

HOUSE COMMITTEE ON
VETERANS' AFFAIRS

April 7, 2005 Hearing Room C

8:30 A.M. Tapes 58 - 60

MEMBERS PRESENT: Rep. Donna Nelson, Chair

Rep. Phil Barnhart, Vice-Chair

Rep. Debi Farr, Vice-Chair

Rep. Brian Boquist

Rep. Scott Bruun

Rep. Dave Hunt

Rep. Betty Komp

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

HB 2933 – Public Hearing

HB 3334 – Public Hearing

HB 2844 – Public Hearing

HB 2846 - Public Hearing

HB 2945 – Public Hearing

HB 3095 – Public Hearing

HB 3308 – Public Hearing

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 |
|-------------------|-----------------------|---|
| TAPE 58, A | | |
| 002 | Chair Nelson | Calls the meeting at to order at 8:40 a.m. and makes general announcements. |
| 011 | Jim Stembridge | Committee Administrator. Discusses the details of upcoming field hearings. Submits and summarizes <i>New York Times</i> newspaper article titled "Bills in the Knapsack" (EXHIBIT A). |
| 090 | Colonel Mike Caldwell | Deputy Director, Oregon Military Department. Introduces members of the Employer Support of the Guard and Reserve (ESGR). |
| 124 | Bill Doctor | Chair, ESGR. Summarizes the activities of the ESGR. |
| 157 | Robert Elliott | Executive Director, ESGR. Describes the contents of a package of information provided to the members. Discusses the Uniformed Services Employment and Reemployment Rights Act (USERRA) and refers to the ESGR web site. |
| 265 | Chair Nelson | Asks about those whose job was eliminated while they were away. |
| 270 | Elliott | Provides a brief background on a City of the Salem case and the resulting efforts. |
| 326 | Rep. Farr | Asks how employers can get engaged in this process. Discusses promotional issues. |
| 339 | Elliott | Responds by noting what efforts are made to educate employers. |
| 378 | Col. Caldwell | Clarifies that the mission of the ESGR is not to find a job for returning guardsmen and reservists. Notes the efforts in this regard by the State of Oregon. |
| 400 | Chair Nelson | Notes there are efforts being done by private industry as well. |

408 Rep. Boquist Asks who is supported by the ESGR.

413 Doctor Responds it is referred to as the 7 seals: two army components, two air components, navy reserve, marine core reserve and the coast guard reserve.

420 Ron Cannon Director, US Department of Labor Veterans Employment and Training. Explains they administer USERRA. Notes that the poster is downloadable from www.dol.gov/vets for free.

TAPE 59, A

015 Chair Nelson Confirms that USERRA protects every soldier. Inquires what is considered a veteran.

030 Cannon Answers that a veteran is a person who has service at least 180 days as of active military service. Reservist and National Guard are those committed to state or reserve guard components. Adds that under federal guidelines, one day in combat is considered a veteran. Notes that USERRA protects those who try to join and are discouraged by their employer.

047 Chair Nelson Asks about using public announcements to provide updates.

070 Col. Caldwell Comments on the activities ESGR does in this regard.

105 Chair Nelson Asks if an employer has an obligation to help find a position for a soldier that has been impacted by an injury.

108 Cannon Responds that the employer is required to make every effort possible to find a position that will work with the abilities of the employee.

116 Rep. Boquist Asks about legal representation.

124 Elliott Responds there is protection under USERRA.

155 Chair Nelson Recaps meeting discussions, accomplishments of the panel, notes that 50% of the soldiers that have returned do not have jobs and reviews USERRA. Discusses the interest cap for soldiers and expresses

concerns about soldiers returning from war have had foreclosures on homes and repossessed automobiles.

- 251 Elliott Responds that JAG and the state bar association will help these service members.
- 333 Rep. Barnhart Asks if the Chambers of Commerce have been considered an avenue to help with communicating information to small businesses.
- 340 Elliott Answers affirmatively and notes other efforts to provide information.
- 430 Chair Nelson Opens a public hearing on HB 2933.

HB 2933 – PUBLIC HEARING

- 450 Jim Stembridge Explains HB 2933, provides that outstanding income tax liabilities of active duty military personnel shall be held in abeyance until six months after active duty service ceases and shall be discharged if taxpayer is killed in action.

