

June 29, 1991Hearing Room C 11:00 p.m.Tapes 1-2

SENATE MEMBERS PRESENT:Sen. Jane Cease, Chair Sen. Jim Hill Sen. Jeannette Hamby

HOUSE MEMBERS PRESENT:Rep. Larry Campbell Rep. Peter Courtney Rep. Gregg Walden

STAFF PRESENT:Joe Cortright, Committee Administrator Holly Brown, Committee Assistant

WITNESSES:Gordon Fultz, Association of Oregon Counties

TAPE 1, SIDE A

001 SENATOR JANE CEASE, Chair: Convenes the meeting at 11:03 p.m.

006 JOE CORTRIGHT, Committee Administrator: Reviews the SB 562-B17 amendments attached to the Ways and Means Committee report dated June 29, 1991 (EXHIBIT A). > Amendments reflect differences between the Senate and House passed versions. > Essential difference between Senate and House versions has to do with the distribution of proceeds from video lottery to the counties and for other purposes. > This bill provides that only 2.5 percent of the money would go to counties and that would be in place of the allocation in SB 3151. > Both the Senate and House have agreed to an additional 2.5 percent allocation for economic development and mental health which makes it a total of 5 percent to the counties.

CHAIR CEASE: This bill went through T&E, Judiciary and Ways and Means. What are the boundaries of the dispute?

040 REP. LARRY CAMPBELL: As a conference committee, can the conferees deal with any section of SB 562 for the purpose of this conference committee's actions?

044 KATHLEEN BEAUFIT, Legislative Counsel: Conference committees must deal with the issues that are a conflict or difference of opinion between the two houses. On many occasions, in an effort to resolve the issue that was specifically in dispute, adjustments were required some place else in the bill in order to make the language consistent. The issue before the conference committee is the area in the legislation that constitutes the difference of opinion between the two houses.

REP. CAMPBELL: The difference of opinion seems to be in dollars and distribution. I am interested in the legal application.

BEAUFIT: The legal standards are not the issue. It is the parliamentary rules of the two houses. Once it is voted on by the membership, it is as legal as any other bill.

086 SEN. JIM HILL: As I understand it, the conference committee has authority to propose amendments only within the scope of the issue of difference between the houses. I think there are some limitations. The Senate does not disagree with the House on the money issues.

098 SEN. JEANNETTE HAMBY: I want to underscore that the discussion on the Senate floor was specifically focused on the SB 562-17 amendments.

REP. CAMPBELL: If video poker doesn't proceed, then light rail will have to be funded from lottery funds.

SEN. HAMBY: There was no debate on the money. According to Senate Rule 11.10, we cannot discuss any issue other than what we focused on in the debate this evening.

SEN. HILL: We put the lottery package together with the contingency that video poker may not be a reality. The light rail project is covered by part of the lottery that does not involve video poker and it is not at jeopardy if video poker does not pass.

137 SEN. HAMBY: The Senate has the -C18 amendment for consideration (EXHIBIT B).

CORTRIGHT: The allocation of video lottery proceeds in SB 562 is in three steps: backfill any shortfall in regular lottery revenues up to \$103 million; pay for prison certificates of participation in the amount of \$6.5 million; any moneys beyond those would go into the Capitol Construction Trust Fund which would be dedicated to retiring the remaining balance of the prison certificates of participation and making any future payments to the west side light rail project.

184 REP. PETER COURTNEY: There is no other video poker money dedicated to other specific projects?

CORTRIGHT: On page 10 of the Ways and Means Committee budget report and measure summary, there is a review of the programs that are subject to video poker backouts.

216 SEN. HAMBY: Section 80(2) builds a separate accounting procedure for revenues received from video poker.

REP. CAMPBELL: The discussion tonight should go far beyond that one aspect.

SEN. HILL: We had to anticipate that video poker might not pass. Money was not mentioned in our debate. This issue is about gambling and whether we want video poker as a source of those revenues. Those decisions have been made by the Joint Trade and Economic Development Committee.

256 REP. COURTNEY: One concern is that this bill got intertwined with video poker and my caucus doesn't think that should have happened.

SEN. HILL: You voted today for this bill. Your body has approved SB 562 and how the money is allocated.

REP. CAMPBELL: We fully expected video poker to fund light rail. With the

amendments you are proposing, light rail would be funded over the next 10 years out of the regular lottery.

308 SEN. HILL: I am curious about this issue of light rail. Everything is not depending on video poker. We made sure the first payment on light rail was not tied to video poker because we couldn't count on it.

329 REP. GREG WALDEN: I would disagree because there was a feeling that we would be comfortable funding light rail with the video poker. There is a concern that if this funding is going to go away, we will want to look at the bill again.

SEN. HAMBY: I want to remind you that we need to concentrate on the issue of difference between the House and the Senate. The dollars were not an issue debated on the floor of the Senate because the joint committees had assured us there was a backout plan. It was the -17 amendment that we disagreed with.

