

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

July 6, 2005 Hearing Room 357

3:00 P.M. Tapes 22 - 23

Corrected 10/17/05

MEMBERS PRESENT: **Rep. Rep. Wayne Krieger, Chair**

Rep. Rep. Jeff Barker, Vice-Chair

Rep. Rep. Brian Boquist, Vice-Chair

Rep. Rep. Linda Flores

Rep. Rep. Greg Macpherson

GUEST MEMBERS: **Rep. George Gilman**

STAFF PRESENT: **Janet Adkins, Committee Administrator**

Louann Rahmig, Committee Assistant

MEASURES/ISSUES HEARD:

SB 853B – Work Session

SB 479B – Work Session

SB 71A – Work Session

Approval of Drafting Requests – Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 22, A

005 Chair Krieger Calls the meeting to order at 3:10 p.m. and opens a work session on SB 853B.

SB 853B – WORK SESSION

009 Janet Adkins Committee Administrator. Explains SB 853B which authorizes universities in the Oregon University System and the Oregon Health and Science University (OHSU) to establish venture development funds; establishes an income tax credit for taxpayers who contribute money to university venture development funds; limits the credit to 60 percent of the amount contributed; and applies to tax years beginning on or after January 1, 2006.

023 Sen. Frank Morse Senate District 8. Reads the first paragraph of a letter from the presidents of the University of Oregon, Portland State University, and Oregon State University in support of SB 853 (**EXHIBIT A**). Explains the financing mechanism that will allow grants to students for entrepreneurial education and for research. Submits packet of written testimony previously provided to the Senate Revenue Committee (**EXHIBIT B**).

057 Sen. Betsy Johnson Senate District 16. Testifies in support of SB 853B.

064 Rep. Macpherson Asks how the credit is different from the cultural trust structure.

071 Sen. Morse Answers that the tax credit is a maximum of 60 percent and can be taken over a three-year period at 20 percent per year. Cites an example.

078 Rep. Macpherson Believes that differs from a cultural trust which is limited to \$500 per year for any donor. Assumes this is targeted to a relatively small number of people who are highly motivated about this as an objective.

084 Sen. Johnson Responds that they are appealing to a sophisticated donor within the university foundations.

093 Rep. Macpherson

195	Chair Krieger	Hearing no objection, declares the motion CARRIED .
197	Rep. Boquist	MOTION: Moves SB 479B to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 5-0-0
		AYE: In a roll call vote, all members present vote Aye.
209	Chair Krieger	The motion CARRIES.
		REP. GREG SMITH will lead discussion on the floor.
219	Chair Krieger	Closes the work session on SB 479B and opens a work session on SB 71A, which authorizes the issuance of lottery bonds to establish a Multimodal Transportation Fund to finance loans and grants to public bodies and private entities for air, marine, public transit and rail transportation projects.
<u>SB 71A – WORK SESSION</u>		
223	Chair Krieger	Comments that the bill is not ready to move. Indicates the -7 amendments (EXHIBIT E) are not quite what are needed, and the Speaker has requested a work group to discuss the issues. Invites testimony.
231	Cindy Robert	Oregon Transit Association. Raises concerns about removing mass transit from SB 71. Provides the -8 amendments (EXHIBIT F).
278	Bruce Warner	Oregon Department of Transportation (ODOT). Shares the concern about mass transit being removed from SB 71 as it is important to mobility, to the economy, and moving goods, people and services around the state. Supports the -8 amendments which set a minimum allocation. Encourages keeping transit in as part of the package; looking at a regional distribution; considering restriction on utilization of monies for grants that would not be available for the Class 1s and allow for all types of rail facilities in Oregon.
331	Rep. Gilman	Believes that in the next two to four years the need in rail, marine and aviation is about \$500 million. Asks about increasing to \$150 million.
341	Warner	

Answers that the Governor proposed a \$100 million package as part of his budget proposal; however, the \$100 million does not come near filling all the needs.

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| 350 | Rep. Macpherson | Asks how the five regions listed in the -7 amendments correspond to the transportation needs of state. |
| 361 | Warner | Replies that both the -7 amendments and -8 amendments are the same in defining a region and roughly mirror the ODOT regions. Points out that the needs in those regions are dramatically different. Adds that the Oregon Transportation Commission (OTC) would attempt to distribute equitably. |
| 390 | Rep. Macpherson | Inquires if the -7 amendments would impair the ability to meet the needs in other parts of the state. |

TAPE 23, A

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| 011 | Warner | Responds it could. |
| 019 | Ken Armstrong | Oregon Ports Group and Oregon Short Line Railroad Association. Testifies that they feel strongly the investments represented in SB 71 are critical to the state. Expresses concern that the language in Section 7 of the -7 amendments sends a message that the legislature can prohibit an entity from spending money on certain projects. Offers to help work out a solution. |
| 041 | Pat Egan | Port of Portland. Testifies their mission is to move goods. Has an issue with Section 7 of the -7 amendments which names a parcel not yet purchased. Discusses the situation in that area. Concludes that their mission and SB 71 are very close. Supports the -8 amendments. |
| 086 | Chair Krieger | Inquires if the rail system is looking at any other location that has the capacity needed. |
| 088 | Egan | Answers there is no other parcel in the metropolitan region with the same capacity. |
| 106 | Chair Krieger | Asks for a description of the area. |

108	Egan	Describes the location of the property.
135	Art Schlack	Association of Oregon Counties. Supports the regions established in Section 5 of the -7 amendments as being on target to insure funds will be available throughout the state. Supports a minimum amount to each region with a cap as there are limited dollars.
157	Rep. Macpherson	Refers to previous testimony that disbursement of funds by the OTC was fair. Asks if the OTC has done a poor job of allocating funds in the past.
168	Schlack	Answers that the OTC has done a very good job trying to meet the needs of the entire state.
179	Chair Krieger	Closes the work session on SB 71A.

APPROVAL OF DRAFTING REQUEST – WORK SESSION

181	Rep. Boquist	MOTION: Moves committee consent to draft a statutory bill to deal with eminent domain in response to the <i>Kelo v City of New London</i> decision by the U. S. Supreme Court.
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VOTE: 5-0-0

186	Chair Krieger	Hearing no objection, declares the motion CARRIED.
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188	Chair Krieger	Closes the work session and adjourns the meeting at 3:50 p.m.
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EXHIBIT SUMMARY

- A. SB 853, written testimony, Sen. Frank Morse, 2 pp
- B. SB 853, written testimony, Sen. Frank Morse, 22 pp
- C. SB 479, B6 amendments, staff, 1 p
- D. SB 479, written testimony, Rob Douglas, 1 p
- E. SB 71, A7 amendments, staff, 3 pp
- F. SB 71, A8 amendments, Cindy Robert, 1 p