

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

Members Present: Representative Lane Shetterly, Chair
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

Witness Present: Representative Elaine Hopson, District 32
House Education and Revenue Committees
Susana Ramirez, Oregon Advocacy Center
Kathryn Weit, Developmental Disabilities Coalition
and Family Action Coalition Team
Ozzie Rose, Oregon Confederation of School Administrators
Lynn Lundquist, Oregon Business Association,
And Quality Education Commission (QEC)
Rob Douglas, Columbia River Steamship Operators Association
Todd Staple, "K" Line
Keith Leavitt, Port of Portland
Jeff Krug, Port of Portland
Gil Riddell, Association of Oregon Counties
Patrick Green, AFL-CIO
Representative Steve March, District 46
Ken Armstrong, Oregon Fire Chiefs Association
Chris Chapman, Legislative Aide, Kidney Donor

Staff Present: Paul Warner, Legislative Revenue Officer
Steve Meyer, Legislative Revenue Office
Mazen Malik, Legislative Revenue Office
Lizbeth Martin-Mahar, Legislative Revenue Office
Kathy Tooley, Committee Assistant

TAPE 112, SIDE A

004 Chair Shetterly Calls meeting to order at 8:35 a.m.

PUBLIC HEARING HB 2852

018 Steve Meyer Described HB 2852, discussed sunset (Exhibit 1).

046 Chair Shetterly Public hearing only today, but has a fiscal impact with subsequent referral to Ways and Means.

053 Rep. Elaine Hopson Spoke in support of HB 2852, (Exhibit 2), bill brought at the recommendation of the Oregon Legislative Special Education Task Force; discussed special education needs.

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| 064 | Rep. Hopson | Discussed available federal funds, but insufficient for special education issues. This bill focuses on special education funding issues. |
| 098 | Rep. Hopson | Regarding a fiscal impact, would look at ways of reducing that cost. |
| 096 | Rep. Hass | Special education is not incorporated in the Quality Education Model? |
| 104 | Rep. Hopson | Task force discussed analysis of special education for funding and needs. In the QEM, there are costs assigned for special education, within the special education area would like to identify the number and the needs of kids at various levels. Some needs can be addressed in the classroom, but there are those whose needs can cost up to \$60,000. One reason for the extension is to try to determine the funding portion of unique circumstances. |
| 122 | Rep. Verger | Glad you are finding out about 2001-03 budget for the task force, \$150,000 seems like a lot of money. Liked that you said size of committee should be re-evaluated, it seems unwieldy to get together and get things done. |
| 133 | Rep. Hopson | Correct, the money comes out of the Department of Education's budget and will fight to not take it out of the education budget. |
| 137 | Chair Shetterly | The report says it takes money out of the state school fund, rather than budget. |
| 140 | Meyer | The state school fund is part of their budget. |
| 141 | Chair Shetterly | But money that is otherwise distributed. |
| 140 | Rep. Barnhart | Is part of the task to come up with specific recommendations for dealing financially with low incidence, high cost students? |
| 150 | Rep. Hopson | Answered affirmatively. That is the one of the major factors in continuing the funding part. The double-weight has not taken care of needs. Need to look at big picture of school funding. |
| 166 | Rep. Barnhart | Discussed Eugene student that had to be educated out of state for \$250,000 year. A small district would be in big trouble, would like to see it resolved on a statewide basis. |
| 195 | Susana Ramirez | Spoke in support of HB 2852, (Exhibit 3), discussed personal experience as parent of a 19 year-old autistic son. Described need for parent to be on task force. |
| 248 | Kathryn Weit | Spoke in favor of HB 2852, (Exhibit 4). Discussed history of legislation for special education needs. Supported continuation of the task force's work, whether with large task force of smaller work groups; funding is closely tied with service delivery models, best practices, mediation issues and outcomes issues with family member partnerships. |
| 278 | Ozzie Rose | Spoke in support of HB 2852. Need continuation of work of task force; needs to discuss funding further. There is an issue of the right delivery models, the best practices at the best prices. New federal legislation this summer coming out similar to "No child let behind". Could use smaller task force. |
| 349 | Rep. Verger | This sunset is for the next biennium? |
| 350 | Meyer | The new sunset is for 2005. |

355 Lynn Lundquist Spoke in support of HB 2852. Discussed funding level, is the system getting used as well as it should or abused in some cases? Special education needs to be put in QEC, but appeared before the QEC, in a way that did not give committee confidence and was not placed in the report. Special education is \$1 billion and needs to have a higher confidence level on expenditures.

