

WORK SESSION

HJR 34 A, HB 2945 A, 3334 A, 2933 A, 3096

TAPES 170-171 A

HOUSE REVENUE COMMITTEE

MAY 24, 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
- Rep. Donna Nelson

Witnesses Present: Debra Buchanan, Dept. of Revenue

Staff Present: Paul Warner, Legislative Revenue Officer

Mazen Malik, Economist

Mary Ayala, Economist

Lizbeth Martin-Mahar, Economist

Kristi Bowman, Committee Assistant

TAPE 170, SIDE A

002 Chair Butler Calls meeting to order at 1:03 p.m.

OPENS WORK SESSION FOR HJR 34 A

013 Mazen Malik Gives overview of HJR 34 A. The bill is a constitutional amendment referred to the voters to approve a 1% dedication of lottery revenue net proceeds to veteran's services. Discusses amendment HJR 34-A11 (see Exhibit 19 for 05/19/05). Discusses revenue impact (see Exhibit 18 for 05/19/05). Reviews all amendments for this bill.

080 Rep. Boquist MOTION: MOVES HJR 34 A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.

083 Rep. Boquist Discusses the background of HJR 34 A. Comments that HB 2700 and SB 10 both have "definitional" language pertaining to accreditation of veterans service officers. Addresses various issues brought up during the 05/19/05 Revenue Committee hearing. The intent of the bill is to give voters an option to permanently fund veteran programs.

- 120 Chair Butler Refers to page 4, line 9 of the bill regarding the accreditation language.
- 122 Rep. Boquist Responds that both HB 2700 & SB 10 have the correct language to address that concern. In addition, empowerment has been given to the Director of Veterans' Affairs regarding accreditation.
- 130 Chair Butler Asks for roll-call vote.
- 147 Chair Butler THE MOTION HAVING RECEIVED THE REQUIRED MAJORITY IS DECLARED PASSED. MOTION PASSES 8-0-1. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, KOMP, OLSON, RILEY, BERGER, BUTLER. EXCUSED: HASS.

CLOSES WORK SESSION FOR HJR 34 A

OPENS WORK SESSION FOR HOUSE BILL 2945 A

- 150 Mary Ayala Gives overview of HB 2945 A (Exhibit 1). This bill increases the property tax exemption and modifies the eligibility for the property tax exemption for veterans' residences. Discusses revenue impact (Exhibit 2).

- 216 Rep. Komp Asks about a specific income amount for the “185% of the federal poverty guidelines.”
- 220 Ayala Responds that for one person it is \$9500. That amount increases according to the number of dependents in the household.
- 232 Rep. Boquist MOTION: MOVES HB 2945 A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
- 235 Rep. Boquist Comments that the intent is to enhance an older program and bring it up to current standards. Expresses hope that there won’t be an additional 900 disabled veterans in the next four years.
- 258 Chair Butler Asks for roll-call vote.
- 268 Chair Butler THE MOTION HAVING RECEIVED THE REQUIRED MAJORITY IS DECLARED PASSED. MOTION PASSES 9-0-0. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BERGER, BUTLER.

CLOSES WORK SESSION FOR HOUSE BILL 2945 A

OPENS WORK SESSION FOR HOUSE BILL 3334 A

- 283 Ayala Gives overview of HB 3334 A (Exhibit 3). This bill grants a property tax exemption to members of the Oregon National Guard and other certain military forces called to federal active duty under certain circumstances. Refers to HB 3334 A Amendment Summary Sheet (Exhibit 4) and revenue impact (Exhibit 5). Discusses the HB 3334-A5 amendment.
- 338 Rep. Boquist MOTION: MOVES HB 3334 A AS AMENDED TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
- 354 Rep. Boquist Discusses the 30 day and the 178 day issue that was initially discussed in the House Veterans Committee. The intent of the bill is to take care of reserve and National Guard soldiers who are activated.
- 375 Rep. Berger Clarifies that the motion stated is to pass HB 3334 A with the HB 3334 A-5 amendment.
- 380 Rep. Boquist Responds that the HB 3334 A-5 amendment was adopted in a previous work session.
- 386 Chair Butler Reads from written testimony submitted by Michelle Deister of the League of Oregon Cities (Exhibit 6).
- 404 Chair Butler Asks for roll-call vote.

414 Chair Butler THE MOTION HAVING RECEIVED THE REQUIRED MAJORITY IS DECLARED PASSED. [AMENDMENT HB 3334 A-5 ADOPTED BY IMPLIED CONSENT]. MOTION PASSES 9-0-0. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BERGER, BUTLER.

CLOSES WORK SESSION FOR HOUSE BILL 3334 A

OPENS WORK SESSION FOR HOUSE BILL 2933 A

421 Lizbeth Martin-Mahar Discusses amendment HB 2933 A-2 (see Exhibit 28 from 05/19/05) which replaces the original bill and gives more language about the exemption amount. Gives overview of HB 2933 A (Exhibit 29 from 05/19/05). The bill eliminates personal income tax liability for those soldiers who lose their lives on active duty after 09/11/01.

TAPE 171, SIDE A

049 Martin-Mahar Discusses revenue impact (see Exhibit 30 from 05/19/05).

066 Rep. Boquist MOTION: MOVES THE ADOPTION OF THE HB 2933 A-2 AMENDMENT.

067 Rep. Boquist Discusses the HB 2933 A-2 amendment (see Exhibit 28 from 05/19/05) that clarifies that the income tax exemption only applies to those soldiers who have died during active duty since 09/11/01. The tax liability would go back to 01/01/01.

