

## HOUSE COMMITTEE ON RULES AND PUBLIC AFFAIRS

August 25, 2003 Hearing Room E  
3:00 PM Tapes 141 - 143

**MEMBERS PRESENT:**        Rep. Dan Doyle, Chair  
                                 Rep. Linda Flores, Vice-Chair  
                                 Rep. Laurie Monnes Anderson, Vice Chair  
                                 Rep. Vic Backlund  
                                 Rep. Phil Barnhart  
                                 Rep. Betsy L. Close  
                                 Rep. Joanne Verger

**STAFF PRESENT:**        Cara Filsinger, Committee Administrator  
                                 Sandy Thiele-Circa, Administrator  
                                 Rick Berkobien, Administrator  
                                 Ray Kelly, Administrator  
                                 Janet Adkins, Administrator  
                                 Annetta Mullins, Committee Assistant  
                                 David Peffley, Committee Assistant

**MEASURES HEARD:**        HB 2523 A – Work Session  
                                 SB 946 – Work Session  
                                 SB 938 A – Work Session  
                                 SB 332 A – Work session  
                                 SB 763 – Work Session  
                                 SB 915 A – Work Session  
                                 SB 538 A – Work Session  
                                 HB 2502 – Work Session  
                                 SCR 9 – Work Session

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These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<u>TAPE 141, A</u> 004	Chair Doyle	Calls the meeting to order at 3:49 p.m., announces the order in which agenda items will be considered, and opens a work session on SB 938.
<u>SB 938 A – WORK SESSION</u> 030	Chair Doyle	Closes the work session on SB 938 and opens a work session on HB 2523 A.
<u>HB 2523 A – WORK SESSION</u> 040	Sandy Thiele-Cirka	Committee Administrator. Explains the provisions of HB 2523 A.
047	Bill Linden	Deschutes County. Submits ( <b>EXHIBIT A</b> ) and explains the background and history of HB 2523 A. Asserts that the general fund would be held harmless or even benefit from the collection process. Adds that HB 2523 A will provide an effective judicial forum for minor infractions.

080	Rep. Monnes Anderson	Asks if the County Commissioners are in favor of this legislation.
084	Linden	Confirms that they are and that the Commissioners sponsored the bill and favor the courts in order to expedite the legal process.
090	Rep. Monnes Anderson	Asks the Oregon Judicial Department's opinion of the bill.
092	Linden	Replies that the Circuit Court in Deschutes County is not opposed to the measure, however notes that the Judicial Department testified against the bill in the House Judicial Committee.
095	Rep. Monnes Anderson	Asks why the Judicial Department opposed the bill.
096	Linden	States that the Department expressed concerns about the revenue impact.
<b>104</b>	<b>Rep. Flores</b>	<b>MOTION: Moves HB 2523A to the floor with a DO PASS recommendation.</b>
107	Rep. Monnes Anderson	States that she will initially be a nay vote pending the receipt of more information from the opponents of the bill, although notes that she may change her vote later.
113	Rep. Flores	Indicates her support for HB 2523 A, enabling local entities searching for local solutions.
<b>121</b>		<b>VOTE: 4-1</b> <b>AYE: 4 - Backlund, Close, Flores, Doyle</b> <b>NAY: 1 - Monnes Anderson</b> <b>EXCUSED: 2 - Barnhart, Verger</b> <b>The motion CARRIES.</b>
<b>122</b>	<b>Chair Doyle</b>	<b>REP. DOYLE will lead discussion on the floor.</b>
124	Chair Doyle	Closes the work session on HB 2523 A and opens a work session on SB 946.
<b><u>SB 946 – WORK SESSION</u></b>		
124	Sen. Ben Westlund	SD 27. Explains SB 946 and testifies in support, as it will correct an inconsistency in the graduated drivers' license provision passed in the 70 <sup>th</sup> Legislative Assembly. Explains the current driving permit system and how this bill would correct the problem.
<b>171</b>	<b>Rep. Flores</b>	<b>MOTION: Moves SB 946 to the floor with a DO PASS recommendation.</b>
<b>179</b>		<b>VOTE: 5-0</b> <b>AYE: In a roll call vote, all members present vote Aye.</b> <b>EXCUSED: 2 - Barnhart, Verger</b> <b>The motion CARRIES.</b>
<b>181</b>	<b>Chair Doyle</b>	<b>REP. FLORES will lead discussion on the floor.</b>
183	Chair Doyle	Closes the work session on SB 946 and opens a work session on SB 938.
<b><u>SB 938 A – WORK SESSION</u></b>		
190	John Powell	AT and T Wireless. References HB 2785, similar to the current bill. Summarizes SB 938 A and urges passage. States that there is no known opposition.
<b>227</b>	<b>Rep. Flores</b>	<b>MOTION: Moves SB 938A to the floor with a DO PASS recommendation.</b>
<b>242</b>		<b>VOTE: 6-1</b>

