

Joint T&E Committee  
July 13-14, 1990  
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SENATE LEGISLATIVE COMMITTEE  
ON TRADE AND ECONOMIC DEVELOPMENT

February 20, 1991Hearing Room 343  
3:00 P.M.State Capitol  
Salem, OR

Tapes 27 - 28  
FIRST SOURCE AGREEMENT  
LOTTERY

MEMBERS PRESENT:           SEN. WAYNE FAWBUSH, CHAIR  
                                  SEN. SCOTT DUFF  
                                  SEN. JEANNETTE HAMBY  
                                  SEN. JIM HILL  
                                  SEN. PEG JOLIN  
                                  SEN. EUGENE TIMMS

MEMBERS EXCUSED:

STAFF PRESENT:            JOSEPH CORTRIGHT, EXECUTIVE OFFICER  
                                  TAMIRA MILLER, POLICY ANALYST  
                                  JERI CHASE, OFFICE MANAGER

HOLLY BROWN, COMMITTEE ASSISTANT

WITNESSES:JIM DAVEY, DIRECTOR OF THE LOTTERY  
                                  GROVER SIMMONS, INDEPENDENT EMPLOYERS ASS.

NOTE: These minutes contain materials which paraphrases and/or summarizes statements made during this meeting. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 27, SIDE A

000 CHAIR FAWBUSH convenes the meeting at 3:15 p.m.

004                    MOTION: The CHAIR moves that the committee reconsider the vote on SB  
167

VOTE: With no objections the vote will be reconsidered on SB 167.

SB 167 (First Source Hiring) - Work Session

008 TAMI MILLER: The first amendment refers to the low income definition. The bill would delete the words low income from the statute as it is written. So a vote from the committee is needed to restore those words to the statute. Also the bill as it is drafted would change

the name of the bill to first source agreement. To leave the word first source hiring in as is amendment SB 167 -4 will do that and leave the word low income in (EXHIBIT A).

043 CHAIR FAWBUSH: I don't see why we should take the word hiring out.

054 MOTION: The CHAIR moves to adopt the -4 amendments to SB 167, dated 2/18/91.

058 SEN. TIMMS: I am concerned when we don't go along with the people who are running the program. I will go along with the 167-4 amendments.

060 VOTE: There being no objection, the -4 amendments to SB 167, dated 2/18/91, are adopted.

062 MOTION: The Chair moves that SB 167 as amended be moved to the floor.

VOTE: By roll call vote (4-0), SB 167, as amended by -4 amendments, is moved to the floor.

Voting AYE: SENATORS DUFF, HAMBY, TIMMS, and FAWBUSH. EXCUSED: SENATORS J. HILL AND JOLIN.

HB 2063 (Location of Lottery Administration Statutes) - Public Hearing and Work Session

082 JOE CORTRIGHT: Presents Staff Measure Summary on HB 2063 (EXHIBIT B).

095 JIM DAVEY: We asked for these changes because we didn't feel like we had any authority to enforce any of these provisions of the law.

099 MOTION: SEN. HAMBY moves HB 2063 to the floor with a Do Pass recommendation.

VOTE: By roll call vote (4-0), HB 2063, moves to the floor with a do pass recommendation.

Voting AYE: SENATORS DUFF, HAMBY, TIMMS and FAWBUSH. EXCUSED: SENATORS J. HILL AND JOLIN.

HB 2064 (Lottery Prize Tabulation Requirements) - Public Hearing and Work Session

100 JOE CORTRIGHT: Presents Staff Measure Summary on HB 2064 (EXHIBIT C).

114 SEN. HAMBY: We can change it?

115 CORTRIGHT: There are two provisions to it. One is the constitutional amendment and the other is enacting statute. This is a portion of the enacting statute.

120 CHAIR FAWBUSH: Do you keep track of the unclaimed tickets?

121 DAVEY: Yes, we could furnish this detail but it is in our opinion a waste if no one is going to print it out. We know every ticket above twenty five dollars that are claimed, those that are bellow we call low tiered tickets and are paid directly by the retailer.

116 MOTION: The CHAIR moves HB 2064 to the floor with a Do Pass recommendation.

VOTE: By roll call vote (4-1), HB 2064, moves to the floor with a Do Pass recommendation.

Voting AYE: SENATORS DUFF, HAMBY, TIMMS and FAWBUSH. Voting NAY: SENATOR

JOLIN. EXCUSED: SENATOR J. HILL.

HB 2065A (Lottery Report Distribution) - Public Hearing and Work Session

132 JOE CORTRIGHT: Presents Staff Measure Summary on HB 2065A (EXHIBIT D).

150 DAVEY: We looked at this as a way to cut down on paper work. What we would do is go out annually and ask people if they wanted to receive these reports and if so we would put them on a mailing list and if not they wouldn't receive it.

166 MOTION: SEN. HAMBY moves HB 2065A to the floor with a Do Pass recommendation.

VOTE: By roll call vote (5-0), HB 2065A, moves to the floor with a Do Pass recommendation.

