

SENATE REVENUE COMMITTEE
March 5, 2003 1:00 PM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Ted Ferrioli, Vice Chair
Senator Tony Corcoran
Senator Lenn Hannon

Members Excused: Senator Charlie Ringo
Senator Bruce Starr

Witnesses Present: Senator Frank Shields, District 24
Carl Myers, Keizer Municipal Judge
Charles Stern, Yamhill County Clerk
Norm Miller, Department of Revenue
Wally Rutledge, Department of Forestry
Kristina McNitt, Oregon Small Woodlands Association
Neil Westfall, Oregon Small Woodlands Association

Staff Present: Richard Yates, Legislative Revenue Office
Paul Warner, Legislative Revenue Office
Tara Lantz, Committee Assistant

TAPE 50, SIDE A

004 Vice-Chair Ferrioli Calls meeting to order at 1:10pm

OPENS PUBLIC HEARING ON SB 391

012 Sen. Frank Shields Testifies in support of SB 391 because it would cover the costs of the public service of processing and performing weddings and would be a revenue source in these tight budget times.

052 Sen. Ferrioli Asks about the current small honorarium fee.

055 Sen. Shields Responds that he has heard from Judges that they don't even collect the small fee because it costs more to process the fee than it brings in. States that a judge can only charge a fee if the service is performed after hours or outside of the courthouse.

079 Sen. Ferrioli Asks if there is a fiscal or revenue impact issued.

086 Paul Warner Responds that there is no revenue impact and that a fiscal impact is in the process of being issued.

092 Carl Myers Testifies in support of the idea of SB 391, but believes it breaks down as it reaches local judges because they often work part-time as judges and process weddings through their own law firms which leads to the question of where the money should go. Suggests that the bill be amended to only include state court judges.

143 Sen. Ferrioli Refers members to the possible amendments in the written testimony from Judge Wittmayer. Exhibit 3. Asks if it would solve the problem if the money collected from the fee was retained for the jurisdiction that provided the service.

- 155 Myers Responds that it would be appropriate, but for his own situation doesn't feel that it is necessary to charge a fee to cover government services because no staff time is involved other than what is covered by the honorarium fee. States that it would be appropriate if a municipality had full time judges that perform weddings to charge a fee for staff time.
- 190 Charles Stern Points out that if a wedding is performed after hours there is already a fee issued by law and that SB 391 would enforce the \$25 fee on top of that for after hour weddings, creating a double tax.
- 215 Sen. Shields Responds to Stern's concern that even if the wedding is performed after hours it is appropriate because the work is still done and the money is still coming from the taxpayers.

CLOSES PUBLIC HEARING ON SB 391

OPENS PUBLIC HEARING ON HB 2197A

- 256 Dick Yates Discusses the background on HB 2197A. Exhibit 4. Gives brief overview of sections covered in the bill. Exhibit 7, slide 1.
- 333 Yates Discusses the extension of the 80-20 program. Exhibit 7, slide 2.
- 378 Corcoran Asks if there was a revenue impact issued on this part of the program.
- 380 Yates Responds negatively, but points out there is a revenue impact issued for the entire bill (Exhibit 5).
- 383 Yates Discusses small tract forestland. Exhibit 7, slide 3.
- 402 Yates Discusses property tax relating to HB 2197A. Exhibit 7, slide 4.
- Questions and answers interspersed.

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- 003 Yates Discusses severance tax relating to HB 2197A. Exhibit 7, slide 5.
- 022 Yates Discusses the application process and requirements for qualification. Exhibit 7, slides 6-7.
- 058 Yates Discusses situations in which the owner needs to notify the assessor and disqualifications for the program. Exhibit 7, slides 8-9.
- 080 Yates Discusses additional taxes from the small tract forestland program. Exhibit 7, slide 10.
- 104 Yates Discusses severance tax administration and distribution. Exhibit 7, slides 11-14.
- 153 Yates Discusses amendments and other miscellaneous sections to the bill. Exhibit 7, slides 15-18.
- Clarifying questions and answers interspersed.
- 236 Yates Discusses example showing that penalties will prevent exiting of the program prior to harvest. Exhibit 8.

- 331 Sen. Hannon Asks if the application goes to the Department of Forestry.
- 341 Yates Responds that it goes to the County Assessor and not the Department of Forestry.
- Discussion follows.
- 424 Norm Miller Testifies in support of HB 2197A because it decreases administrative costs and brings small forestland taxes into conformity with Measure 50. Discusses the process of drafting the bill and points out key issues of the bill. Exhibit 9. Discusses what the bill involves for the Department of Revenue and how the administrative costs are being reduced.
- Questions and answers interspersed.

TAPE 50, SIDE B

- 051 Sen. Ferrioli Asks if the fiscal impact (Exhibit 6) is anticipated in the Governor's budget.
- 065 Miller Responds affirmatively.
- Discussion follows.
- 072 Sen. Ferrioli Asks if the Department of Revenue feels that there is only one class of forestland in Eastern Oregon but not in Western Oregon as reflected in the fact that Western Oregon has 8 different classifications, while Eastern Oregon has only one.
- 078 Miller Responds that the Department of Revenue follows the orders of the Legislature for determining rates and doesn't know why they determined that Eastern Oregon should have one rate.
- 086 Sen. Ferrioli Asks why there are eight classes in Western Oregon.
- 089 Miller Responds that it is the ability of that land to grow timber and that there are major differences between Eastern and Western Oregon methodology.
- 101 Sen. Ferrioli Points out that there have been several studies in Western Oregon to develop different site classes that haven't been done in Eastern Oregon, and that the issue might be revisited at a later time.
- 115 Wally Rutledge Discusses the issue brought up by Sen. Ferrioli and what is currently being done about it. Discusses issues from report done by a working group over the interim on small tract forestland taxes. Urges the support of HB 2197A because it is cost efficient and encourages the growth of small timber forestlands. Exhibit 10.
- 240 Kristina McNitt Discusses the small tract forestland task force established by the 2001 Legislature and its recommendations. Testifies in support of HB 2197A. Refer to written testimony. Exhibit 11.
- 277 Neil Westfall Testifies in support of HB 2197A.

CLOSES PUBLIC HEARING ON HB 2197A

- 302 Sen. Ferrioli Adjourns meeting at 2:19pm

Tara Lantz, Committee Assistant Reviewed by Kim Taylor James

Exhibit Summary:

1. SB 391, Paul Warner, Staff Measure Summary, 1p.
2. SB 391, Sen. Frank Shields, Written Testimony, 1p.
3. SB 391, John A. Wittmayer, Written Testimony, 3pp.
4. HB 2197A, Richard Yates, Staff Measure Summary, 1p.
5. HB 2197A, Richard Yates, Revenue Impact Statement, 2pp.
6. HB 2197A, Richard Yates, Fiscal Impact Statement, 2pp.
7. HB 2197A, Richard Yates, PowerPoint Presentation, 9pp.
8. HB 2197A, Richard Yates, Penalty Example, 1p.
9. HB 2197A, Norm Miller, Written Testimony, 8pp.
10. HB 2197A, Wally Rutledge, Written Testimony, 4pp.
11. HB 2197A, Kristina McNitt, Written Testimony, 2pp.