# HOUSE REVENUE COMMITTEE MAY 5, 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
Members Excused:	Representative Max Williams
Witness Present:	John Marshall, Oregon School Boards Association Cindy Robert, Confederated Tribes of the Umatilla Reservation Jim Craven, American Electronics Association
Staff Present:	Paul Warner, Legislative Revenue Officer Lizbeth Martin-Mahar, Legislative Revenue Office Steve Meyer, Legislative Revenue Office Kathy Tooley, Committee Assistant

## TAPE 155, SIDE A

004	Chair Shetterly	Calls meeting to order at 9:05 a.m.
012	Lizbeth Martin-Mahar	Provided background and described SB 292, (Exhibit 1); discussed extension of credit and sunset dates.
028	Martin-Mahar	Discussed revenue impact of \$100,000 for 2004-05; \$200,000 2005-07 biennia (Exhibit 2).
033	Chair Shetterly	That's assuming high utilization?
032	Martin-Mahar	Answered affirmatively.
043	Chair Shetterly	Recessed Public Hearing on SB 292

## **OPENED PUBLIC HEARING ON SB 807-A**

044	Steve Meyer	Provided background and described SB 807A, (Exhibit 3). Discussed Revenue Impact of SB 807A.
064	Chair Shetterly	What is federal impact aid?
065	Steve Meyer	It is federal dollars that go to school districts that are impacted primarily by military bases or Indian reservations.
066	Chair Shetterly	In Oregon it is limited to Indian reservations because there are no military bases?
067	Steve Meyer	The Warm Springs Confederation would be impacted.

074	Chair Shetterly	Cited no opposition to the bill in the Senate, any testimony in the Senate?
075	Steve Meyer	Described testimony received in the Senate.
083	John Marshall	Because it affected school districts and ability to issue bonds, met with Warm Springs Tribe representatives and discussed pooled bonding programs available. Madras School District contains Warm Springs Reservation; described elementary school where the reservation owns the land, the school district owns and operates the school. The building is in need of repair and the school district does not have any money. Issue is the school district is reluctant to get bond measure because it only benefits students on the reservation.
105	Marshall	Described federal impact aid received by the school for the reservation and possibility of using the aid with other sources of revenue to create a revenue stream to issue bonds.
124	Chair Shetterly	Need state statutory authorization to use federal money as a revenue stream for bonds?
126	Marshall	No. Schools have broad authority to issue bonds or notes to improve school buildings. The issue is the tribe wants to show the school board and community the tribe's interest in allowing federal funds, combined with other revenues, to improve the school.
138	Cindy Robert	This is not necessary, but allows Indians to show support of the school districts. It is a way for tribes to help localities come up with funding.
156	Chair Shetterly	Closed Public Hearing on SB 807-A.
OPENED	WORK SESSION ON SB	807-A
160	Rep. Verger	MOTION: MOVED SB 807-A TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
162	Rep. Verger	Expressed minor concern the bill might obligate the state to get involved in the impact aid discussion at the federal level.
170	Rep. Scott	Expressed concern regarding the last statement on revenue impact "The amount of any impact aid used to repay bond would not be available for school operating costs".
177	Chair Shetterly	Money from federal government because an Indian school is within a district, where money can only be used for operation of that Indian school?
182	Meyer	Impact aid not dedicated to the particular school, but to the district.
184	Chair Shetterly	It's a dedication of the revenue stream to back the bonds?
185	Meyer	Answered affirmatively. If it is currently being used for operation purposes, they would no longer be available for that.
187	Chair Shetterly	That's a local school district risk that they are taking, it would not affect the state obligation to that district.
191		Discussion about potential impact due to instability of funds.

ROLL CALL: MOTION PASSED 8-0-1 REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Chair Shetterly. EXCUSED: Williams.

Rep. Verger will carry the bill.

206 Chair Shetterly Closed Work Session on SB 807

#### **REOPENED PUBLIC HEARING ON SB 292**

204	Jim Craven	Testified in support of SB 292, (Exhibit 5). Discussed tax credit for companies that donate brand new equipment to K-12 and Higher Education for computers and technology. Credit is taken in lieu of a deduction.
232	Craven	Quoted "Tax Expenditure Report" deemed the expenditure as a "fiscally effective method of achieving the goal of the provision", and is "much less costly than when educational organizations have to purchase such equipment outright".
240	Craven	Discussed Senate committee testimony regarding financing of equipment, provides for date extension of 6 years of existing credit.
260		Questions and discussion regarding obsolete equipment and provisions for reviewing and accepting donations deemed useful.
282	Chair Shetterly	Hard to tell what this bill does from its test. Nothing in bill says anything about computers. These are in the statutes?
285	Craven	Answered affirmatively. The only thing being changed in the bill is the date.
300	Chair Shetterly	Closed public hearing on SB 292.

#### **OPENED WORK SESSION ON SB 292**

302	Rep. Hass	MOTION: MOVED SB 292 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, Chair Shetterly. EXCUSED: Williams
		Rep. Hass will carry the bill.
323	Rep. Barnhart	For the record received a letter from Craven, from President of University of Oregon supporting bill SB 292.
336	Chair Shetterly	Meeting adjourned at 9:20 a.m.

Tape Log Submitted by,

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Kathy Tooley, Committee Assistant

### Exhibit Summary:

- Martin-Mahar, "Staff Measure Summaries SB 292", 2 pages
  Martin-Mahar, "Revenue Impact Statement SB 292", 1 page

- Meyer, "Staff Measure Summary SB 807-A", 1 page
  Meyer, "Revenue Impact Statement SB 807-A", 1 page
- 5. Craven, "Testimony SB 292", 1 page