

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

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

Members Excused: Senator Ted Ferrioli, Vice-Chair

Witnesses Present: Don LaFont, Richmond Community Church  
John Phillips, Department of Revenue  
Michelle Deister, Oregon League of Cities  
Senator Gary George, District 12  
Mark Picker, Office of Senator George  
Tim Nesbitt, Oregon AFL-CIO  
Darren Bond, Oregon State Treasury  
Velma Hartwig, Lincoln County

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

**TAPE 48, SIDE A**

003 Chair Deckert Calls meeting to order at 1:03pm.

OPENS PUBLIC HEARING ON SB 296

010 Mazen Malik Explains SB 296 which exempts dwelling and land provided by a religious organization to its spiritual leader. Exhibit 1. Discusses revenue impact. Exhibit 2. Discusses tax expenditure report for religious organizations. Exhibit 3.

071 Don LaFont Testifies in support of SB 296 because it clarifies the language of the existing statute exempting religious organizations, making it consistent with the intent of the statute to exempt property owned by a religious organization if it is used for religious purposes. Gives personal account from own church in Multnomah County.

131 Sen. Corcoran Asks if he has any suggestions as to what programs to cut in order to fund this tax exemption.

133 LaFont Responds that he doesn't know of any programs, but that he doesn't think many people would apply for the exemption if it wasn't broadcast. States that if the exemption had been in effect as the statute intended the exemptions would have already been in effect.

144 Sen. Corcoran States that in this tight economic time they have to ask that of everyone that comes to them with an exemption bill and that his timing is not right.

157 Sen. Deckert States that this is the first exemption bill brought in front of the committee.

166 LaFont States that one the reasons he pursued the bill was that his assessor

suggested it in order to clarify the law for him and other assessors.

- 180 Sen. Deckert States that it is not the idea of the bill that the committee is not supportive of, but the revenue impact.
- 193 John Phillips Discusses the court case Washington County Vs. Department of Revenue in which the courts ruled that parsonages could be partially exempt if they were used primarily for religious purposes. States that the Department of Revenue doesn't support or oppose the bill.
- 231 Michelle Deister Testifies in opposition to SB 296 because of the revenue impact.

CLOSES PUBLIC HEARING ON SB 296

OPENS PUBLIC HEARING ON SB 533

- 259 Paul Warner Explains SB 533 which establishes the Tax Me More Fund, which is separate from the General Fund and designates moneys donated to the state without specific reference as to use for the Tax Me More Fund. Donors may earmark donations for specific state programs. Exhibit 5.
- 281 Sen. Gary George Explains the origins of SB 533 and testifies in support because he has heard from many people that would like to donate money to the state but cannot.
- 311 Mark Bigger Discusses the origins of SB 533 and discusses the developments in the Treasurers Office over the last week to come up with a process for donating money.
- 326 Sen. Deckert Asks if there is already a way to donate money to specific agencies.
- 330 Sen. George Responds that it appears it is getting closer to being able to do that, but that even if the mechanism is in place, the legislature should take the position of maintaining such a mechanism.
- 368 Sen. Ringo States that using the word tax in the title has negative connotations and that if Sen. George had been serious about the bill, he would have given it a different title.
- 380 Sen. George Responds that if a person feels that way, it might make them want to prove that they are willing to pay more. States that if the members would like to amend the bill, he would be happy with that.
- 401 Tim Nesbitt States that a similar bill with an identical title was introduced in Washington a few weeks ago. States that he wonders if a new vehicle for donating is necessary, but that if it is, the legislature should not name it the Tax Me More Fund, but rather a name that promotes civic spirit and public giving.
- 446 Darren Bond Discusses the current system for taking donations on the state website and the developments that have occurred since Measure 28. States he is concerned about the Treasury being able to track donations to every agency.
- 489 Sen. Deckert Asks if it is possible to donate to a specific entity.
- 492 Bond Responds that you can donate to a specific entity by contacting them personally. States that by tracking donations, it can cost more to track them than it benefits the agency.

**TAPE 49, SIDE A**

|     |               |                                                                                                                                                                                                                                                                                            |
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| 041 | Bond          | Discusses the process of donating to the General Fund and the School Fund. States that his position is that a mechanism is already in place for accepting donations and that the process of implementing a fund such as this would be cumbersome and expensive.<br><br>Discussion follows. |
| 083 | Sen. Hannon   | Asks if the money people contribute can go to the Common School Fund.                                                                                                                                                                                                                      |
| 087 | Bond          | Answers that people can donate specifically to the Common School Fund and that if they don't specify where a donation is to go, it goes to the Common School Fund.                                                                                                                         |
| 095 | Sen. Hannon   | Asks if those funds were attempted to be raided by the legislature.                                                                                                                                                                                                                        |
| 098 | Bond          | Responds that he doesn't know.<br><br>Discussion follows.                                                                                                                                                                                                                                  |
| 123 | Sen. Deckert  | States that it sounds like the Treasury has all the flexibility it needs to accept donations.                                                                                                                                                                                              |
| 131 | Sen. Corcoran | Asks if the staff knows the estimate of the costs associated with drafting a bill and holding a hearing.                                                                                                                                                                                   |
| 139 | Warner        | Responds that he doesn't know.                                                                                                                                                                                                                                                             |
| 144 | Velma Hartwig | Testifies in support of SB 533 because she has heard from many people looking for a place to donate money to the state that don't have access to the internet.                                                                                                                             |
| 173 | Sen. Deckert  | Adjourns meeting at 1:45pm.                                                                                                                                                                                                                                                                |

Tape Log Submitted by,

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. SB 296, Mazen Malik, Staff Measure Summary, 1p.
2. SB 296, Mazen Malik, Revenue Impact Statement, 1p.
3. SB 296, Mazen Malik, Tax Expenditure Book p. 299, 1p.
4. SB 296, Don LaFont, Written Testimony, 3pp.
5. SB 533, Paul Warner, Staff Measure Summary, 1p.
6. SB 533, Sen. George, Oregon State Donation Web Page, 1p.
7. SB 533, Oregon State Web Pages, 7pp.
8. SB 533, Velma Hartwig, Written Testimony, 1p.