420 Closed 2852 Closed Public Hearing on HB 2852

OPENED PUBLIC HEARING ON HB 2625

404 Mazen Malik Provided background and described HB 2625, discussed sunset, revenue impact, (Exhibit 5).

TAPE 113, SIDE A

030 Rob Douglas Spoke in favor of HB 2625 as essential for Oregon commerce. Oregon has never taxed these containers, surprised to find out it had sunset in July 2002. Had originally asked for it to be exempted without rolling dates.

048 Todd Staple Spoke in favor of HB 2625. "K" Line is currently not taxed on containers in any state in the country. This would increase costs and be a factor in pricing decisions and Oregon imports and exports. Carriers are struggling currently with increased costs of national security in the wake of September 11.

077 Chair Shetterly Oregon taxes rail cars. When a container becomes affixed to a flat car is it taxable?

092 Rob Douglas Did not know.

095 Keith Leavitt Spoke in favor of HB 2625. This is an important bill to continue encouraging marine commerce.

111 Jeff Krug Spoke in favor of HB 2625. Discussed number of jobs created for rail, trucking, and barge companies. Discussed carriers' struggle to remain profitable.

Question and discussion regarding history of exemption.

161 Rep. Verger What is the difference between container shipment by rail, truck or by ship?

176 Krug Discussed central assessment, transient nature of containers.

180 Chair Shetterly Clarifies these are cargo containers primarily for use on ocean going ships.

190 Gil Riddell Would not argue that this exemption should be eliminated. Reminded Committee, the burden of sunset program is on those that receive the tax expenditure. Would feel more comfortable if the evaluation was stronger, instead of this exemption "may" be effective.

190 Patrick Green AFL-CIO testifying in support of HB 2625. This is essentially an extension, not a new expenditure. In a global economy, Oregon would be at a competitive disadvantage if it is the only port that does not exempt property taxes. Port of Portland is a strategic asset that the economy relies on; it supports living wage jobs with benefits.

269 Chair Shetterly Closed Public Hearing HB 2625.

OPENED PUBLIC HEARING ON HB 3418

273 Chair Shetterly There being no testimony, closed Public Hearing on HB 3418.

OPENED PUBLIC HEARING ON HB 3419

275 Chair Shetterly There being no testimony, closed Public Hearing on HB 3419.

OPENED PUBLIC HEARING ON HB 3033

284 Rep. Steve March Discussed -1 amendment, (Exhibit 6), to the bill, removing revenue component and taking it out of the House Revenue Committee's jurisdiction. Asked Committee to have a work session on the bill to move the amendments and pass it on to the Ways and Means Committee without recommendation.

306 Ken Armstrong Had some concerns about HB 3033, the -1 amendment appears to resolve these concerns.

OPENED PUBLIC HEARING ON HB 2990

343 Rep. March Spoke in support of HB 2990, (Exhibit 7). Referred Committee to:

- Line 15, purposely left the percentage of foregone earned income blank for consideration by the Committee;
- Did not put a cap on the amount of income that an individual might be making to apply for this.
- Line 9, discusses a recovery period ending on the 90th day, but means up to 90 days.

37 Chris Chapman Spoke in support of HB 2990, (Exhibit 8). Goal to make the transplant process easier. Two groups benefit, those seriously ill; and those donating an organ. Suggested a tax credit would give donors 2 to 3 months for recovery. Would support a cap on this bill.

386 Barnhart Have there been calculations made on the costs of this bill.

414 Chapman No, understood the bill needed to be heard in Committee before numbers could be ascertained. Best guess is that between 300 and 400 per year eligible, with a potential cap of an estimated \$1000.

440 Rep. Verger Closed Public Hearing on HB 2990.

442 Rep. Verger Closed Public Hearing on HB 3033

453 Rep. Verger Meeting adjourned at 9:34 a.m.

Kathy Tooley, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. Meyer, "Staff Measure Summary HB 2852", 1 page
2. Hopson, "Oregon Legislative Special Education Task Force Final Report", 8 pages
3. Ramirez, "Testimony on HB 2852", 1 page
4. Weit, "Testimony on HB 2852", 2 pages
5. Malik, "Staff Measure Summary HB 2625, Revenue Impact HB 2625, Tax Expenditure Report 2.018 Cargo Containers", 3 pages
6. Malik, "Staff Measure Summary HB 3418", 1 page
7. Malik, "Staff Measure Summary HB 3419", 1 page
8. Martin-Mahar, "Staff Measure Summary HB 3033", 1 page
9. March, "HB 3033-1 Amendment", 3 pages
10. Martin-Mahar, "Staff Measure Summary HB 2990", 1 page
11. March, "Testimony HB 2990", 1 page
12. Chapman, "Testimony HB 2990", 1 page