- 084 Rep. Donna Nelson Asks if the amendment takes care of those individuals who die on active duty in the future. Comments that the Dept. of Revenue expressed concern that the IRS forgives income tax debt for deaths that result from injuries received in a combat zone. Asks if “we are trying to expand this to deaths outside combat zones while on active duty, or [for] an individual who dies later of injuries that occurred while they were in a combat zone.”
- 098 Martin-Mahar Responds that the way the bill is written, it does pertain to active duty and does not specify “combat zone.”
- 100 Chair Butler Cites language in the HB 2933 A-2 amendment.
- 113 Debra Buchanan Testifies that the concern from the Dept. of Revenue was that the words say that the person died during the performance of the service. Asks if death later occurs as a result of injuries received while on duty, would that be included in the amendment? Refers to lines 8 and 9 of the amendment.
- 129 Rep. Riley Comments that the intent of bill is to include veterans who die as a result of injuries received during the performance of service.
- 137 Rep. Nelson Comments that the IRS Tax Code 692 limits tax liability of deaths in a combat zone. It was the intent of the House Veterans Committee to include individuals who can be in a supporting role but is not in a combat zone.

- 154 Buchanan Oregon currently connects to the federal tax code IRC 692 which forgives tax liability for deaths that occur in a combat zone. This bill would add another layer of tax forgiveness in addition to what exists in Oregon law.
- 161 Rep. Nelson Comments that it was the intent of the House Veterans Committee to include those in a supporting role, not necessarily in a combat zone.
- 170 Rep. Boquist Comments that “combat zone” is not in the bill or the amendment. Restates that the intent was to expand the coverage of active duty personnel not in a combat zone.
- 180 Buchanan Agrees with Rep. Boquist’s statement. There would be two situations where tax debt can be cancelled: 1) for people serving in combat zones because of the connection to federal tax code; 2) for Oregon residents killed during active duty but not in a combat zone
- 185 Rep. Berger Calls for the question.
- 186 Chair Butler Restates the motion to adopt the HB 2933 A-2 amendment.
- 187 Chair Butler Asks for roll-call vote.
- 193 Chair Butler

THE MOTION HAVING RECEIVED THE REQUIRED MAJORITY IS DECLARED PASSED. MOTION PASSES 9-0-0. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BERGER, BUTLER.

- 195 Rep. Boquist MOTION: MOVES HB 2933 A AS AMENDED TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
- 200 Rep. Boquist Comments that the amendment states the intent of the bill, which is to take care of our soldiers.
- 209 Chair Butler Asks for roll-call vote.
- 214 Chair Butler THE MOTION HAVING RECEIVED THE REQUIRED MAJORITY IS DECLARED PASSED. MOTION PASSES 9-0-0. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP, OLSON, RILEY, BERGER, BUTLER.

CLOSES WORK SESSION FOR HOUSE BILL 2933 A

OPENS WORK SESSION FOR HOUSE BILL 3096

- 230 Martin-Mahar Refers to HB 3096-1 amendment (Exhibit 7) and gives overview of HB 3096 (Exhibit 8). This is a stand-alone bill that will connect to the federal tax code. The bill is needed in case the reconnect bill HB 2542 does not pass. There will be no additional revenue loss if HB 2542 passes (Exhibit 9).

- 260 Rep. Boquist MOTION: MOVES THE ADOPTION OF THE HB 3096-1 AMENDMENT.
- 261 Rep. Boquist Discusses the intent of the bill.
- 285 Chair Butler ORDER: THERE BEING NO OBJECTION, THE CHAIR SO ORDERS. MOTION PASSES 8-0-1. VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, KOMP, OLSON, RILEY, HASS, BUTLER. EXCUSED: BERGER.
- 294 Rep. Boquist MOTION: MOVES HB 3096 AS AMENDED TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
- 295 Rep. Komp Comments that HB 3096 came from the House Veterans Committee and the members of that committee want to ensure that Oregon veterans are taken care of.
- 310 Chair Butler General comments about the veterans bills.
- 330 Chair Butler Asks for roll-call vote.
- 340 Chair Butler

THE MOTION HAVING RECEIVED THE REQUIRED
MAJORITY IS DECLARED PASSED. MOTION PASSES 8-0-1.
VOTING AYE: BOQUIST, ESQUIVEL, GALIZIO, HASS, KOMP,
OLSON, RILEY, BUTLER. EXCUSED: BERGER

CLOSES WORK SESSION FOR HOUSE BILL 3096

357 Chair Butler Adjourns meeting at 1:55 p.m.

Tape Log Submitted by:

Reviewed by:

Kristi Bowman, Committee Assistant

Kim Taylor James, Committee
Coordinator

Exhibit Summary:

1. 1. HB 2945, Staff Measure Summary, Ayala, 1 pg., 05/20/05
2. 2. HB 2945, Revenue Impact Statement, Ayala, 1 pg., 05/20/05
3. 3. HB 3334, Staff Measure Summary, Ayala, 1 pg., 05/20/05
4. 4. HB 3334, Handout: Amendment Summary Sheet, Ayala, 1 pg., 05/24/05
5. 5. HB 3334, Revenue Impact Statement, Ayala, 1 pg., 05/20/05
6. 6. HB 3334, Testimony, Deister, 1 pg., 05/24/05
7. 7. HB 3096, Amendment HB 3096-1, Leg. Counsel, 1 pg., 05/18/05
8. 8. HB 3096, Staff Measure Summary, Martin-Mahar, 2 pp., 05/19/05
9. 9. HB 3096, Revenue Impact Statement, Martin-Mahar, 1 pg., 05/19/05