

SENATE REVENUE COMMITTEE
April 10, 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 Peter Courtney, District 11
Bruce Warner, Department of Transportation
Jim Botwinis, Oregon State Police Officers' Association
Ron Ruecker, Superintendent, Oregon State Police
Chuck Hayes, Oregon State Police
John Ledger, Associated Oregon Industry
Andrea Fogue, League of Oregon Cities
Bill Pinhollow, Association of Oregon Counties
Senator Schrader, District 20
Representative Prozanski, District 8
Randy Tucker, 1000 Friends of Oregon
Barbara McAusland, Deschutes County
Jan Auxier, Deschutes County
Robb Reavill, Deschutes County
Bill Boyer, Friends of Deschutes County
Jim Long, Friends of North Plains
Don Ganer, Beaverton Citizens for School Support
Laurie Wimmer Whelan, Oregon Education Association
Ed Dennis, Chief of Staff, Superintendent of Public Instruction
Gary Conkling, Beaverton and Hillsboro School Districts
David Dodds, Mayor, West Linn
Chuck Adams, Resident of West Linn
Richard Reid, Alternatives to Growth Oregon
Jeff Winston, Washington County
Laura Weiss, Oregon Environmental Council
Dexter Johnson, Legislative Counsel
Will Newman, Oregon Sustainable Agriculture Land Trust
Bradley Witt, Oregon AFL-CIO
Paulette Pyle, Oregonian for Food and Shelter
Jean Wilkinson, Oregon Farm Bureau Association
Julie Brandis, Association of Oregon Industries

Staff Present: Paul Warner, Legislative Revenue Office
Mazen Malik, Legislative Revenue Office
Richard Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Tara Lantz, Committee Assistant

TAPE 89, SIDE A

004 Chair Deckert Calls meeting to order at 1:16pm.

OPENS PUBLIC HEARING ON SB 863

016 Richard Yates Explains SB 863 which authorizes common and Union high school districts, upon district elector approval, to impose real estate transfer tax on transfers of real property within the district. Exhibit 1.

CLOSES PUBLIC HEARING ON SB 863

OPENS PUBLIC HEARING ON SJR 13

030 Sen. Hannon Discusses past legislation that has reduced funding for state police enforcement of highways and freeways. States that if this legislation passes a bill to raise speed limits, there needs to be a bill to adequately fund highway policing. Discusses a change in language he would like to see before passage of the bill.

096 Sen. Courtney Discusses editorial which showed that Oregon has the lowest number of police per capita in the nation and states that the general fund will not be able support essential programs unless they find another source of revenue. Discusses differences in highway patrol and the state police force. Testifies in support of SJR 13 because it would take pressure off the general fund which needs to support K-12 education and other essential programs.

170 Sen. Hannon States that it would be his desire to come back in the 2005 session if SJR 13 passes and find a specific funding source that would increase over its current level the money dedicated for this public service.

194 Sen. Ringo Asks where they should get money for parks.

200 Sen. Hannon Responds that lottery funds are dedicated to parks.

210 Sen. Ringo Expresses support for SJR 13 but wanted to address parks.

214 Sen. Courtney Responds that our parks are inadequate and that if this passes it could free up money from the general fund to support the parks.

229 Sen. Starr States that registration fees from recreation vehicles goes to fund parks.

257 Bruce Warner Testifies in support of SJR 13 because safety is one of the most important issues for the Department of Transportation including adequate policing of the state highway system. Discusses statistics of accidents. Refer to written testimony. Exhibit 4.

298 Jim Botwinis Testifies in favor of SJR 13 with amendments to dedicate the funds to State policing because they have lost so many troopers since being pulled from ODOT funding. Refer to written testimony. Exhibit 5.

353 Sen. Starr Asks how other states fund highway patrols.

355 Botwinis Responds that most are funded through some sort of gas tax or some source other than the general fund.

390 Ron Ruecker Testifies in support of SJR 13 because the Oregon State Police Department is in a desperate situation due to lack of funding.

TAPE 90, SIDE A

007 Chuck Hayes Testifies in support of SJR 13 with amendments because there has been a significant increase in drivers and a significant decrease in troopers in Oregon. Refer to written testimony. Exhibit 6.

