

HOUSE REVENUE COMMITTEE
APRIL 1, 2003 8:30 AM STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair
 Representative Wayne Scott, Vice Chair
 Representative Joanne Verger, Vice Chair
 Representative Vicki Berger
 Representative Mark Hass
 Representative Elaine Hopson
 Representative Max Williams

Members Excused: Representative Phil Barnhart
 Representative Pat Farr

Witness Present: Representative, Dennis Richardson, District 4

Staff Present: Paul Warner, Legislative Revenue Officer
 Richard Yates, Legislative Revenue Office
 Kathy Tooley, Committee Assistant

TAPE 103, SIDE A

004 Chair Shetterly Calls meeting to order at 8:40 a.m.

PUBLIC HEARING HJR 38

032	Paul Warner	Provided description of HJR 38. Discussed projected growth, Education Stability Fund.
052	Rep. Dennis Richardson	Spoke in favor of HJR 38, described bill; education funding for the current and next biennia, discussed need for future funding requirements for education.
114	Rep. Berger	Why is this bill a House Joint Resolution?
116	Chair Shetterly	Because there will be a referral for constitutional amendment.
118	Rep. Hass	What would be done with the gap of paying for schools as we go that will be smaller since there will be less to draw from the Oregon Lottery?
122	Rep. Richardson	Implementation of this bill is delayed until economic recovery is in full swing is to make sure there is additional income taxation. This is a plan for the future. Future legislatures will have to deal with current biennium.
144	Rep. Hass	Have to quarrel with the phrase that the legislature would have to find some new revenue for schools somewhere. Schools had funding problem. Even during period of largest economic expansion there were funding problems.
149	Rep. Richardson	That is my point and will continue; that is an attitude. The legislature is addicted to money. There will always be discussions on how to raise more money, but focused on current needs when the recession is over. If action is not taken now, there will not be enough money in the stability fund to deal with the next recession.
160	Rep. Verger	The legislature is also addicted to lottery money. If this money goes to this

fund will it increase gambling because it is going to something gamblers believe in? How is the perception of children that their education is on the back of gamblers?

- 182 Rep. Richardson I don't have the answer to these kinds of policy questions. I am trying to put it on the table. It is an issue that could be lost because of focus on current funding needs. Must plan now, so when next recession occurs there will be money in the Educational Stability Fund.
- 187 Chair Shetterly Under current law 18% of net lottery goes into the stability fund until it reaches 5% cap, then it is stepped down to 15% and goes into the capital matching sub account. This bill would eliminate the cap on the stability fund and the provision for the transfer of 15% to the capital matching fund. But the capital matching fund is retained. How is the capital matching fund segregated from the stability fund?
- 205 Warner Discusses Line 31, Page 3 of the bill. Need to have some statutory language as to how that account would have transfers from the stability fund.
- 215 Chair Shetterly This would pay into the stability fund and there would be no automatic transfer of funds into the capital matching account, it would take legislative action periodically to move money from the stability fund to the capital matching account?
- 222 Warner Answered affirmatively.
- 233 Chair Shetterly Close the Public Hearing on HJR 38
Committee will stand at ease at 8:50 a.m.

PUBLIC HEARING ON HB 3227

Reconvened at 9:00 a.m.

- 253 Yates Provided description of HB 3227, (Exhibit 3); provides funding for establishment of enhanced regional 911 reporting system.
- 291 Chair Shetterly Closed Public Hearing on HB 3227
Opened Public Hearing on HB3168

PUBLIC HEARING ON HB 3168

- 292 Yates Provided description of HB 3227, (Exhibit 4); provides revenue to be used as debt service and issues of revenue bonds based on that revenue source for establishing and transition to a regional 911 reporting system.
- 305 Chair Shetterly Closed Public Hearing on HB 3168
- 307 Chair Shetterly Meeting adjourned at 9:05 a.m.

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Warner, "Staff Measure Summary HB HJR 38", 2 pages
2. Rep. Richardson, "Testimony HJR 38", 2 pages
3. Yates, "Staff Measure Summary HB 3227", 1 page
4. Yates, "Staff Measure Summary HB 3168", 1 page