TAPE 58, B

- 021 Rep. Donna Nelson House District 14. Testifies in support of HB 2933. Discusses the impact that deployment has on a soldiers' financial stability.
- 053 Colonel Mike Caldwell Deputy Director, Oregon Military Department (OMD). Explains the rights of a soldier under the Servicemembers Civil Service Relief Act (SCRA).
- 096 Mac MacDonald Representative, Veterans' Organizations. Testifies in support of HB 2933.
- 109 Vice-Chair Barnhart Closes the public hearing on HB 2933.
- 111 Chair Nelson Opens a public hearing on HB 3334.

HB 3334 – PUBLIC HEARING

- 132 Rep. Jeff Kropf House District 17. Submits and summarizes written testimony in support of HB 3334 (**EXHIBIT B**).

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| 192 | Rep. Kropf | Clarifies the language and meaning of several sections of the bill. |
| 207 | Rep. Boquist | Verifies that the sponsor supports changing 30 day active duty requirement to 45 day active duty requirement to be eligibility for property tax exemption. |
| 223 | Colonel Mike Caldwell | Deputy Director, Oregon Military Department (OMD). Indicates that concern regarding 30 days versus 45 days on active duty is clarified by the language already in HB 3334. |
| 254 | Rep. Farr | Asks if the OMD keeps information or data on how many Oregon National Guard and Reservists own homes or property. |
| 257 | Caldwell | States that the OMD does not collect homeownership data, but explains why the bill could be an important retention tool for young and maturing soldiers. |
| 296 | Chair Nelson | Questions the lack of applicability of the exemption to the children of deceased soldiers. |
| 313 | Caldwell | Addresses the current length of a tour for Oregon National Guard or Reserves soldiers. |
| 349 | Chair Nelson | Closes the public hearing on HB 3334. Opens a public hearing on HB 2844. |

HB 2844 – PUBLIC HEARING

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| 360 | Jim Stembridge | Committee Administrator. Explains HB 2844, which limits interest that may be charged on delinquent property taxes imposed on property of members of organized militia called into active service. |
| 369 | John Phillips | Representative, Oregon Department of Revenue. Submits and summarizes written testimony that is neutral on HB 2844 (EXHIBIT C) . |

TAPE 59, B

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| 002 | Colonel Mike Caldwell | |
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Deputy Director, Oregon Military Department (OMD). Identifies the similarities between HB 2844 and the Servicemembers Civil Relief Act (SCRA).

- 013 Rep. Boquist Confirms that the cap on interest rates for Oregon National Guard and Reserve soldiers is a part of SCRA, yet that HB 2844 should be made a part of the Oregon Revised Statutes to prevent the state from claiming sovereign immunity.
- 034 Rep. Barnhart Clarifies that SCRA does not apply to state and federal military service, noting how HB 2844 is an extension of a soldiers' rights under the law because it would apply to state service.
- 066 Chair Nelson Closes the public hearing on HB 2844. Opens a public hearing on HB 2846.

HB 2846 – PUBLIC HEARING

- 075 Jim Stembridge Committee Administrator. Explains HB 2846, which permits a veteran who is eligible for veterans homestead property tax partial exemption and who is at least 70 percent disabled.
- 084 Harley Ray Representative, Oregon American Legion. Testifies in support of HB 2846.
- 106 Mac MacDonald Representative, Veterans' Organizations. States concern that all of the tax exemptions being asked for in various veterans bills are "unfair to the State of Oregon."
- 179 John Phillips Representative, Oregon Department of Revenue. Submits and summarizes written testimony that is neutral on HB 2846 **(EXHIBIT D)**.
- 231 Chair Nelson Closes the public hearing on HB 2846. Opens a public hearing on HB 2945.

HB 2945 - PUBLIC HEARING

- 239 Jim Stembridge Committee Administrator. Explains HB 2945, which modifies property tax exemption for veterans' residences.