		<b>AYE: 6 - Backlund, Close, Flores, Monnes Anderson, Verger, Doyle</b>
		<b>NAY: 1 - Barnhart</b>
244	Chair Doyle	<b>The motion CARRIES.</b>
		<b>REP. CLOSE will lead discussion on the floor.</b>
253	Chair Doyle	Closes the work session on SB 938 A and opens a work session on SB 332 A.
<b><u>SB 332 A – WORK SESSION</u></b>		
260	Bill Perry	Oregon Restaurant Association. Testifies in support of SB 332 A and addresses the effects of the -4 amendments ( <b>EXHIBIT B</b> ), which define full employment with regard to minimum wage indexing.
315	Rep. Verger	Expresses concern about overturning the will of the voters.
323	Perry	Concurs with Rep. Verger, but asserts that this bill will be an effective index for the future. Asserts that this bill will be especially important during times of high unemployment.
378	Rep. Barnhart	Asks Perry how many months in the past several years the calculation would have resulted in an increase in the minimum wage.
384	Perry	States that he doesn't have those figures with him. Cites Measure 36, voted on in 1996, and the three-tier increase. Notes that we have been over the national rate most months.
416	Rep. Barnhart	Asks about vote percentages from the past election.
418	Perry	Acknowledges that the initiative did pass, which provided for a \$.40 increase, not an indexing increase. Replies that he thinks the percentage was approximately 51-49%.
433	Rep. Barnhart	Asks whether the indexing was included on the ballot measure during the past election.
440	<b>Rep. Flores</b>	<b>MOTION: Moves to ADOPT SB 332A-4 amendments dated 8/22/03.</b>
443	Rep. Barnhart	Asserts that there is no evidence of a correlation between minimum wage rates and job loss. Notes that adjusted for inflation, the minimum wage is still lower than when it was originally instituted. Announces his opposition to SB 332 A.
<b>TAPE 142, A</b>		
030	Rep Close	States that businesses shy away from relocating in Oregon due to minimum-wage indexing. Postulates that with low-wage foreign labor, businesses will choose to locate overseas in order to pay lower labor costs.
046	Rep. Verger	Agrees that the world economy does make for difficult policy. Once again expresses concern about overturning the will of the voters and notes that she will vote nay.
059	Rep. Monnes Anderson	States that she will be an aye vote due to concerns about costs to small businesses.
072		<b>VOTE: 5-2</b>
		<b>AYE: 5 - Backlund, Close, Flores, Monnes Anderson, Doyle</b>
		<b>NAY: 2 - Barnhart, Verger</b>
074	Chair Doyle	<b>The motion CARRIES.</b>
076	Rep. Flores	<b>MOTION: Moves SB 332A to the floor with a DO PASS AS AMENDED recommendation.</b>
081		<b>VOTE: 5-2</b>

