

SENATE REVENUE COMMITTEE
JUNE 27, 2005 1:00 PM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Gary George
Senator Rick Metsger
Senator Floyd Prozanski
Senator Charles Starr, Vice Chair

Witnesses Present: Rep. Brian Boquist, District 23
Rep. Tom Butler, District 60

Staff Present: Paul Warner, Legislative Revenue Officer
Lizbeth Martin-Mahar, Economist
Mary Ayala, Economist
Barbara Guardino, Committee Assistant

TAPE 148, SIDE A

005 Chair Deckert Calls meeting to order at 1:10 p.m. Opens work session on HB 2945-A and HB 2933-B.

WORK SESSIONS, HB 2945-A, HB 2933-B

019 Rep. Brian Boquist Reports that a work group, which included Rep. Boquist, Sen. George and Rep. Dave Hunt and other veterans, met to combine veterans' bills. Gives overview of HB 2945-A and HB 2933-B.

047 Mary Ayala Gives overview of HB 2945-A2 amendment (**EXHIBIT 1**). It attaches to HB 3334-B, a property tax exemption on property up to \$60,000. Explains combined revenue and fiscal impacts (**EXHIBITS 2, 3, & 4**).

060 Sen. Prozanski Asks whether the committee needs to consider adoption of one or both bills.

066 Chair Deckert Responds, the committee needs to adopt all amendments, which are the product of the group's work.

077 Rep. Boquist HB 2933 will become the income tax portion of the bill.

082 Vice Chair C. Starr **MOTION: MOVES ADOPTION OF HB 2945-A2 AMENDMENT.**

084 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 5-0-0. VOTING AYE: GEORGE, METSGER, PROZANSKI, C. STARR, DECKERT.**

090 Vice Chair C. Starr **MOTION: MOVES HB 2945-A AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**

092 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 5-0-0. VOTING AYE: GEORGE, METSGER,**

- PROZANSKI, C. STARR, DECKERT.**
- 098 Lizbeth Martin-Mahar Notes that the HB 2933-B3 amendment (**EXHIBIT 5**) contains SB 19. It allows the Umatilla group to have the personal income tax military compensation benefit. Clears up a discrepancy. The bill will connect to changes in federal law. HB 3096 is the HB 2933-B4 amendment (**EXHIBIT 6**).
- 135 Martin-Mahar Discusses HB 2933-B3 and HB 2933-B4 revenue impact statement (**EXHIBIT 7**).
- 148 Rep. Boquist Explains why the revenue impact is so high over the first few years. Also discusses soldiers' life insurance increase.
- 165 Chair Deckert, Sen. Prozanski Thank Rep. Boquist and his group for their hard work.
- 184 Vice Chair C. Starr **MOTION: MOVES ADOPTION OF HB 2933-B3 AMENDMENT.**
- 186 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 4-0-1. VOTING AYE: GEORGE, PROZANSKI, C. STARR, DECKERT. EXCUSED: METSGER**
- 188 Vice Chair C. Starr **MOTION: MOVES ADOPTION OF HB 2933-B4 AMENDMENT.**
- 190 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 4-0-1. VOTING AYE: GEORGE, PROZANSKI, C. STARR, DECKERT. EXCUSED: METSGER**
- 192 Vice Chair C. Starr **MOTION: MOVES HB 2933-B AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
- 194 Chair Deckert **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 5-0-0. VOTING AYE: GEORGE, METSGER, PROZANSKI, C. STARR, DECKERT**

WORK SESSION, HB 3350-B, HB 2776-A, HB 3358

- 214 Rep. Tom Butler Testifies in support of HB 3350-B which expands the small city investment program. It involves 21 counties and is an excellent jobs bill for small communities.
- 219 Rep. Butler Discusses an amendment that was adopted in House Revenue, sponsored by RREDZ (Rural Renewal Energy Development Zones). It is now Section 5 of the bill. Discusses HB 2776-A, which deals with long-term preservation of historic property special assessment, and HB 2776-A3 amendment (**EXHIBIT 12**), which clarifies that this tax credit is for residential property only.
- 267 Chair Deckert Recalls a conversation with the Parks and Recreation Department, which raised concerns late in the game.
- 273 Rep. Butler Responds, the HB 2776-A3 amendment addresses the concerns of Parks and Recreation that commercial properties would take advantage of this credit.
- 332 Rep. Butler HB 3358 creates a tax credit for withdrawing from the Individual

Development Account (IDA) for settlement and closing costs of a primary residence. It assists with down payments and expands IDA for primary residences for closing costs up to \$2000.

