

**ORGANIZATIONAL MEETING**

**INFORMATIONAL MEETING**

TAPES 1-2-3, A-B

**HOUSE REVENUE COMMITTEE**

**JANUARY 13, 2005 1:00 PM STATE CAPITOL BUILDING**

Members Present:

- Rep. Tom Butler, Chair
- Rep. Vicki Berger, Vice-Chair
- Rep. Mark Hass, Vice-Chair
- Rep. Brian Boquist
- Rep. Sal Esquivel
- Rep. Larry Galizio
- Rep. Betty Komp
- Rep. Andy Olson
- Rep. Chuck Riley

Staff Present:

- Paul Warner, Legislative Revenue Officer
- Kim Taylor James, Committee Coordinator
- Kristi Bowman, Committee Assistant

**TAPE 1, SIDE A**

**ORGANIZATIONAL**

- 004 Chair Tom Butler Calls meeting to order at 1:03 P.M.
- 010 Paul Warner Introduction of Revenue Office staff and Dept. of Revenue staff.  
(Exhibit 2).
- 040 Chair Butler Introduction of committee members. Members give brief summary of  
their experience.
- 166 Chair Butler Housekeeping items for hearing room etiquette.

#### **ORGANIZATIONAL MEETING**

- 230 Chair Butler Committee Proposed Rules discussion (Exhibit 1).
- 221 Chair Butler **MOTION: MOVES ADOPTION OF COMMITTEE RULES.**
- 241 Chair Butler **ORDER: HEARING NO OBJECTION, CHAIR BUTLER SO  
ORDERS.**  
**9-0-0. ALL MEMBERS PRESENT.**
- 244 Chair Butler Discussion of roll-call vote process.

- 251 Kim James Clarification of roll-call vote rules.
- 310 Chair Butler Meeting time during remainder of orientation will be 1:30 p.m.; committee concurs.
- 344 Warner Discussion of House Revenue Committee Work Plan (Exhibit 4). Plan based on work done by interim and joint committees. The plan outlines major revenue impacts for this session. Revenue Department will give orientation to this committee in March about their collection processes of income tax returns.
- 406 Warner Continuation of work plan discussion. Review of issues that will impact committee this session.

#### **TAPE 2 SIDE A**

- 48 Chair Butler Discussion with Warner on Work Plan; comments regarding prioritizing of certain issues such as school funding.
- 78 Chair Butler Chair yields gavel to Rep. Hass.

#### **INFORMATIONAL**

- 85 Warner Presentation of Overview of Oregon's Revenue System (Exhibit 6); reference to 2005 Oregon Public Finance Basic Facts booklet (Exhibit 5).

- 116 Warner Slide 2: Comparison of OR to other states
- 171 Acting Chair Hass Requested clarification of distinction between revenue and collection.
- 180 Rep. Tom Butler Requested definition of consumption taxes.
- 185 Warner Responds that these taxes are defined as “selective sales taxes”: tobacco, gasoline, alcohol, beer and wine.
- 212 Warner Slide 3: Categories of revenue received by state and local governments. Clarification questions from members interspersed.
- 346 Warner Slide 4: Oregon’s tax system categories.
- 445 Warner Slide 5: State taxes by source.
- 484 Warner Slide 6: State revenue systems.

**TAPE 1 SIDE B**

- 027 Warner Slide 6: Table comparing neighboring state revenue systems.
- Clarification questions from members interspersed.

138 Warner Slide 7: Table comparing neighboring state tax systems.

206 Warner Slide 8: How has OR's revenue system changed?

234 Warner Slide 9: OR's property values and property tax levies

395 Warner Slide 10: State's growing responsibility for schools

410 Warner Slide 11: income and sales taxes

420 Warner Slide 12: WA and OR revenue stability

**TAPE 2 SIDE B**

47 Warner Slide 13: OR revenue system

58 Warner Slide 14: OR tax system

62 Warner Slide 15: OR new revenue system

83	Warner	Slide 16: OR current revenue situation
102	Warner	Slide 17: general fund resources
119	Warner	Slide 18: all funds revenue
123	Warner	Slide 19; discretionary revenue sources
175	Warner	Slide 20; general fund revenue history
224	Warner	Slide 21; general fund outlook
251	Warner	Slide 22; Governor's recommended revenue policies
277	Warner	Slide 23; Summary of OR's revenue system
304	Warner	Slide 24; strengths and weaknesses

- 390 Warner End of presentation.
- 392 Rep. Boquist Question about 12% projected growth rate stated in slide 21; how confident is Warner in this percentage considering the growth of retirees.
- 394 Warner Warner responds that the governor's proposal to take some of the 12% projected general fund revenue and put it in a reserve is a risk considering the impact of lower taxable income of seniors and their increased medical costs.

**TAPE 3 SIDE A**

- 54 Rep. Berger Requests Warner give a short presentation on Oregon Tax Incidence Model (OTIM) at a future date; summary of OTIM provided.
- 105 Acting Chair Hass Meeting adjourned at 2:58 pm

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee  
Coordinator

Exhibit Summary:

- 1. Proposed Committee Rules, LRO Staff, 01/13/05, 2 pp.

- 2. 2005 LRO Staff Specialties, 01/13/05, 1 p.
- 3. Revenue Committee Member's Planning Calendar Summary and sample planning calendar, LRO Staff, 01/13/05, 2 pp.
- 4. Draft House Revenue Committee Work Plan, LRO Staff, 01/13/05, 4 pp.
- 5. 2005 OR Public Finance: Basic Facts, Paul Warner, 01/13/05, 148 pp.
- 6. Overview of OR Revenue System (Powerpoint Slides), Paul Warner, 01/13/05, 12 pp.