		<b>AYE: 5 - Backlund, Close, Flores, Monnes Anderson, Doyle</b>
		<b>NAY: 2 - Barnhart, Verger</b>
<b>083</b>	<b>Chair Doyle</b>	<b>The motion CARRIES.</b>
		<b>REP. CLOSE will lead discussion on the floor.</b>
086	Chair Doyle	Closes the work session on SB 332 A and opens a work session on SB 763 A.
<b><u>SB 763 A – WORK SESSION</u></b>		
090	Sen. Bruce Starr	SD 15. Gives overview to the effects of SB 763 A, relating to the 20-year land supply and testifies in support of the legislation. Notes Metro’s role in the Urban Growth Boundary expansion process. Announces the –A8 amendments ( <b>EXHIBIT C</b> ) and announces the support of the homebuilders and the realtors as well as Metro.
138	Chair Doyle	Asks about the implications of the –A8 amendments.
140	Jon Chandler	Legislative Advocates; Oregon Building Industry Association (OBIA). Clarifies the effects of the -A8 amendments.
168	Rep. Verger	Asks for a clarification on inventory regarding the 20-year supply.
173	Chandler	Affirms that it is a 20-year land inventory.
174	Rep. Verger	Asks if this case is better suited to administrative rule than to statute.
177	Chandler	Details why it is important to put this rule into statute.
193	Rep. Monnes Anderson	Asks if Metro and 1000 Friends are opposed to the bill.
197	Chandler	States that he believes the aforementioned groups find the bill acceptable.
<b>201</b>	<b>Rep. Flores</b>	<b>MOTION: Moves to ADOPT SB 763A-8 amendments dated 8/12/03.</b>
203	Rep. Monnes Anderson	States that she will be a nay vote in committee, but that before the floor vote, she will need to consult various sources in order to make her final decision.
208	Rep. Verger	States that despite concerns about putting this bill into statute, she finds this bill to be balanced and fair and will vote aye on the legislation.
<b>213</b>		<b>VOTE: 5-2</b>
		<b>AYE: 5 - Backlund, Close, Flores, Verger, Doyle</b>
		<b>NAY: 2 - Barnhart, Monnes Anderson</b>
<b>221</b>	<b>Chair Doyle</b>	<b>The motion CARRIES.</b>
<b>223</b>	<b>Rep. Flores</b>	<b>MOTION: Moves SB 763A to the floor with a DO PASS AS AMENDED recommendation.</b>
<b>230</b>		<b>VOTE: 5-2</b>
		<b>AYE: 5 - Backlund, Close, Flores, Verger, Doyle</b>
		<b>NAY: 2 - Barnhart, Monnes Anderson</b>
232	Chair Doyle	<b>The motion CARRIES.</b>
		<b>REP. BACKLUND will lead discussion on the floor.</b>
235	Chair Doyle	Closes the work session on SB 763 A and opens a work session on SB 915 A.
<b><u>SB 915 A – WORK SESSION</u></b>		
236	Rep. Dalto	HD 21. Submits three amendments, the –A7 amendments

(**EXHIBIT D**), which provide a technical fix, the -A8 (**EXHIBIT E**) and the -A9 amendments (**EXHIBIT F**). Conveys that this legislation would allow public safety facilities to be built in Exclusive Farm Use (EFU) zones, allowing public safety to be considered as a conditional use. States his preference for the -A9 amendments.

267 Rep. Monnes Anderson Asks for clarification on the current restrictions in EFU buffer zones.

271 Rep. Dalto Notes that presently such facilities can not be built within the buffer zones.

275 Rep. Monnes Anderson Asks how this bill is different from a similar bill, HB 3561.

276 Rep. Dalto States the difference in the two bills.

281 Rep. Monnes Anderson Asks Oregon Farm Bureau's (OFB) opinion on SB 915.

282 Rep. Dalto Replies that OFB would like to see a buffer zone.

**291 Rep. Flores MOTION: Moves to ADOPT SB 915A-9 amendments dated 8/25/03.**

295 Rep. Verger States that she will be a nay vote in committee, but may change her mind for the floor vote.

298 Rep. Monnes Anderson Asks for clarification on the effects of the -A9 amendments.

314 Rep. Dalto Explains the changes in the buffer zone.

322 Rep. Monnes Anderson Asks which amendments Rep. Dalto supports.

324 Rep. Dalto Confirms that he would like to see the passage of the -A9 amendments, which remove all buffer zone language.