376 REP. CAMPBELL: The language you are talking about does adversely affect items that were included under the normal lottery bill. We have a lot of rural legislators supporting light rail with the full expectation that it would be paid for out of video lottery funds.

SEN. HILL: We all have expectations that are not met during a session. The T&E Committee planned on the fact that video poker might not pass. If we are going to undo the work done by the joint committees, we are going to be wasting our time. If the House has the votes to kill this, then we will talk.

432 SEN. CEASE: We are talking about a bill that has had four different votes.

TAPE 2, SIDE A

020 CHAIR CEASE: The -B17 amendments added what is now in sections 95 and in the C- engrossed version (EXHIBIT C).

REP. COURTNEY: If we strip out what the House did and add -C18, it would add more than what the Senate had in the B-engrossed version.

SEN. HILL: These amendments would eliminate video poker.

062 The meeting is recesses at 11:37 p.m. and reconvenes at 11:45 p.m.

SEN. HAMBY: The Senate is requesting that the House look at the -C17 amendment tomorrow morning. We will move it to the top of the Senate's agenda. Should the amendment pass, we are in concurrence. Should the amendment fails, we are prepared to come back within five minutes of a fail vote and consider another approach.

085 MOTION: SEN. HAMBY moves to adopt the SB 562-C18 amendments without line 4.

VOTE: In a roll call vote, the motion fails with Reps. Campbell and Walden voting NO.

107 MOTION: REP. COURTNEY moves to pass SB 562-B.

CORTRIGHT: Describes effect of the B-Engrossed version of SB 562 and HB 315 1. Counties would get a total of 8.5 percent of video lottery revenue.

146 GORDON FULTZ, Association of Oregon counties: We have been working on a 5 percent amount - 2.5 percent for economic development and 2.5 percent for mental health.

REP. CAMPBELL: This means going back to what the Senate originally passed.

VOTE: In a roll call vote, the motion fails with Senators Hamby and Hill and Rep. Campbell voting NO.

192 SEN. HAMBY: Suggests considering the -C18 version with a conceptual referral to the people for a popular vote. There would be no generation of revenue from any lottery games until the issue is adopted by a popular vote whether through initiative or referral.

REP. CAMPBELL: Have we ever been able to refer senate bills to the people?

BEAUFAIT: Most bills that are referred to the people are tax bills and, therefore, are house bills. No, there is not a problem with a referendum on a senate bill.

253 REP. WALDEN: Would such a referral provision be within the relating clause of this bill?

BEAUFAIT: It could be worded to fit the lottery fund relating to clause that it has now.

REP. WALDEN: If the issue of video poker were being referred to the people, the correct vehicle would have been HB 3151 which has passed both chambers.

BEAUFAIT: When the Legislature refers a bill, it has to refer the entire bill.

296 REP. WALDEN: Did any of the substantive committees deal with this issue? It is my understanding they didn't in the House. How can this be the subject of a conference committee?

SEN. HAMBY: Section 96 in the -B17 amendment speaks specifically to video lottery.

329 MOTION: REP. CAMPBELL moves to remove Section 96 from SB 562-C.

SEN. HAMBY: Section 96 speaks to the need for treatment of gambling addiction. Video lottery is the focus. The need for treatment is only because of video lottery.

385 REP. COURTNEY: The language in sections 96 and 97 are interrelated and we may not be able to remove one.

MOTION WITHDRAWN: REP. CAMPBELL withdraws his motion.

MOTION: CHAIR CEASE moves conceptually that the Lottery Commission will not generate any revenue from any video lottery game until a referral to the people either by the Legislature or the people themselves.

428 The meeting recesses at 12:06 a.m. and reconvenes at 12:14 a.m.

TAPE 1, SIDE B

013 REP. WALDEN: I don't see where that was an issue that was debated by the House. If we are going to accept that motion, then the whole bill ought to be open to discussion.

REP. CAMPBELL: I take it the motion does not make any arrangement to send anything to the people for a vote.

038 VOTE: In a roll call vote, the motion fails with Reps. Campbell and Walden, and Sen. Hill voting NO.

MOTION: REP. CAMPBELL moves to reconsider the vote by which the motion to pass SB 562-B failed. > There was no objection.

VOTE: In a roll call vote, the motion fails with Senators Hamby and Hill voting NO.

067 CHAIR CEASE: We are at an impasse and I will suggest new conferees be appointed. > Adjourns meeting at 12:20 a.m.

Reviewed and submitted by:

Carolynn Gillson Assistant

EXHIBIT LOG: A - Testimony on SB 562-B - staff - 13 pages
B - SB 562-C18 amendment - Sen. Hamby - 1 page C - SB 562-C
- Sen. Hamby - 14 pages