

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

Members Present: Representative Wayne Scott, Vice Chair
 Representative Joanne Verger, Vice Chair
 Representative Phil Barnhart
 Representative Vicki Berger
 Representative Pat Farr
 Representative Mark Hass
 Representative Elaine Hopson
 Representative Max Williams

Members Excused: Representative Lane, Shetterly, Chair

Witness Present: Mike Burton, Economic and Community Development Department

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

TAPE 151, SIDE A

004	Vice Chair Scott	Calls meeting to order at 8:38 a.m.
009	Richard Yates	Provided description and revenue impact on HB 2368-A, discussed additional amendments as yet undrafted that provide alternatives having to do with delivery sales.
030	Yates	Discussed -A7 amendment which funds the Tobacco Task Force from the Department of Revenue's suspense account. The -A6 amendments are being redrafted and deal with delivery sales.
064	Rep. Williams	There is still disagreement regarding the -A6 amendment?
066	Yates	Answered affirmatively.
075	Rep. Williams	Asked for clarification as to the disagreement with the -A6 amendments.
078	Yates	Has not been a party to the discussion on -A6 amendments, understand that non-participating manufacturers, primarily from foreign countries through delivery sales, are concerned about some of the language, particularly addressing the qualifying statute dealing with the Master Settlement Agreement.
087	Rep. Hass	Do the -A7 amendments stand alone without the -A6 amendments?
088	Yates	Answered affirmatively.
089	Rep. Verger	Will have -A8 and -A9 include the -A6 amendments or will they all be separate?
091	Yates	-A5 amendments will be incorporated in the two new amendments; -A6 will be replaced by one of the two.

095	Rep. Verger	On revenue impact, the comment “current law forecast includes \$8.6 million cigarette tax revenue from these enforcement efforts”?
098	Yates	Answered affirmatively.
100	Rep. Verger	“Enforcement costs were General Fund appropriations in 2003-05”, I’m not sure I understand the way the sentence is written. Confused about the word “from”.
104	Yates	Provided explanation regarding revenue impact, assumes Task Force continues and enforcement activities take place. During the special sessions a lot of this was cut back, in the first part of this session the money was restored. They are active, but need a funding source for the 2003-2005 biennium. The amendment changes the source of the funds for enforcement activities from General Fund to coming Cigarette Tax collections.
123	Rep. Verger	Enforcement efforts by Justice Department and State Police over a biennium will amount to \$8.6 million.
127	Yates	That was the earlier estimate; understand revenues are doing a little better than expected.
132	Rep. Berger	This amendment is going to take \$3.2 million out to gain \$8.6 million.
137	Yates	\$8.6 million is in there already, if the enforcement activities are not done, it will be lost. Appropriation is only for one biennium; don’t know anticipated appropriation for future biennia.
149	Vice Chair Scott	Close work session on HB 2368-A

OPENED WORK SESSION ON HB 2299-A

155	Mazen Malik	Provided description of HB 2299-A, (Exhibit 3), including revenue impact. Discussed the –A5 amendment definitions; the -A6 amendment allows special districts to opt out; the -A6 amendment is superseded by the -A8 amendment; the -A7 amendment is superseded by the -A9 amendment. Discussed difference between -A7 and -A9; described -A10 amendment (Exhibit 4).
265	Malik	Described revenue impact for HB 2299-A.
390	Malik	Discussed A-9 amendment.
401	Malik	Discussed A-7 amendment, as yet undrafted.
446	Malik	No fiscal impact issued as yet.

TAPE 152, SIDE A

010	Mike Burton	Clarified the -A10 amendment intended to deal with conflict between an urban renewal district and a company that wants to qualify from construction progress exemptions by virtue of being in an enterprise zone.
014	Burton	Proposed a conceptual amendment to the –A10 amendment: At the end of line 8, add the word “and”, so that condition “A” becomes a requirement; At the end of line 9, add the word “or”, so either condition “B” or “C” in addition to condition “A” are the triggers. With the conceptual amendment, the Economic and Community Development Department would support HB 2299A, with

amendments -5, -8, -9 and -10 as conceptually amended.

- 032 Rep. Verger Asked for an example that would further describe the construction, property and modifications.
- 036 Mike Burton The question is how does a enterprise zone process work. Used recent Target distribution center in South Albany as an example.
- 068 Burton Described circumstances for exceptions to exemptions.
- 095 Burton Propose all businesses in an enterprise zones that are eligible be treated the same, -10 amendments addresses that and provides concessions.
- Rep. Verger Each company has to be analyzed, and complex if under urban renewal.
- 112 Burton Does not matter if company is urban renewal district. Described Columbia County case as an exception.
- 124 Rep. Williams **MOTION: MOVED ADOPTION OF THE –A5 AMENDMENTS INTO HB 2299.**
- ORDER: HEARING NO OBJECTION, VICE CHAIR SCOTT SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED)**
- 129 Rep. Williams **MOTION: MOVED ADOPTION OF THE –A8 AMENDMENTS INTO HB 2299.**
- ORDER: HEARING NO OBJECTION, VICE CHAIR SCOTT SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED)**
- 132 Rep. Williams **MOTION: MOVED ADOPTION OF THE –A9 AMENDMENTS INTO HB 2299.**
- ORDER: HEARING NO OBJECTION, VICE CHAIR SCOTT SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED)**
- 136 Rep. Williams **MOTION: MOVED ADOPTION OF CONCEPTUAL AMENDMENTS TO THE –A10 AMENDMENTS.**
- THE CONCEPTUAL AMENDMENTS WOULD BE: ON LINE 8, STRIKE THE SEMI-COLON AND INSERT THE WORD “AND”; ON LINE 9 STRIKING THE WORD “AND” FOLLOWING THE SEMI-COLON AND INSERTING THE WORD “OR”.**
- ORDER: HEARING NO OBJECTION, VICE CHAIR SCOTT SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED)**
- 145 Rep. Williams **MOTION: MOVED ADOPTION OF THE –A10 AMENDMENT, AS CONCEPTUALLY AMENDED, INTO HB 2299.**
- ORDER: HEARING NO OBJECTION, VICE CHAIR SCOTT SO ORDERS. (ALL MEMBERS PRESENT EXCEPT CHAIR SHETTERLY, EXCUSED)**
- 154 Rep. Williams **MOTION: MOVED HB 2299 AS AMENDED, INCLUDING CONCEPTUALLY AMENDED, TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**
- ROLL CALL: MOTION PASSED 8-0-1**

REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Williams. EXCUSED: Chair Shetterly.

Rep. Berger will carry the bill.

176	Vice Chair Scott	Closed Work Session on HB 2299-A.
178	Vice Chair Scott	Meeting adjourned at 9:18 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Yates, "Revenue Impact HB 2368-A, 1 page
2. Yates, "HB 2368-A7 Amendment", 3 pages
3. Malik, "HB 2299-A, 2 pages
4. Malik, "HB 2299-A10, 1 page