- 251 Rep. Dave Hunt House District 40. Submits and summarizes written testimony in support of HB 2945 (**EXHIBIT E**).
- 306 Rep. Komp Verifies that 40 percent disability rating was carried over from current Oregon Revised Statutes.
- 319 Michelle Diester Senior Staff Associate, League of Oregon Cities (LOC). States that LOC supports an estimated cost of living adjustment (ECOLA); however questions why ECOLA should be applied to actual amount being exempted since property tax rate is limited to three percent increase.
- 334 Rep. Hunt Explains why it is necessary to apply ECOLA adjustment to actual amount being exempted.
- 350 Diester Urges consulting with county property tax assessors to determine the difficulty associated with applying ECOLA to just the veteran population.
- 377 Mac MacDonald Representative, Veterans' Organizations. Testifies in support of HB 2945.

TAPE 60, A

- 006 Kevin O'Reilly Government Relations/Advocacy Director, Oregon Paralyzed Veterans' of America. Testifies in support of HB 2945. Submits written testimony on behalf of Jerry O'Ryan in support of HB 2945 (**EXHIBIT F**).
- 016 Rep. Farr Asks how many paralyzed veterans currently reside in Oregon.
- 018 O'Reilly Identifies the number of paralyzed veterans in Oregon.
- 025 Chair Nelson Closes the public hearing on HB 2945. Open a public hearing on HB 3095 and HB 3308.

HB 3095/HB 3308 – PUBLIC HEARING

- 027 Jim Stembridge Explains HB 3095, which permits individual ordered to active military service to elect to defer property taxes for period of time individual, is performing active military service. Explains HB 3308,

which expands eligibility for property tax exemption for veterans to include homesteads of all war veterans, without regard to disability or income level, and their surviving spouses.

- 035 Rep. Hunt Affirms the need to provide tax relief to soldiers, but explains that the committee needs to decide whether to pursue either HB 3095 or HB 2945.
- 051 Colonel Mike Caldwell Deputy Director, Oregon Military Department (OMD). Concur with Rep. Hunt.
- 053 John Phillips Representative, Oregon Department of Revenue. Submits written testimony that is neutral on HB 3095 **(EXHIBIT G)**.
- 062 Mac MacDonald Representative, Veterans' Organizations. Testifies in support of HB 3095.
- 072 Caldwell States that OMD maintains a neutral position on HB 3308.
- 076 John Phillips Points out potential implications of the language "any war veteran" in HB 3308 and how it could be interpreted to include "any war veteran, from anywhere, any country."
- 084 MacDonald Testifies in support of HB 3308.
- 086 Michelle Diester Senior Staff Associate, League of Oregon Cities (LOC). States the need to consider the totality of all the property tax bills under consideration and how the bills would affect the overall ability of municipalities to meet all the needs of all veterans. Submits written testimony on behalf of Susan Roberts in opposition to HB 3308 **(EXHIBIT H)**.
- 140 Chair Nelson Closes the public hearings on HB 3095 and HB 3308.

The following written testimony is submitted for the record without public testimony:

John Phillips Representative, Oregon Department of Revenue. Submits Oregon Department of Revenue Veterans Property Tax Bills Report **(EXHIBIT I)**.

Debra Buchanan

Legislative Coordinator, Oregon Department of Revenue. Submits written testimony that is neutral on HB 2910 (**EXHIBIT J**).

Debra Buchanan Legislative Coordinator, Oregon Department of Revenue. Submits written testimony that is neutral on HB 3096 (**EXHIBIT K**).

149 Chair Nelson Adjourns the meeting at 10:43 a.m.

EXHIBIT SUMMARY

- A. **Veterans' Issues, *New York Times* Newspaper Article, staff, 1 p**
- B. **HB 3334, written testimony, Rep. Jeff Kropf, 1 p**
- C. **HB 2844, written testimony, John Phillips, 2 pp**
- D. **HB 2846, written testimony, John Phillips, 1 p**
- E. **HB 2945, written testimony, Rep. Dave Hunt, 1 p**
- F. **HB 2945, written testimony of Jerry O'Ryan, Kevin O'Reilly, 1 p**
- G. **HB 3095, written testimony, John Philips, 1 p**
- H. **HB 3308, written testimony of Susan Roberts, Michelle Diester, 1 p**
- I. **Veterans' Issues, Oregon Department of Revenue Veterans Property Tax Bills Report, John Phillips, 4 pp**
- J. **HB 2910, written testimony, Debra Buchanan, 1 p**
- K. **HB 3096, written testimony, Debra Buchanan, 1p**