336 Rep. Monnes Anderson Expresses concern that all stakeholders have not been able to represent their opinions, thus she will be a nay vote.

341 Rep. Backlund Asks the impact of the -2 amendments (**EXHIBIT G**).

345 Chair Doyle States that the -2 amendments will be discussed after the -A9 amendments.

351 Rep. Flores States that she'd also like to hear more discussion on the issue, but affirms that she will provide a courtesy aye vote.

356 Rep. Backlund Concurs with Rep. Flores and will also provide a courtesy aye vote.

**363 VOTE: 4-3**

**AYE: 4 - Backlund, Close, Flores, Doyle**

**NAY: 3 - Barnhart, Monnes Anderson, Verger**

**371 Chair Doyle The motion CARRIES.**

382 Rep. Prozanski Addresses the effects of the -2 amendments, which was brought about by a constituent's concerns..

404 Rep. Barnhart Asks for a clarification on the effects of moving the statutes.

407 Rep. Prozanski Clarifies the matter further, and notes that they would allow for greater regulation.

424 Rep. Barnhart Asks what concern prompted Rep. Prozanski's constituent to seek this change in statute.

428 Rep. Prozanski Explains that noise factors influenced the proposed legislation.

**TAPE 141, B**

005 Chair Doyle Announces that he has received word from Legislative Council that the -2 amendments do not relate to the A-engrossed version of the bill and that the amendment will need to be redrafted.

014	Rep. Prozanski	States that he will investigate.
021	Chair Doyle	Delays action on the bill, recessing the work session on SB 915 and opens a work session on SB 538 A.
<b><u>SB 538 A – WORK SESSION</u></b>		
029	Chair Doyle	Announces that there will be a host of amendments to consider regarding the A-engrossed version of the bill. Addresses the -A24 amendments ( <b>EXHIBIT H</b> ), submitted by the Chair, as the centerpiece of the legislation. Also introduces the -A25 amendments ( <b>EXHIBIT I</b> ), submitted by Rep. Barnhart, similar to the -24, except that the -A25 includes Douglas County. Mentions that the aggregate industry prefers the -25 amendments and OFB prefers the -A25 amendments. Also introduces the -A12 ( <b>EXHIBIT J</b> ), the -A13 ( <b>EXHIBIT K</b> ), the -A20 ( <b>EXHIBIT L</b> ), and the -A23 amendments ( <b>EXHIBIT M</b> ).
075	Rep. Barnhart	Concurs with Chair Doyle’s assessment on the difference with the amendments. Addresses the aggregate issue and notes the compromise which was reached as part of this bill. Also addresses soil classification. Recommends adoption of the -A25 amendments ( <b>EXHIBIT I</b> ).
112	Chair Doyle	Explains his rationale for wanting to move the -A24 amendments ( <b>EXHIBIT H</b> ), citing the Beaver State case.
134	Rep. Backlund	Addresses the compromise and asks who came together for compromise on the -A24 amendments.
137	Chair Doyle	Speaks to the governor’s desire for compromise, which prompted the -A24 amendments. Addresses the interests of the aggregate community as well as those of OFB.
144	<b>Rep. Flores</b>	<b>MOTION: Moves to ADOPT SB 538A-24 amendments dated 8/25/03.</b>
151	Rep. Verger	Expresses concern with the legislature overturning the legal process and thus will oppose the -A24 amendments.
173	Rep. Monnes Anderson	References the farmers’ concerns with regard to the gravel pits and will be a nay vote.
218	<b>Rep. Barnhart</b>	<b>MOTION: Moves to ADOPT SB 538A-25 amendments dated 8/25/03.</b>
222	Chair Doyle	Clarifies that the motion to move the -A25 amendments supercede the motion to move the -A24 amendments.
225	Rep. Barnhart	Addresses the motion and the importance of the -A25 for the farmer. Addresses the compromise reached on the amendment and how it was arrived at. Urges an aye vote on the amendments.
237		<b>VOTE on the -A25 amendments: 3-4</b> <b>AYE: 3 - Barnhart, Monnes Anderson, Verger</b> <b>NAY: 4 - Backlund, Close, Flores, Doyle</b>
242	<b>Chair Doyle</b>	<b>The motion FAILS.</b>
251		<b>VOTE on the -A24 amendments: 4-3</b> <b>AYE: 4 - Backlund, Close, Flores, Doyle</b> <b>NAY: 3 - Barnhart, Monnes Anderson, Verger</b>
254	<b>Chair Doyle</b>	<b>The motion CARRIES.</b>
260	Chair Doyle	Announces that the -A20 amendments ( <b>EXHIBIT L</b> ) will be addressed next.
269	Ross Day	Oregonians In Action (OIA). Addresses the -A20 amendments, which are of the gut and stuff variety and came about as a

