

SENATE REVENUE COMMITTEE
March 18, 2003 1:00 PM STATE CAPITOL BUILDING

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

Witnesses Present: Senator Roger Beyer, District 9
 Debra Buchanan, Department of Revenue
 Patrick Allen, Oregon Economic and Community Development Department
 Art Fish, Oregon Economic and Community Development Department
 Tom Linhares, Columbia County Assessor
 J.L. Wilson, National Federation of Independent Business

Staff Present: Lizbeth Martin-Mahar, Legislative Revenue Office
 Mazen Malik, Legislative Revenue Office
 Steve Meyer, Legislative Revenue Office
 Paul Warner, Legislative Revenue Office
 Tara Lantz, Committee Assistant

TAPE 65, SIDE A

003	Chair Deckert	Calls meeting to order at 1:05pm.
OPENS PUBLIC HEARING ON SB 864		
011	Paul Warner	Explains SB 864 which creates a task force on state agency debt collection. Exhibit 1.
019	Sen. Beyer	Discusses his intentions in drafting SB 864 and states that he is not sure it is needed at this time.
050	Sen. Deckert	Asks the Department of Revenue to testify.
059	Debra Buchanan	States that the Department will get some reports to the committee and would be willing to have someone speak to the committee on the unpaid debts owed to the Department.
065	Sen. Deckert	Asks why it is so difficult to get delinquent taxpayers to pay taxes.
069	Buchanan	Responds that there is a broad spectrum of why people don't file and that the Department of Revenue has to take time and effort to find these people.
082	Sen. Hannon	Asks if a private collector would have access to information that is confidential in the Department of Revenue Office.
090	Buchanan	Responds that she is not certain but that the Department does follow strict confidentiality rules by law.
096	Sen. Hannon	Asks if there are any federal laws that protect confidentiality of information that would not be accessible to private collectors.

098	Buchanan	Responds that there are federal laws protecting certain information but she is not certain about any exceptions at the state level regarding private collectors.
103	Sen. Beyer	Discusses report done by the Department of Revenue regarding the amount of money owed to the state that has not been collected.
123	Sen. Hannon	Asks about the track record of the Department of Revenue from the funds given to collect unpaid cigarette taxes.
137	Buchanan	Responds that she can get the committee that information.
143	Sen. Hannon	Asks if there is data that compares the rate of collections from the Department versus private collectors.
151	Buchanan	Responds affirmatively and states that she will get the report to the committee.
153	Sen. Hannon	Asks if using private collectors would create a revolving door of people walking in off the street saying they are from an agency and need information creating a need for more personnel in the Department of Revenue.
174	Buchanan	Responds that it may be likely but right now they just hand over the debt to the private agency and then don't have any further contact.
192	Sen. Beyer	Discusses his frustrations with continually giving the Department of Revenue and not seeing any results.
216	Sen. Deckert	Asks if the Department can track the collections after what occurred in the sixth special session for the next twelve weeks.
223	Buchanan	Responds that they do track the collections and discusses the packages and cuts in funding that they have received.
237	Sen. Ferrioli	Expresses concern over ending the session with only creating a task force instead of authorizing private collection agencies to collect unpaid taxes.
295	Sen. Deckert	Responds that this bill could be a vehicle to do that.
299	Warner	Discusses report done by the Department of Revenue.
315	Sen. Hannon	Asks if they could increase the number of uncollected debts if they put tax deductions or credits on hold for the next couple of years.
319	Warner	Responds affirmatively.

CLOSES PUBLIC HEARING ON SB 864

327	Sen. Deckert	Refers members and public to SB 550-2 proposed amendments. Exhibit 2.
-----	--------------	---

OPENS PUBLIC HEARING ON HB 2622

348	Patrick Allen	Testifies in support of HB 2622 and gives estimates for the income tax revenues created by the jobs associated with e-commerce enterprise zone investments. Exhibit 6.
410	Sen. Deckert	Discusses the existing e-commerce enterprise zones and asks why the other zones have not taken off like Medford and Roseburg.

428 Allen Responds that Medford and Roseburg took early interest and got businesses involved early. Discusses different factors for each zone's success.

TAPE 66, SIDE A

008 Art Fish States that it has been less than a year since they made these designations and that the question should be why did Medford and Roseburg have such a boom. Discusses factors for different zones.

033 Sen. Hannon Discusses Medford's success and how they had businesses waiting in the wings.

Discussion follows.

CLOSES PUBLIC HEARING ON HB 2622

OPENS WORK SESSION ON HB 2622

048 Sen. Hannon MOTION: MOVES HB 2622 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

051 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 4-0-2. SENATORS EXCUSED: CORCORAN, RINGO. Sen. Deckert will carry the bill on the Senate Floor.

OPENS PUBLIC HEARING ON HB 2023 A

063 Mazen Malik Explains HB 2023 A which alters the time-base of the indexing for inflation used as a threshold to cancel personal property. Discusses revenue impact. Exhibit 7.

112 Tom Linhares Discusses the background of HB 2023 A and testifies in support because it allows the assessors to know what the cancellation threshold is in January, which makes it easier for them to process returns.

142 J.L. Wilson Testifies in support of HB 2023 A because it modifies the bill they asked for last session. Discusses the amendment developed in the house. Gives example of a small business that would benefit from HB 2023 A. Exhibit 8.

162 Sen. Hannon Asks if HB 2023 A would prevent a person from appealing a mistake made by the assessor.

197 Linhares Responds that an assessor can correct a mistake on his own without having to go the board of appeals.

CLOSES PUBLIC HEARING ON HB 2023 A

OPENS WORK SESSION ON HB 2023 A

209 Sen. Ferrioli MOTION: MOVES HB 2023 A TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

219 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1. SENATOR EXCUSED: CORCORAN. Sen. Ferrioli will carry the bill on the Senate Floor.

220 Sen. Deckert Adjourns meeting at 1:49pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. SB 864, Paul Warner, Staff Measure Summary, 1p.
2. SB 550, Steve Meyer, Proposed LC-2 Amendments, 22pp.
3. HB 2622, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
4. HB 2622, Lizbeth Martin-Mahar, Fiscal Impact Statement, 1p.
5. HB 2622, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
6. HB 2622, Patrick Allen, Written Testimony, 1p.
7. HB 2023 A, Mazen Malik, Revenue Impact Statement, 1p.
8. HB 2023 A, J.L. Wilson, Written Testimony, 1p.