

SENATE COMMITTEE ON COMMERCE

February 1, 2005
3:10 P.M.

Hearing Room C
Tapes 7 - 8

MEMBERS PRESENT: **Sen. Floyd Prozanski, Chair**
 Sen. Roger Beyer, Vice-Chair
 Sen. Ginny Burdick
 Sen. Charlie Ringo
 Sen. Doug Whitsett

STAFF PRESENT: **Anna Braun, Committee Administrator**
 Karen Scoffield, Committee Assistant

MEASURES/ISSUES HEARD:
 SB 35 – Public Hearing and Work Session
 SB 37 – Public Hearing
 SB 93 – Public Hearing and 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 7, A		
005	Chair Prozanski	Calls the meeting to order at 3:10 p.m. Opens public hearing on SB 35.
<u>SB 35 – PUBLIC HEARING</u>		
010	Anna Braun	Committee Administrator. Gives overview of SB 35.
015	Rob Edwards	Tax Section - Central Operations Manager, Oregon Employment Department. Discusses and submits written testimony in support of SB 35 (EXHIBIT A).
025	Chair Prozanski	Inquires as to an example of how this bill would be utilized.
030	Edwards	Explains.
035	Chair Prozanski	Asks for clarification of the exact process of issuing the warrants for collection.
045	Edwards	Clarifies. Discusses costs associated with the process. Discusses the ability of the department to request deposits from employers.
060	Sen. Beyer	Inquires as to what action the department takes if the costs have not been collected for a long period of time.
065	Edwards	Answers that they have not had this situation happen yet. Answers what might happen in this circumstance.
070	Sen. Beyer	Asks what other items money is collected on other than what is currently being done.
072	Edwards	Answers question.
085	Chair Prozanski	Closes public hearing and opens work session on SB 35.
<u>SB 35 – WORK SESSION</u>		
090	Sen. Beyer	MOTION: Moves SB 35 to the floor with a DO PASS recommendation.
		VOTE: 5-0-0
	Chair Prozanski	Hearing no objection, declares the motion CARRIED. SEN. BEYER will lead discussion on the floor.
105	Chair Prozanski	Closes work session on SB 35 and opens public hearing on SB

SB 37 – PUBLIC HEARING

110	Rob Edwards	Tax Section - Central Operations Manager, Oregon Employment Department. Discusses and submits written testimony in support of SB 37 (EXHIBIT B). Provides an overview of SB 37.
145	Anna Braun	Committee Administrator. Discusses fiscal statement for SB 37.
155	Sen. Burdick	Asks if fiscal ruling will go to the Ways and Means committee.
160	Sen. Beyer	Comments on procedure in the past.
165	Chair Prozanski	Responds to comments of committee members.
170	Sen. Beyer	Comments on language of Section two (2) of the bill.
180	Edwards	Clarifies definition of language.
185	Sen. Beyer	Comments on language's broadness. Inquires as to the departments procedures.
200	Edwards	Answers question.
205	Sen. Beyer	Comments that this was looked at in the past regarding the Construction Contractors Board (CCB). Remarks that the committee should look at how this has worked for them.
225	Chair Prozanski	Agrees that this information should be obtained by the CCB.
230	Sen. Whitsett	Inquires as to what methods were used for collection in the past.
240	Edwards	Discusses methods used for collection. Discusses debts written off.
250	Sen. Whitsett	Clarifies question.
252	Edwards	Clarifies that the five percent (5%) that they are hoping to recover is an educated guess based on past experience.
260	Sen. Whitsett	Inquires regarding the Department's lessened ability to collect money from companies.
265	Edwards	Answers question.
270	Chair Prozanski	Helps clarify answer.
280	Sen. Whitsett	Inquires as to how many companies would be involved in their estimation.
285	Edwards	Answers that he does not have a number of companies, but rather a dollar amount. Offers to return information.
287	Sen. Whitsett	Clarifies that he is inquiring as to the number of companies that will have the potential for collection by the Department.
295	Chair Prozanski	Closes public hearing on SB 37. Opens public hearing on SB 93.

SB 93 – PUBLIC HEARING

310	Anna Braun	Committee Administrator. Gives an overview of SB 93.
325	Pat Deval	Unemployment Insurance Tax Field Operations Manager, Oregon Employment Department. Discusses and submits written testimony in support of SB 93 (EXHIBIT C).
385	Deval	Continues. Discusses SB 93 and the background and effects of the bill.
440	Sen. Burdick	Asks if the bill applies to all religious organizations.
450	Deval	Answers question.
460	Sen. Burdick	Asks for clarification of the difference between a religious organization and a church.
465	Deval	Provides an example.
470	Chair Prozanski	Asks for clarification regarding the need of the bill.
480	Deval	Answers that the need for the bill is because the current statute was ruled unconstitutional.

TAPE 8, A

040	Sen. Burdick	Inquires if the ruling was in Oregon or Federal court.
045	Deval	Answers that it was in Oregon.
050	Chair Prozanski	Clarifies that the bill will be in compliance with the state constitution and state court.
051	Deval	Confirms that is correct.
052	Sen. Beyer	Comments on the age of court cases.
055	Deval	Remarks that there has been a need for this clarification for quite awhile and that they are trying to clean up the statute.
060	Chair Prozanski	Remarks that Legislative Counsel has helped draft this to assist with the compliance.
061	Deval	Comments that they are following procedures that were advised by the attorney general's office.
062	Chair Prozanski	Asks if the procedures are based on ruling in other states.
064	Deval	Answers that she is not familiar of this situation in other states.
067	Chair Prozanski	Closes public hearing and opens work session on SB 93.

SB 93 – WORK SESSION

070	Sen. Beyer	MOTION: Moves SB 93 to the floor with a DO PASS recommendation.
		VOTE: 4-0-1
		EXCUSED: 1 - Ringo
	Chair Prozanski	Hearing no objection, declares the motion CARRIED. SEN. BURDICK will lead discussion on the floor.
080	Chair Prozanski	Closes work session on SB 93. Discusses future agenda items for the committee. Adjourns meeting at 3:50 p.m.

EXHIBIT SUMMARY

- A. **SB 35, written testimony, Rob Edwards, 2 p**
- B. **SB 37, written testimony, Rob Edwards, 2 p**
- C. **SB 93, written testimony, Pat Deleval, 2 p**