		compromise between OIA and the Department of Land Conservation and Development (DCLD).
301	Jon Chandler	Legislative Advocates. Testifies in favor of the –A20 amendments. Refers to the exceptions process as it relates to land use planning. States that the amendments are the same as HB 2860 which passed the House and stalled in the Senate.
334	Rep. Verger	Asks for clarification that nothing changes in the exceptions process except for the golf course provisions.
337	Day	Affirms that is correct.
338	Rep. Verger	Asks who is served by the golf course facilities provisions.
344	Day	States that it depends on the definition of playing golf and notes allowances.
352	Chair Doyle	Notes that the language seems to address those patronizing to the course.
358	Day	References HB 3247.
359	Rep. Monnes Anderson	Asks if DLCD and the environmental groups find the –A20 amendments acceptable.
368	Chandler	Affirms that 1000 Friends find the amendments acceptable.
<b>370</b>	<b>Rep. Flores</b>	<b>MOTION: Moves to ADOPT SB 538-A20 amendments dated 8/23/03.</b>
372	Chair Doyle	Notes that even though the –A20 amendments are gut and stuff amendments, the elimination of the original bill was accomplished by the –A24 amendments adopted earlier. Affirms the intention to combine the –A24 amendments with the –A20 amendments.
386	Rep. Barnhart	States a preference for the amendments “as is.”
<b>390</b>	<b>Chair Doyle</b>	<b>VOTE: 6-1</b> <b>AYE: 6 - Backlund, Close, Flores, Monnes Anderson, Verger, Doyle</b> <b>NAY: 1 - Barnhart</b> <b>The motion CARRIES.</b>
<b>393</b>	<b>Chair Doyle</b>	Introduces the –A12 amendments ( <b>EXHIBIT J</b> ).
397	Chair Doyle	Water For Life. Addresses the –A12 amendments in order to attach the former HB 3297 which also stalled in the Senate, dealing with structures on waterways.
404	Richard Kosesan	Asks for clarification on the existing Coos Bay structures and why an easement or permit release is needed.
430	Rep. Verger	States that the amendment would grandfather existing structures and avoid future additional permitting processes.
441	Kosesan	
<b>TAPE 142, B</b>		
004	Rep. Verger	Refers to new structures in navigable waterways and asks the cost to erect any kind of structure.
011	Kosesan	States uncertainty. Restates the intent of the bill to grandfather existing structures.
015	Rep. Verger	Notes the effect on Front Street in Coos Bay and thus announces support for the amendments.
022	Rep. Barnhart	Asks how the –A12 amendments grandfather in existing structures.
026	Kosesan	Clarifies the permit process.
032	Rep. Barnhart	Notes that Rep. Close has pointed out that Line 13 answers his question.
035	Rep. Close	Points out Line 19, dealing with existing structures.

