

**PUBLIC HEARING: PUBLIC COMMENT ON IDEAS ON REVENUE OPTIONS TO
BALANCE THE 2001-03 BUDGET
TAPES 40-42, A**

**SENATE REVENUE COMMITTEE
HOUSE REVENUE COMMITTEE
FEBRUARY 24, 2003 3:00 PM STATE CAPITOL BUILDING**

Members Present: Senator Ryan Deckert, Chair
 Senator Ted Ferrioli, Vice-Chair
 Senator Tony Corcoran
 Senator Charlie Ringo
 Senator Bruce Starr
 Representative Lane Shetterly, Chair
 Representative Joanne Verger, Vice-Chair
 Representative Wayne Scott, Vice-Chair
 Representative Phil Barnhart
 Representative Vicki Berger
 Representative Pat Farr
 Representative Mark Hass
 Representative Elaine Hopson
 Representative Max Williams

Members Excused: Senator Lenn Hannon

Witnesses Present: Ruth Shepherd, Marion County
 Mike McArthur, Association of Oregon Counties.
 Nikki Whitty, Association of Oregon Counties
 Ken Strobeck, League of Oregon Cities
 Jerry Smith, Lane County
 Robert Cook, Lane County
 Gweneth Van Frank Carlson, Eugene Resident
 John Radford, Oregon State Controller

Staff Present: Paul Warner, Legislative Revenue Office
 Tara Lantz, Committee Assistant
 Kathy Tooley, Committee Assistant

TAPE 40, SIDE A

003 Chair Deckert Calls meeting to order at 3:10pm

OPENS PUBLIC HEARING ON IDEAS ON REVENUE OPTIONS TO BALANCE THE 2001-03 BUDGET

041 Ruth Shepherd Testifies in opposition to tax breaks or tax cuts. Testifies in support of a temporary tax, for allowing people to donate money to the General Fund, and to restore the collector positions at the Dept. of Revenue to bring in revenue that is owed. Exhibit 3.

100 Mike McArthur Testifies in opposition to the raid on county video lottery receipts because when video lottery was established the counties made an agreement with the state that they would receive 2.5% of video lottery receipts in return for forfeiting their right to authorize and regulate gaming. Discusses the importance of these revenues for the counties. Recommends not preempting local authority. Exhibit 4.

- 157 Nikki Whitty Discusses how Coos County used the video lottery funds to build economic development.
- 178 Ken Strobeck Asks that the legislators keep cities and counties in mind while passing Legislation. Encourages looking at the tax expenditure report in detail and eliminating unnecessary tax expenditures. Recommends putting a sunset on all tax expenditures. Testifies in opposition to raiding the tobacco revenue distribution because the cigarette tax was initially meant to be an additional source of revenue for cities and counties and that local governments have already lost much of this revenue. Exhibit 5.
- 333 Sen. Deckert Asks about the ramifications for raiding the tobacco revenue distribution.
- 338 Strobeck Responds that the cuts would effect police and fire the most. Discusses possible impacts for several cities.
- 389 Jerry Smith Explains why he has come to testify. Testifies in support of using the one-time revenue sources in order to save lives.

TAPE 41, SIDE A

- 031 Robert Cook Discusses his experience living with a disability. Testifies in support of an alcohol tax increase. Testifies in opposition to eliminating tax collector jobs. States that a tax increase at any level is a good idea.
- 099 Gweneth Van Frank Carlson Testifies in support of tax increases. Discusses her experiences working with people with disabilities. States that the state has the responsibility to provide programs for people in need. Asks member to check on a rumor that the medicinal marijuana program has a \$100 million surplus in case of a lawsuit.
- 214 John Radford Discusses how the Comprehensive Annual Financial Report (CAFR) is produced and what it does. Discusses the misconceptions of the CAFR and the responses to these misconceptions.
- 254 Sen. Ferrioli Asks if Radford could dispel the myths about the CAFR.
- 282 Radford Responds that the CAFR is in compliance with government and general accounting standards. States that there are independent reviewers and controls built into the system. States that the money in the CAFR is tied up in trusts and restricted accounts in compliance with statutory rules.
- Discussion follows.
- 408 Sen. Ferrioli Asks if Radford is saying that the money in the report could not get in there unless it was tied up in trusts and restricted accounts.
- 421 Radford Responds positively.
- Discussion follows.
- 467 Sen. Deckert Adjourns meeting at 4:09pm, with the committee reconvening at 6:00pm.

TAPE 42, SIDE A

- 004 Chair Shetterly Calls meeting to order at 6:00pm. There being no one to testify, meeting was adjourned. Members present: Rep. Shetterly, Rep. Berger, Rep. Verger, Rep. Scott, Sen. Deckert, Sen. Corcoran.

Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

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Kathy Tooley, Committee Assistant

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Exhibit Summary:

1. Paul Warner, 2001-03 Available One-Time Revenue Sources, 2pp.
2. Paul Warner, Information Relating to 2001 Comprehensive Annual Financial Report, 5pp.
3. Ruth Shepherd, Written Testimony, 1p.
4. Mike McArthur, Written Testimony, 1p.
5. Ken Strobeck, Written Testimony, 1p.
6. Paul Warner, LC 3465, 2pp.
7. Paul Warner, LC 3466, 10pp.