Voting AYE: SENATORS DUFF, HAMBY, JOLIN TIMMS and FAWBUSH. EXCUSED: SENATOR J. HILL.

HB 2066A (Numbering system) - Public Hearing and Work Session

165 JOE CORTRIGHT: Presents Staff Measure Summary on HB 2066A (EXHIBIT E). This bill would require that if possible lottery tickets be printed in Oregon.

190 DAVEY: On the subject of the unique ticket number. We think that was a provision put in by the people that help sponsor the original legislation to limit their competitors in the printing business. We have other techniques to secure the tickets so it is not necessary to have a unique number on every ticket. As far printing a specific project on each ticket we will go to work on that, my only caution is that some people in one section of the state don't care about a project in another portion of the state. So we need to be careful what projects we highlight.

215 SEN. FAWBUSH: Where are you going to present this information on the ticket?

216 DAVEY: Our assumption is that it will appear on the front of the ticket.

220 SEN. TIMMS: We need to make the projects more visible. Do you have any ideas on how we can advertise what lottery funds are going for in the state of Oregon.

238 DAVEY: We have done many things to try to expose what we have done with the funds. We try to give people, especially the press, some motivation to come down to the openings of lottery funded projects. We are also working with an advertising agency on some ideas.

280 CHAIR FAWBUSH: Have you done any market study to see if people are motivated for altruistic reasons?

282 DAVEY: It probably doesn't come up high on the list most people play for the chance to win some money. We want to encourage those who don't buy tickets to see that their money would be funding great projects.

300 SEN. HAMBY: Would it be possible to identify projects regionally so

that people would be buying  
tickets that showed them a project in their own area?

310 DAVEY: We will try to depict as many as twelve different projects in a series of tickets but we can't guarantee that when you will receive the ticket that depicts the project in your area.

332 SEN. TIMMS: Is your department responsible for the advertising at the fairs?

350 DAVEY: The Economic Development Department would put the sign up but we have participated in many fairs where we set up a booth with pictures of projects from all over the state. to show people what the lottery dollars have done.

381 GROVER SIMMONS: Presents " Public Facilities, Purchasing and Printing," (EXHIBIT F). This moves the lottery printing under the public printing statute. Under the original legislation lottery tickets are not printed in Oregon but in Georgia, New Jersey, and Michigan. We want to create the incentive in the printing industry in Oregon to establish a new printing plant to produce lottery tickets or to upgrade some existing printing plants so that they can print lottery tickets.

TAPE 28, SIDE A

012 SEN. DUFF: Printing lottery tickets cannot currently be accomplished in the state?

013 SIMMONS: Yes.

019 MOTION: SEN. HAMBY moves HB 2066A to the floor with a Do Pass recommendation.

VOTE: By roll call vote (5-0), HB 2066A, moves to the floor with a Do Pass recommendation.

Voting AYE: SENATORS DUFF, HAMBY, JOLIN, TIMMS and FAWBUSH. EXCUSED: SENATOR J. HILL.

HB 2067A ( Lottery Winning Odds) - Public Hearing and Work Session

029 JOE CORTRIGHT: Presents Staff Measure Summary on HB 2067A (EXHIBIT G).

042 DAVEY: We agree with the language in this bill.

047 MOTION: SEN. HAMBY moves HB 2067A to the floor with Do Pass recommendation.

VOTE: By roll call vote (6-0), HB 2067A, moves to the floor with a Do Pass recommendation.

Voting AYE: SENATORS DUFF, HAMBY, HILL, JOLIN, TIMMS and FAWBUSH.

071 CHAIR FAWBUSH: Sen. Duff will lead the floor discussion on HB 2063, 2064, 2065, 2066 and 2067. The chair will lead the floor discussion on SB 167.

077 CHAIR FAWBUSH: Jim Davey are we going to have 95 million dollars to spend from the lottery this year?

073 DAVEY: That is the forecast but lotteries around the country are declining. The instant ticket sales

are up.

113 SEN. JOLIN: I think people prefer to win twenty five or fifty dollars  
than have these 500 dollar prizes.

123 DAVEY: The bulk of our money now goes to those type of prizes.

142 CHAIR FAWBUSH adjourns the meeting at 3:56 pm.

Submitted by,

Jeri Chase  
Office Manager

EXHIBIT SUMMARY

EXHIBIT A - Proposed Amendments to SB 167-4, submitted by Tami Miller, pgs.  
1.

EXHIBIT B - Staff Measure Summary for HB 2063, submitted by Joe Cortright,  
pgs. 1.

EXHIBIT C - Staff Measure Summary for HB 2064, submitted by Joe Cortright,  
pgs. 1.

EXHIBIT D - Staff Measure Summary for HB 2065A, submitted by Joe Cortright,  
pgs. 2.

EXHIBIT E - Staff Measure Summary for HB 2066A, submitted by Joe Cortright,  
pgs. 1.

EXHIBIT F - "Public Facilities, Purchasing and Printing," submitted by  
Grover Simmons, pgs. 1.

EXHIBIT G - Staff Measure Summary for HB 2067A, submitted by Joe Cortright,  
pgs. 2.