- 040 Sen. Deckert Asks if Hayes is concerned that they have not had much success with putting measures on the ballot.
- 047 Ruecker Responds that they have not referred a bill out to the voters that is this specific.
- 058 Hayes Agrees with Ruecker and discusses positive public response that he has received.
- 067 Sen. Ferrioli Expresses appreciation for both displaced troopers who have maintained professionalism and the agency which has kept its mission even during budget cuts.
- 107 John Ledger Testifies in support of SJR 13 and the amendments because they believe the lack of police on state highways has reached a critical state and is a safety concern for tourism and employees.
- 133 Andrea Fogue Testifies that SJR 13 is an inadequate source of funding and that it takes away from the highway fund. States that there is a significant amount of maintenance that needs to be done on roads and bridges to keep them open and accessible. Refer to written testimony. Exhibit 32.
- 165 Bill Pinhollow Testifies that they need to narrow the scope of the bill to ensure that future legislature's don't dig deep into the existing highway funds and that a gas tax relates directly to the maintenance of roads while a vehicle fee relates to the driver enforced by the state police.

CLOSES PUBLIC HEARING ON SJR 13

OPENS PUBLIC HEARING ON SB 511 AND SB 493

- 223 Sen. Ringo Discusses growth of Beaverton and Washington County during the 1990's and the costs associated with it. States that he views system development charges as giving communities more local control and local options and points out that they are optional.
- 273 Sen. Schrader Testifies in support of SB 511 and SB 493 because it is a powerful optional tool for local school districts to fund services. Discusses affordable housing exemption.
- 356 Sen. Deckert Asks how the exemption for affordable housing works.
- 376 Sen. Schrader Responds that they worked with the affordable housing industry so that people with a certain income level would have their houses excluded from the levying of a system development charge.
- 399 Rep. Prozanski Testifies in favor of SB 511 because it gives local communities the opportunity to decide if they want to impose these fees and discusses personal experience with the police department needing more options to provide services.

TAPE 89, SIDE B

- 015 Sen. Ringo Asks if Eugene schools would use this opportunity.
- 016 Rep. Prozanski Responds positively.
- 026 Randy Tucker Testifies in support of allowing communities to recover costs associated with new development and discusses system development charges. Refer to

information on system development charges. Exhibit 10.

- 069 Sen. Ringo States that the law currently allows system development charges for other things such as transportation and asks why they are not allowed for schools.
- 076 Tucker Responds that some things, such as transportation are needed to even begin development and are considered leading development.
- 104 Barbara McAusland Testifies in support of SB 511 because Bend is in desperate need for more schools even with several bonds being passed in the last few years. Refer to written testimony.
- 142 Jan Auxier Testifies in support of SB 511 on behalf of senior citizens on a fixed income who are forced to pay for the growth of communities. Refer to written testimony. Exhibit 12.
- 192 Robb Reavill Testifies on behalf of James Clinton in support of SB 511 citing Bend's high growth rate and lack of funds to pay for construction of new facilities and expanded services. Refer to written testimony. Exhibit 13.
- 221 Bill Boyer Testifies in support of SB 511 because areas of fast growth are especially in need, as development produces rapid expansion while school construction lags behind. Refer to written testimony. Exhibit 14.
- 296 Jim Long Testifies in support of SB 511 because high growth has taken a toll on North Plains, which is has a lot of people on fixed incomes. Expresses concern about affordable housing.
- 316 Don Ganer Testifies in support of SB 511 because there has been consistent support for bond measures in Beaverton but have had trouble passing them because of the double majority. States that this would be a great tool.
- 363 Laurie Wimmer Whelan Testifies in support of SB 511 and SB 493 because it is a fair way to provide funding for high growth areas of the state without negatively impacting other areas of the state.
- 420 Ed Dennis Testifies in support of SB 511 and SB 493 on behalf of the Superintendent of Public Instruction.
- 446 Gary Conkling Testifies in support of SB 493 because it is an additional financial tool for school districts. Discusses differences between school impact fees and system development charges. Refer to written testimony. Exhibit 15.

TAPE 90, SIDE B

- 058 Dodds Testifies in support of SB 511. Discusses letter writing campaign in support of SDC's and positive responses. Exhibit 16.
- 089 Chuck Adams Testifies in support of SB 511 because it is merely allowing communities to make choices. Refer to written testimony. Exhibit 20.
- 104 Richard Reid Testifies in support of SB 511 because amortization of debt has grown larger and larger. Refer to written testimony. Exhibits 17-18.
- 131 Jeff Winston Testifies in support of SB 511 because new developments need to take responsibility for the school messes they have created. Refer to written testimony. Exhibit 19.