- 359 Vice Chair C. Starr **MOTION: MOVES HB 3358 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
- 362 Acting Chair Metsger **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 3-0-2. VOTING AYE: GEORGE, METSGER, C. STARR. EXCUSED: PROZANSKI, DECKERT**
- 365 Vice Chair C. Starr **MOTION: MOVES ADOPTION OF HB 2776-A3 AMENDMENT.**
- 369 Chair Metsger **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 3-0-2. VOTING AYE: GEORGE, METSGER, C. STARR. EXCUSED: PROZANSKI, DECKERT**
- 374 Vice Chair C. Starr **MOTION: MOVES HB 2776-A AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
- 376 Chair Metsger **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 3-0-2. VOTING AYE: GEORGE, METSGER, C. STARR. EXCUSED: PROZANSKI, DECKERT**
- 393 Martin-Mahar Reminds committee that Art Fish from the Office of Economic Community Development has provided background information for HB 3350-B (**EXHIBIT 14**).
- 403 Vice Chair C. Starr **MOTION: MOVES HB 3350-B TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
- 406 Chair Metsger **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 3-0-2. VOTING AYE: GEORGE, METSGER, C. STARR. EXCUSED: PROZANSKI, DECKERT**

WORK SESSION, HB 2191-B

- 415 Martin-Mahar Gives overview of HB 2191-B, which encourages investment in Oregon's commercial film industry. Explains revenue losses.
- 439 Vice Chair C. Starr Comments that HB 2191-B appears to be losing revenue, but it is actually encouraging the filming industry and is an investment.
- 441 Vice Chair C. Starr **MOTION: MOVES HB 2191-B TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.**
- 443 Chair Metsger Agrees, this is an investment in revenue and jobs.
- 446 Chair Metsger **ORDER: THERE BEING NO OBJECTION THE CHAIR SO ORDERS. VOTE: 3-0-2. VOTING AYE: GEORGE, METSGER, C. STARR. EXCUSED: PROZANSKI, DECKERT**
- 449 Chair Metsger Reminds committee that it is on one-hour meeting notice. Adjourns meeting at 1:40 p.m.

Tape Log Submitted by,

Barbara Guardino, Committee Assistant

Exhibit Summary:

1. HB 2945-A, Amendment HB 2945-A2, Legislative Counsel, 6/21/05, 4 pp.
2. HB 2945-A, Staff Measure Summary, Ayala, 6/27/05, 2 pp.
3. HB 2945-A, Revenue Impact of Proposed Legislation, Ayala, 6/27/05, 2 pp.
4. HB 2945-A, Fiscal impact statement, HB 2945-A2 amendment, Staff, 6/27/05, 1 pp.
5. HB 2933-B, Amendment HB 2933-B3, Legislative Counsel, 6/14/05, 2 pp.
6. HB 2933-B, Amendment HB 2933-B4, Legislative Counsel, 6/21/05, 4 pp.
7. HB 2933-B, Revenue Impact of Proposed Legislation for HB 2933-B3+B4, Martin-Mahar, 6/27/05, 2 pp.
8. HB 2933-B, Staff Measure Summary, Martin-Mahar, 6/27/05, 2 pp.
9. HB 3350-B, NEW "RREDZs", Staff, 3 pp.
10. HB 3350-B, Counties Where Business Development Taxable Income Exemption Applies, Staff, 1 pp.
11. HB 3350-B, chart for Business Development Taxable Income Exemption, Staff, 1 pp.
12. HB 2776-A, Amendment HB 3350-A3, Butler, 6/3/05, 1 pp.
13. HB 2776-A, Staff Measure Summary, Ayala, 6/27/05, 2 pp.
14. HB 3350-B, memo from Arthur Fish, 6/3/05, 6 pp.