

HOUSE REVENUE COMMITTEE
JUNE 13, 2003 9:30 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: Julie Suchanek, Community College Association
Kate Richardson, Oregon State Treasury

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

TAPE 188, SIDE A

004 Chair Shetterly Calls meeting to order at 10:00 a.m.

OPENED WORK SESSION ON HB 2041

012 Chair Shetterly Recapped status of HB 2041 with A engrossed bill, -A10*, -A14*

***(NOTE: -A10, and -A14 are House Revenue Committee Exhibits 6 and 7 respectively, June 12, 2003.)**

017 Chair Shetterly Who brought the -A14s?

018 Richard Yates The Department of Transportation.

020 Chair Shetterly Recessed 10:02.

Reconvened the meeting at 10:05 a.m.

030 Yates The -A10 amendments deal with the special county allocation. This amendment provides for a distribution from the special county allocation to qualifying counties on January 5, 2004.

038 Chair Shetterly The -A14's?

039 Yates The -A14 amendments provide for two fees applied to light vehicles; eliminates the increase on the renewal of a Class C driver's license.

049 Chair Shetterly Understand the -A14's are part of the stakeholder's agreement. Is there opposition to the -A14's? These were discussed between the Transportation Committee and the Revenue Committee and there is agreement on those?

- 053 Yates Answered affirmatively.
- 054 Rep. Verger **MOTION: MOVED ADOPTION OF THE –10 AMENDMENTS INTO HB 2041-A.**
- ORDER: HEARING NO OBJECTION, THE CHAIR SO ORDERS. (ALL MEMBERS PRESENT EXCEPT REP. WILLIAMS, EXCUSED)**
- 059 Rep. Verger **MOTION: MOVED ADOPTION OF THE –14 AMENDMENTS INTO HB 2041-A.**
- ORDER: HEARING NO OBJECTION, THE CHAIR SO ORDERS. (ALL MEMBERS PRESENT EXCEPT REP. WILLIAMS, EXCUSED)**
- 061 Rep. Verger **MOTION: MOVED HB 2041-A, AS AMENDED, TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**
- 065 Rep. Hass “This is probably the most significant bill that we have done to create jobs this session. That’s what I like about it. The three most important things about it are: Jobs, jobs, jobs.”
- 069 Chair Shetterly Expressed concerns of the Committee on the income tax capture piece and suggest this not become a practice regularly employed, urged care and caution for its use in the future. Concerned also about the Multnomah County amendment, recognize that it has been agreed upon by the cities. “There is strong support for the bill and what it represents for the future of transportation in Oregon, but also for our economy and the welfare of the people of the state.”
- 079 **ROLL CALL: MOTION PASSED 8-0-1 REPRESENTATIVES VOTING AYE: Barnhart, Berger, Farr, Hass, Hopson, Scott, Verger, Chair Shetterly. EXCUSED: Williams.**
- Rep. Alan Brown will carry the bill.**
- 088 Chair Shetterly Closed the Work Session on HB 2041-A.

OPENED PUBLIC HEARING ON HB 3642

- 093 Paul Warner Described finding that the May 2003 Economic Forecast meets one of the Constitutional conditions for accessing the Education Stability Fund (ESB), (Exhibit 1). Discussed conditions for access of ESB.
- 114 Warner Discussed Revenue Impact, (Exhibit 2) and methods for payment transfer.
- 130 Chair Shetterly This is drafted stating a percentage rather than dollar amount, because there is the possibility of an increase in lottery revenues in the next biennium, and would thereby capture a share of the additional revenues.
- 138 Warner Video poker has had a tendency to exceed forecast.
- 165 Julie Suchanek Understand difficult position and fiscal crisis Oregon is in, for the record, ESF moneys fund the Oregon Opportunity Grant which is a state-funded need-based aid grant for post secondary education students attending a community college and other institutions. Transfers away from the ESB have a direct negative impact to the number of grants available. Hope the process could continue to prioritize access to post secondary education and maximize opportunities to have access to post secondary education.

167 Warner Fiscal is in the process of estimating lost earnings for the two months at the end of the next biennium.

169 Chair Shetterly Has Treasury looked at this for technical purposes?

172 Kate Richardson The Treasurer has look at this for technical purposes.

177 Chair Shetterly Has the Treasurer found any technical defects in the draft; is it wanting?

179 Richardson The bill as drafted appears to work technically. Transfer date is May 1, 2005. That date will maximize earnings on moneys accumulating to address the beneficiaries. It doesn't take care of the problem of future bienniums.

193 Chair Shetterly Closed the Public Hearing on HB 3642.

OPENED WORK SESSION ON HB 3642

196 Rep. Scott **MOTION: MOVED HB 3642 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION**

200 Rep. Barnhart "It is regrettable that we need to pass this bill, although the constitutional provisions that we are exercising are precisely the ones that we are facing".

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

Rep. Scott will carry the bill.

215 Chair Shetterly Meeting adjourned at 10:15 a.m.

Tape Log Submitted by,

Kathy Tooley, Committee Assistant

Exhibit Summary:

1. Warner, "Staff Measure Summary HB 3642", 1 page
2. Warner, "Revenue Impact Statement HB 3642", 1 page