CLOSES PUBLIC HEARING ON SB 511 AND SB 493

OPENS PUBLIC HEARING ON SB 847

- 170 Sen. Ringo States that there are services, such as pesticide reporting, that should be funded by fees if there is not enough in the general fund.
- 179 Laura Weiss Testifies in support of SB 847 with amendments because it would provide non general fund dollars to support the landmark pesticide use reporting system. Refer to written testimony. Exhibit 27.
- 236 Sen. Ferrioli Points out that the relating clause of the bill indicates that the bill can not be introduced in the Senate.
- 241 Sen. Ringo Responds that they are allowed to impose a tax if there is a reasonable nexus as to its use.
- 274 Dexter Johnson Responds that you can have a public hearing and pass a bill that is required to originate in the house, but it would have a big defect.
- 301 Sen. Deckert Points out that the -1 amendment might solve the problem.
- 305 Sen. Ferrioli Responds that you cannot modify the relating clause.
Discussion follows.
- 320 Johnson States that a bill for raising revenue must originate in the house, but a relating clause to taxation does not mean that it must.
- 340 Sen. Ringo Asks that if a bill imposes a charge and those funds are donated to a program with some sort of nexus is it permissible to originate in the Senate.
- 345 Johnson Responds positively.
Discussion follows.
- 370 Will Newman Testifies in support of SB 847 because there is no data on the question of pesticides and that there is no way to get the data without funding the program to obtain it. Refer to written testimony. Exhibit 28.
- 384 Brad Witt Testifies in support of SB 847 because there is a need for the data that the pesticide use reporting system has been designed to produce in order to protect workers and endangered species. Refer to written testimony. Exhibit 29.

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- 015 Sen. Starr Asks if the -1 amendment eliminate charging the fee to retailers such as home depot.
- 024 Weiss Responds that there are some issues in the amendments that don't reflect the intent of the bill and discusses retailer fees.
Discussion follows.
- 052 Paulette Pyle Testifies against SB 847 because individuals, businesses, corporations, and associations rely on the availability and economics of using pesticides. Expresses concern for amendments. Refer to written testimony. Exhibit 30.
- 076 Jean Wilkinson Testifies against SB 847 because additional costs for farmers would be a

great financial burden.

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| 101 | Julie Brandis | Testifies against SB 847 because they oppose all specialty product taxes which put retailers in the awkward position of collecting individual taxes. |
| 119 | Marcia Keith | Testifies in opposition to SB 847 because veterinarians use pesticides to treat animals, such as flea and tick medication. |

CLOSES PUBLIC HEARING ON SB 847

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| 133 | Sen. Deckert | Adjourns meeting at 3:14pm |
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Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. SB 863, Richard Yates, Staff Measure Summary, 1p.
2. SJR 13, Richard Yates, Staff Measure Summary, 1p.
3. SJR 13, Richard Yates, Fiscal Impact Statement, 1p.
4. SJR 13, Bruce Warner, Written Testimony, 1p.
5. SJR 13, Jim Botwinis, Written Testimony, 4pp.
6. SJR 13, Chuck Hayes, Written Testimony, 3pp.
7. SB 511, Mazen Malik, Staff Measure Summary, 1p.
8. SB 493, Steve Meyer, Staff Measure Summary, 1p.
9. SB 511, Sharon Konopa, Written Testimony, 4pp.
10. SB 511, Randy Tucker, System Development Charges Fact Sheet, 2pp.
11. SB 511, Barbara McAusland, Written Testimony, 1p.
12. SB 511, Jan Auxier, Written Testimony, 2pp.
13. SB 511, Robb Reavill, Written Testimony from James Clinton, 1p.
14. SB 511, Bill Boyer, Written Testimony, 2pp.
15. SB 493, Gary Conkling, Written Testimony, 2pp.
16. SB 511, David Dodds, Written Testimony, 3pp.
17. SB 511, Written Testimony, 2pp.
18. SB 511, Supplemental Testimony, 6pp.
19. SB 493, Jeff Winston, 2pp.
20. SB 511, Chuck Adams, Written Testimony, 2pp.
21. SB 511, Jeff Boyer, Written Testimony, 2pp.
22. SB 847, Richard Yates, Staff Measure Summary, 1p.
23. SB 847, Richard Yates, Proposed SB 847-1 Amendments, 9pp.
24. SB 847, Kirsten Jensen, Written Testimony, 1p.
25. SB 847, Annie Hoy, Written Testimony, 2pp.
26. SB 847, Lisa Hanson, Written Testimony, 1p.
27. SB 847, Laura Weiss, Written Testimony, 3pp.
28. SB 847, Will Newman, Written Testimony, 2pp.
29. SB 847, Bradley Witt, Written Testimony, 6pp.
30. SB 847, Paulette Pyle, Written Testimony, 2pp.
31. SB 847, Andy Harris, Written Testimony, 1p.
32. SJR 13, Andrea Fogue, Written Testimony, 2pp.

