send out flyers frequently. Agencies make regular and frequent visits to our surplus property operations to pick and choose. They have even been more active in going out into the field to the federal bases that we screen property from.

026 CHAIR MARKHAM: I assume people write you letters also, asking to be not)ified if certain items become available?

028 BIRNIE: Those are the stories that have the best success. People give us their need and want lists and then we can go shopping, rather than just going out and loading up a truck with what we think the non-profits may buy.

033 RANDALL JONE S, COMMITTEE ADMINISTRATOR: The Department of Transportation recently upgraded their PC computers, do they send those to you or do they auction them off themselves?

035 BIRNIE: How any state agency gets rid of its surplus property is basically under General Service's governance. They can have distribution within their own agency without going through our jurisdiction. But if they wish to sell to other agencies they bring it through us and we process it.

042 CHAIR MARKHAM: When the Department of Transportation sells real property they have to go to public auction, do they not?

044 BIRNIE: This covers only personal property. Real property is covered by another section of General Services, the Facilities Division. -Resumes written testimony at page 2.

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085 CHAIR MARKHAM: What does that section do? Does it give you rule making authority that you do not have today?

088 BIRNIE: That is correct.

093 VICE CHAIR SOWA: The Department of General Services has rule making authority, do you use the Administrative Procedures Act?

096 BIRNIE: In the case of motor vehicles, we deal exclusively with other state agencies, so we are told we do not need administrative rules under the Administrative Procedures Act. 102 VICE CHAIR SOWA: You do not have a commission over your department and that is the reason you do not use the Administrative Procedures Act? 104 BIRNIE: ORS 283 gives General Services generally rule making authority over conduct, operation

and use of all passenger motor vehicles. We can and do put together what I will loosely call rules relating to the proper use of vehicles. We do not really call them rules because we are not required, as long as the rule relates strictly to state agency customers, to have an administrative rule. This is totally within state government so we only need a policy. 120 CHAIR MARKHAM: Is this policy you are asking for here? 121 BIRNIE: Legislative Counsel advised us to use the word "rule" in the statute.

124 VICE CHAIR SOWA: What is the exact procedure used to develop rules regarding the use of vehicles? Is the public going to participate in that rule making?

128 BIRNIE: In the past we have not exercised all the audiences perhaps the Administrative Procedures Act would have required to be used. We have involved many state agencies and accept input from them as far as what might be good or bad in our existing policies. -Actually HB 2892 has preempted us to an extent and placed many of the rules and policies in the statute. We have not involved the public in the review process.

141 VICE CHAIR SOWA: I have had the feeling from the public that this is the point where they want to get involved. Is that possible?

144 BIRNIE: I think we can make it possible. How we would choose the members of the public is another issue.

147 VICE CHAIR SOWA: Would that include public hearings?

148 BIRNIE: Public hearings would not be required, but we could have them.

151 CHAIR MARKHAM: Who do these rules affect under your jurisdiction, not the universities or their fleets?

152 BIRNIE: It does affect the university system and their fleets. It affects all those who have state owned passenger motor vehicles.

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157 VICE CHAIR SOWA: Even the state agencies that do not have you manage their vehicles for them, will come under this rule.

159 BIRNIE: That is correct. If a state agency wishes to have an unmarked vehicle plate, if they do not have specific statutory authority to have an unmarked vehicle, they must come to General Services and seek that permission, even for cars that General Services does not own.

177 VICE CHAIR SOWA: Then how is the house bill, which was sent back to committee because we thought it was too broad, going to affect your agency if this bill is passed?

182 BIRNIE: Reviews the provisions of Section 7, of HB 2892 A-engrossed.

204 CHAIR MARKHAM: Can you tighten up the rules on the university?

205 BIRNIE: We can tighten up the rules, actually HB 2892 does a lot of tightening right now.

SB 31 - EXPANDS CATEGORY OF ENTITIES TO WHICH DEPARTMENT OF GENERAL SERVICES MAY TRANSFER CERTAIN PROPERTY - WORK SESSION

225 MOTION: REP. NOVICK moved A-engrossed SB 31 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Sowa, and Chair Markham voting AYE. Rep. Bell and Rep. Roberts were excused.

SB 949 - ALLOWS DEPOSIT OF INMATE AND PATIENT TRUST FUNDS FROM ALL INSTITUTIONS OPERATED BY SINGLE AGENCY INTO SINGLE ACCOUNT - PUBLIC HEARING Witnesses: David L. Caulley, Administrator, Fiscal Services, Oregon Department of Corrections 258 DAVID L. CAULLEY, ADMINISTRATOR, FISCAL SERVICES, OREGON DEPARTMENT OF CORRECTIONS: Submits and summarizes written testimony (EXHIBIT C) in support of SB 949 because it will allow the Department of Corrections to centrally manage inmate funds as a single Department. 303 REP. OAKLEY: Basically this bill does what you are already doing? 310 CAULLEY: That is correct, as of January 1, 1991 when we installed our new software program. 313 CHAIR MARKHAM: How much is an average account over there for an inmate? 315 CAULLEY: We do have what are called "dress out" funds. The object of the inmate account or trust fund is so as they work or their family sends them money, they will save enough funds to buy their own clothes when they are paroled.

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327 CHAIR MARKHAM: What is the average account?

331 CAULLEY.: It depends on whether they are willing to work or their family sends them money. The average account is probably no more than \$30. 343 REP. FORD: Is there a maximum amount an inmate may have in an account? 348 CAULLEY: No, currently there is not. 353 CHAIR MARKHAM: If a single person who is drawing workmen's compensation payments winds up there, does that continue? 354 CAULLEY: We notify all state and federal agencies when an inmate is received who is receiving some form of compensation, and I believe those are all terminated. 357 REP. FORD: Why don't they go into the Corrections budget toward the upkeep of the inmate? 362 CAULLEY: That would be possible, but I believe it would require changes in various state and federal laws. 368 VICE CHAIR SOWA: Did you say something earlier about another account that was set up because they were operating some vending machines. How is that money distributed among the inmates? 374 CAULLEY: The department also had a bill (HB 2202) which was requested to define the sources of funds that will go into what is called the Inmate Welfare Fund. The last action on that bill that I am aware of was in Ways and Means. 414 REP. FORD: Are the inmates still going to be allowed to be authorized to have all new softball equipment each year or is that going to go into the pool now? 421 CAULLEY: The department is looking very closely at the provision of softball uniforms and tennis shoes. One of the things that has happened is the department is now centrally managing the Inmate Welfare Fund with a view to insuring that sort of thing does not happen.

TAPE 145, SIDE B

SB 949 - ALLOWS DEPOSIT OF INMATE AND PATIENT TRUST FUNDS FROM ALL INSTITUTIONS OPERATED BY SINGLE AGENCY INTO SINGLE ACCOUNT - WORK SESSION

015 MOTION: REP. OAKLEY moved SB 949 to the floor with a "do pass" recommendation. VOTE: In a roll call vote, the motion carried, with Rep. Ford, Rep. Novick, Rep. Oakley, Rep. Sowa, and Chair Markham voting AYE. Rep. Bell and Rep. Roberts were excused.

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

EXHIBIT LOG:

A - Testimony on SB 893 - Denise McPhail - 3 pages B - Testimony on SB 31 - Cameron Birnie - 2 pages C - Testimony on SB 949 - David L. Caulley - 2 pages

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