038 Rep. Flores **MOTION: Moves to ADOPT SB 538A-12 amendments dated 7/21/03.**

040 **VOTE: 7-0**

042 Chair Doyle **Hearing no objection, declares the motion CARRIED.**

043 Chair Doyle Announces the -A13 amendments (**EXHIBIT K**), brought forth by the Farm Bureau.

047 Don Schellenberg Oregon Farm Bureau (OFB). Addresses the -A13 amendments, in order to meet the concerns of Hood River Wineries to allow for a five-acre site and allow Hood River and Wasco County to work together.

080 Rep. Barnhart Asks where wine growers stand on the amendments.

081 Schellenberg Replies that the winegrowers do not oppose the bill.

084 Rep. Flores **MOTION: Moves to ADOPT SB 538A-13 amendments dated 8/6/03.**

086 **VOTE: 7-0**

087 Chair Doyle **Hearing no objection, declares the motion CARRIED.**

088 Chair Doyle Announces the -A23 amendments (**EXHIBIT M**).

091 Schellenberg Addresses the -A23 amendments, addressing the definition of “preparation.” Addresses the grass seed industry and their ability to clean, treat, sort, and package grass seed products, which are presently not accepted practices under current statute, which refers to the said practices as “processing.”

118 Rep. Flores **MOTION: Moves to ADOPT SB 538A-23 amendments dated 8/23/03.**

123 **VOTE: 7-0**

124 Chair Doyle **Hearing no objection, declares the motion CARRIED.**

128 Chair Doyle Recesses the meeting at 5:24.

**RECESS**

129 Chair Doyle Reconvenes the meeting at 5:29

130 Rep. Flores **MOTION: Moves SB 538A to the floor with a DO PASS AS AMENDED recommendation.**

135 Rep. Barnhart States that although there are commendable aspects to the bill, he finds other aspects unacceptable and thus will vote nay on SB 538A.

138 Rep. Monnes Expresses concerns with the aggregate sitings on farms and announces that she also will be a nay vote.

143 Rep. Verger States discomforts with not moving the -A25 amendments, due to the exception of Douglas County. Announces that she will also vote nay.

