

**SENATE REVENUE COMMITTEE**  
**FEBRUARY 4, 2003 1:00 PM STATE CAPITOL BUILDING**

Members Present: Senator Ryan Deckert, Chair  
Senator Ted Ferrioli, Vice Chair  
Senator Tony Corcoran  
Senator Charlie Ringo  
Senator Bruce Starr

Members Excused: Senator Lenn Hannon

Witness Present: John Phillips, Department of Revenue  
Craig Fisher, Department of Revenue

Staff Present: Paul Warner, Legislative Revenue Office  
Mazen Malik, Legislative Revenue Office  
Tara Lantz, Committee Assistant

**TAPE 17, SIDE A**

003 Chair Deckert Calls meeting to order at 1:14 pm.

OPENS PUBLIC HEARING ON SB 222

008 Mazen Malik Explains SB 222 which relates to clarifying the evaluation methods for property tax. Exhibit 1. States that there is no fiscal or revenue impact. Exhibits 2-3.

021 John Phillips Testifies in support of SB 222 because it fixes overlooked issues in exception value from Measure 50. Exhibit 4.

040 Sen. Corcoran Asks if there is a revenue impact.

042 Phillips Responds negatively.

CLOSES PUBLIC HEARING ON SB 222

OPENS WORK SESSION ON SB 222

060 Sen. Corcoran MOTION: MOVES SB 222 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

062 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 4-0-2. SENATORS ANSWERING AYE: CORCORAN, FERRIOLI, STARR, DECKERT. SENATORS EXCUSED: HANNON, RINGO.  
Sen. Corcoran will carry the bill on the Senate Floor.  
Hearing no objection, places bill on consent calendar.

CLOSES WORK SESSION ON SB 222

OPENS PUBLIC HEARING ON SB 226

066 Malik Explains SB 226 which relates to timing in county assessment fund transfers.

Exhibit 5. States that there is no fiscal impact and minimal revenue impact. Exhibits 6-7.

088 Phillips Testifies in support of SB 226 because it gives the Department of Revenue more time in dispersing funds that are deposited. Exhibit 8.

CLOSES PUBLIC HEARING ON SB 226

OPENS WORK SESSION ON SB 226

110 Sen. Corcoran MOTION: MOVES SB 226 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

113 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES 5-0-1. SENATORS ANSWERING AYE: CORCORAN, FERRIOLI, STARR, RINGO, DECKERT. SENATOR EXCUSED: HANNON.  
Sen. Ringo will carry the bill on the Senate Floor.  
Hearing no objection, places bill on consent calendar.

126 Paul Warner Introduces article from Governing Magazine and points out statement that Oregon's tax expenditure report is one of the best in the nation. Exhibit 11.

151 Craig Fisher Outlines presentation on the 2003-05 tax expenditure report. Exhibit 10.

173 Fisher Discusses Budget Accountability Act of 1995.

188 Fisher Defines tax expenditure.

203 Fisher Discusses Oregon's tax expenditures by tax program.

245 Fisher Discusses income tax expenditures relative to receipts in 2001-03.

291 Fisher Discusses information required for each tax expenditure.

327 Fisher Discusses tax expenditures by budget program in 2001-03.

378 Fisher Discusses evaluation process for tax expenditure reports.

#### **TAPE 20, SIDE A**

001 Fisher Discusses tax expenditures scheduled for sunset in 2003-05.

011 Fisher Discusses revenue estimating issues.

044 Fisher Summarizes presentation and gives advice on how to use the report.

Clarifying questions and answers follow.

105 Sen. Ringo Asks question about Expenditure 1.057 regarding capital gains gift exemptions.

Discussion follows.

140 Sen. Corcoran Asks about Expenditure 1.083 regarding exemptions on second home mortgages.

Discussion follows.

240	Sen. Corcoran	Asks about Expenditure 2.077 regarding the pleasure boat property tax exemption.  Discussion follows.
272	Sen. Corcoran	Asks about Expenditure 1.056 regarding capital gains of inherited property.  Discussion follows.
332	Sen. Corcoran	Asks about Expenditure 1.094 regarding multi-period timber growing costs deductions.  Discussion follows.
456	Sen. Deckert	Adjourns meeting at 2:09 pm.

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Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. SB 222, Mazen Malik, Staff Measure Summary, 3pp.
2. SB 222, Mazen Malik, Revenue Impact Statement, 1p.
3. SB 222, Mazen Malik, Fiscal Impact Statement, 1p.
4. SB 222, John Phillips, Written Testimony, 2pp.
5. SB 226, Mazen Malik, Staff Measure Summary, 1p.
6. SB 226, Mazen Malik, Revenue Impact Statement, 1p.
7. SB 226, Mazen Malik, Fiscal Impact Statement, 1p.
8. SB 226, John Phillips, Written Testimony, 1p.
9. Paul Warner, Governing Magazine Evaluation of Oregon Tax System, 2pp.
10. Craig Fisher, State of Oregon 2003-05 Tax Expenditure Report, 389pp.