152 Ray Kelly Administrator. Clarifies the motion on which amendments are being moved into SB 538A and to the floor.

160 Rep. Barnhart Asks for clarification that the original A-engrossed bill is no longer under consideration.

164 **VOTE: 4-3**

**AYE: 4 - Backlund, Close, Flores, Doyle**

**NAY: 3 - Barnhart, Monnes Anderson, Verger**

169 Chair Doyle **The motion CARRIES.**

**REP. DOYLE will lead discussion on the floor.**

171 Rep. Barnhart Serves notice of a possible minority report.

173 Chair Doyle Closes the work session on SB 538 A and opens a work session on HB 2502.



## **HB 2502 – WORK SESSION**

178	Chair Doyle	Announces the -2 amendments to HB 2502 ( <b>EXHIBIT N</b> ).
181	Joe Schweinhart	Association Oregon Industries (AOI). Testifies with support for HB 2502, in order to lessen Oregon's capital gains tax. Asserts the capital gains tax to be detrimental to Oregon's business growth, as it will increase consumer spending, productivity, tax revenue, and jobs.
196	Rep. Barnhart	Asks why this issue wasn't raised in the committee on revenue.
200	Schweinhart	States that it was raised, but it wasn't moved out of committee.
201	Rep. Barnhart	Asks how much the tax would be reduced by.
203	Schweinhart	Replies that it would be reduced by one-half percent in 2006.
204	Rep. Barnhart	Asks for clarification that the tax would eventually be reduced by 4.5 %.
206	Schweinhart	Affirms that is correct.
210	Rep. Barnhart	Asks for studies that show the effect that a 4.5% reduction has on the economy.
220	Schweinhart	Refers to studies that affirm those effects.
227	Rep. Barnhart	Asks how many dollars would be foregone if the tax reduction went into effect.
230	Schweinhart	Replies that he doesn't have those figures, and affirms that the levels would depend on the economy. Affirms that this year the effect would be a net loss of \$16 million.
237	Rep. Barnhart	Asks for further clarification on the figures.
240	Schweinhart	Restates that he doesn't have the figures handy.
242	Rep. Close	Asks if there is a state capital gains tax in Idaho.
244	Schweinhart	States uncertainty.
245	Rep. Close	Asks if there is a state capital gains tax in Washington.
251	Schweinhart	Replies that there is not.
254	Rep. Close	Opines that the capital gains tax is behind the exodus of businesses from the Portland Metro area, across the river to Washington. Asks if a capital gains reduction has been before the state legislature before.
258	Schweinhart	Replies that during the past legislative session, a bill proposing a decrease in the capital gains tax passed both houses, before being vetoed by the governor.
261	Rep Barnhart	Asks about the effect of a tax cut based on the Oregon model.
269	Schweinhart	Addresses beneficiaries of the capital gains tax cut.
271	Rep. Barnhart	Asks for clarification on the question.
272	Schweinhart	Restates that he doesn't have the figures at hand.
285	Rep. Verger	Notes that reducing capital gains is an economic stimulus and asks why it will take until 2006 to get it through.
294	Schweinhart	Concurs with Rep. Verger, but notes that compromise has been necessary.
314	Rep. Backlund	Asks where we are in capital gains in relation to other states.
320	Schweinhart	Notes that Oregon has the highest capital gains tax because of where it kicks in.
326	Rep. Backlund	Addresses capital gains as it relates to business stimulus and job creation.
354	Schweinhart	Concurs with Rep. Backlund. Notes a misprint on Page 4, Section 4 of the bill.
377	Cara Filsinger	Committee Administrator. Clarifies the wording of the amendment as it should be.
390	Dexter Johnson	Legislative Council. Clarifies the timing of the capital gains reduction, noting the phasing in of the incremental increases.

404 Rep. Barnhart Recommends that Tim Nesbitt testify regarding his work on HB 2502.

406 Chair Doyle Indicates that he does not intend to hear any additional invited testimony.

411 **Rep. Flores** **MOTION: Moves to ADOPT HB 2502-2 amendments dated 8/25/03.**

416 Rep. Monnes Anderson Acknowledges understanding the need for a lowered capital gains tax, but asserts that the time is not right, given the uncertain economic times, and thus will be a nay vote.

440 Rep. Barnhart Notes opposition to the bill, stating that tax restructuring needs to be seriously looked at.

**TAPE 143, A**

018 Rep. Barnhart Continues speaking in opposition to HB 2502. Asserts that a middle class tax cut would be more effective at stimulating economic growth.

024 Rep. Verger Addresses the capital gains tax, believing that it would be an economic stimulus. Asserts that a broader restructuring is badly needed.

041 Rep. Backlund Comments on small-business driving job growth. Asserts that Oregon needs to address tax reform, including the idea of the sales tax. States further that in the interim, a capital gains tax reduction is even more import to encourage the economy and thus will be an aye vote.

064 Rep. Close States that she sees this bill as a compromise and will vote aye on the bill. Addresses corporate tax collections and notes that she would like to send a stronger message with this bill, especially in light of the fact that businesses routinely leave Oregon for Washington due to the high capital gains tax.

086 Rep. Flores Asserts that this bill is a start in addressing the capital gains problem and thus will vote aye.

093 Chair Doyle Sees this as a positive step for business and the future and will vote aye.

101 **VOTE: 5-2**  
**AYE: 5 - Backlund, Close, Flores, Verger, Doyle**  
**NAY: 2 - Barnhart, Monnes Anderson**

110 **Chair Doyle** **The motion CARRIES.**

111 **Rep. Flores** **MOTION: Moves HB 2502 to the floor with a DO PASS AS AMENDED recommendation.**

118 **VOTE: 5-2**  
**AYE: 5 - Backlund, Close, Flores, Verger, Doyle**  
**NAY: 2 - Barnhart, Monnes Anderson**

120 **Chair Doyle** **The motion CARRIES.**  
**Rep. DOYLE will lead discussion on the floor.**

121 Rep. Barnhart Serves notice of a possible minority report.

122 Rep. Doyle Closes the work session on HB 2502 and opens a work session on SCR 9.

**SCR 9 – WORK SESSION**

133 Chair Doyle Introduces the late Chuck Frederickson, who recently passed away on July 14 at the age of 76. Offers a background of Mr. Frederickson’s involvement in community and state.

148	Rep. Backlund	Concurs with Chair Doyle. Notes that Mr. Frederickson is well-deserving of this honor.
158	Rep. Flores	States that she has worked with Mr. Frederickson's wife Frances, and thus knew Chuck by proxy. Concurs with previous sentiments.
167	<b>Rep. Flores</b>	<b>MOTION: Moves SCR 9 be sent to the floor with a BE ADOPTED recommendation.</b>
172		<b>VOTE: 7-0</b>
173	<b>Chair Doyle</b>	<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
175	Chair Doyle	<b>REP. BACKLUND will lead discussion on the floor.</b> Closes the work session on SCR 9 and reopens a work session on SB 915.
<b><u>SB 915 A – WORK SESSION</u></b>		
175	Chair Doyle	Announces that the committee is not going to consider Rep. Prozanski's -2 amendments.
184	<b>Rep. Flores</b>	<b>MOTION: Moves SB 915A to the floor with a DO PASS AS AMENDED recommendation.</b>
186	Rep. Monnes Anderson	Asks for clarification as to which amendment is presently being considered.
188	Chair Doyle	Confirms that Rep. Dalto's -A9 amendments are the amendments currently under consideration.
202	Rep. Verger	States that she would like to talk with constituents before the floor vote. States that she will vote nay in committee, but could change her vote on the floor.
206	Rep. Barnhart	Concurs with Rep. Verger. States that he will also be a nay.
208	Rep. Backlund	States that he has sentiments similar to those of Rep. Verger, but that he will give the bill a courtesy aye vote.
210	Rep. Close	Announces that she will give the bill a courtesy aye vote in committee.
214		<b>VOTE: 4-3</b>
		<b>AYE: 4 - Backlund, Close, Flores, Doyle</b>
		<b>NAY: 3 - Barnhart, Monnes Anderson, Verger</b>
219	<b>Chair Doyle</b>	<b>The motion CARRIES.</b>
		<b>REP. DALTO will lead discussion on the floor.</b>
223	Chair Doyle	Closes the work session on SB 915 A and recesses the meeting at 6:06 p.m.
<b>RECESS</b>		
225	Chair Doyle	Reconvenes the hearing at 6:45 and adjourns the committee at 6:45 p.m.

## **EXHIBIT SUMMARY**

- A – HB 2523 A, written testimony, Bill Linden, 3 pp.**
- B – SB 332 A, -A4 amendments, staff, 2 pp.**
- C – SB 763 A, -A8 amendments, staff, 2 pp.**
- D – SB 915 A, -A7 amendments, staff, 1 p.**
- E – SB 915 A, -A8 amendments, staff, 1 p.**
- F – SB 915 A, -A9 amendments, staff, 1 p.**

**G – SB 915 A, -2 amendments, staff, 15 pp.**  
**H – SB 538 A, -A24 amendments, staff, 5 pp.**  
**I – SB 538 A, -A25 amendments, staff, 5 pp.**  
**J – SB 538 A, -A12 amendments, staff, 1 p.**  
**K – SB 538 A, -A13 amendments, staff, 1 p.**  
**L – SB 538 A, -A20 amendments, staff, 37 pp.**  
**M – SB 538 A, -A23 amendments, staff, 4 pp.**  
**N – HB 2502, -2 amendments, staff, 5 pp.**