

SENATE REVENUE COMMITTEE
April 2, 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: Bob Seward, Department of Education
Jim Craven, American Electronics Association
Bob Dryden, Portland State University
Ron Adams, Oregon State University
Art Keil, Oregon Association of Naturopathic Physicians
Chris Meletis, National College of Naturopathic Medicine
Wayne Centrone, Oregon Association of Naturopathic Physicians
Shawn Cleave, Senate Republican Office
David Eaton, Bend Resident
Marcia Kelley, Oregon Revenue Coalition

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

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005 Chair Deckert Calls meeting to order at 1:09pm.

OPENS WORK SESSION ON SB 550

011 Sen. Starr MOTION: MOVES RULES BE SUSPENDED FOR THE PURPOSE OF RECONSIDERING THE VOTE ON SB 550.

020 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-1-1.
SENATORS ANSWERING AYE: CORCORAN, STARR, FERRIOLI,
DECKERT. SENATORS ANSWERING NO: RINGO. SENATORS
EXCUSED: HANNON.

027 Sen. Starr MOTION: MOVES TO RECONSIDER THE VOTE BY WHICH THE
COMMITTEE SENT SB 550 TO THE SENATE FLOOR WITH A DO PASS
AS AMENDED RECOMMENDATION.

032 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-1-1.
SENATORS ANSWERING AYE: CORCORAN, STARR, FERRIOLI,
DECKERT. SENATORS ANSWERING NO: RINGO. SENATORS
EXCUSED: HANNON.

035 Sen. Starr MOTION: MOVES TO RECONSIDER THE VOTE BY WHICH THE
COMMITTEE ADOPTED SB 550-3 AMENDMENTS.

040 Bob Seward Explains that the initial fiscal impact was incorrect and that there is no fiscal
impact on SB 550.

065	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 5-0-1. SENATORS ANSWERING AYE: CORCORAN, RINGO, STARR, FERRIOLI, DECKERT. SENATORS EXCUSED: HANNON.
080	Steve Meyer	Explains SB 550-4 amendments. Exhibit 4.
090	Sen. Ferrioli	MOTION: MOVES SB 550-4 AMENDMENTS DATED 3/20/03 BE ADOPTED.
094	Sen. Deckert	ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1. SENATORS EXCUSED: HANNON.
095	Sen. Ferrioli	MOTION: MOVES SB 550 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
105	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 4-0-2. SENATORS ANSWERING AYE: RINGO, STARR, FERRIOLI, DECKERT. SENATORS EXCUSED: CORCORAN, HANNON. Sen. Deckert will carry the bill on the Senate Floor.

OPENS PUBLIC HEARING ON SB 292

118	Sen. Ferrioli	Testifies in support of SB 292 because it builds on work already done to allow companies to receive tax credits to donate equipment to engineering programs.
142	Lizbeth Martin-Mahar	Gives history of the tax credit for donating equipment and maintenance to engineering programs to universities. Exhibit 7. Discusses revenue and fiscal impact. Exhibits 8-9.
169	Jim Craven	Testifies in support of SB 292 because it helps colleges equip engineering facilities.
236	Ron Adams	Testifies in support of SB 292 because it would help Oregon State University increase both capacity and quality of the engineering program, making it one of the top programs in the nation. Refer to written testimony. Exhibit 11.
322	Bob Dryden	Testifies in support of SB 292. Discusses the need for continued funds to purchase engineering equipment.
419	Jim Craven	Refers members to written testimony from the University of Oregon.

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005	Sen. Hannon	Asks if there is more recent revenue data.
015	Martin-Mahar	Responds negatively.
035	Sen. Hannon	States that he understands the need for donations but that this is not a time to give away money. Asks if Craven would be willing to accept a modified version of the bill.
055	Craven	Responds that he is willing to look at any suggestions the committee has and points out that his industry pays more in taxes than receives in credits.
080	Sen. Ferrioli	Asks how much value the credit has produces since it was established.
085	Craven	Responds that he doesn't have a number for the value.

- 090 Sen. Ferrioli Points out that all equipment has to be new, current technology and declares his support for the bill.
- 115 Sen. Hannon Points out that there are over 200 tax credits and that he would be willing to vote for a new one if he knew that the Republicans would vote for raising new revenues.
- 125 Sen. Ferrioli Agrees with Sen. Hannon.
- 135 Sen. Deckert Asks about the Credence investment.
- Discussion follows.

CLOSES PUBLIC HEARING ON SB 292

OPENS WORK SESSION ON SB 819

- 162 Sen. Hannon MOTION: MOVES RULES BE SUSPENDED FOR THE PURPOSE OF RECONSIDERING THE VOTE ON SB 819.
- 165 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-0-2. SENATORS ANSWERING AYE: CORCORAN, HANNON, FERRIOLI, DECKERT. SENATORS EXCUSED: RINGO, STARR.
- 167 Sen. Hannon MOTION: MOVES TO RECONSIDER THE VOTE BY WHICH THE COMMITTEE PASSES SB 819 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 175 Sen. Hannon States that he does support SB 819, but was not supportive of it being rushed out of the committee without looking at the broader issue of rural schools.
- 200 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-0-2. SENATORS ANSWERING AYE: CORCORAN, HANNON, FERRIOLI, DECKERT. SENATORS EXCUSED: RINGO, STARR.

CLOSES WORK SESSION ON SB 819

OPENS PUBLIC HEARING ON SB 415

- 212 Martin-Mahar Explains SB 415, which allows licensed naturopathic physicians to qualify for the rural physicians' income tax credit. Exhibit 13. Discusses revenue impact. Exhibit 14.
- 256 Art Keil Testifies in support of SB 415 because it encourages naturopathic physicians to practice in rural Oregon. Discusses possible amendments to lower the fiscal impact. Refer to written testimony. Exhibit 17.
- 313 Chris Meletis Testifies in support of SB 415. Gives background on naturopathic medicine and discusses the training and practice involved. Refer to written testimony. Exhibit 19.

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- 005 Sen. Deckert Asks why the credit is needed if there are already naturopathic physicians in rural areas.
- 012 Keil Responds that the intent was to create an incentive so that a few people in each graduating class would go to a rural town and points out that this just

gives them the same opportunities that MD's have.

- 022 Wayne Centrone Testifies in support of SB 415 because it creates incentives for naturopathic physicians to practice in underserved populations. Refer to written testimony. Exhibit 20.
- 035 Sen. Hannon Appreciates what the physicians are trying to do but points out that tax credits for MD's and optometrists have not succeeded in drawing more people into rural areas.
- 060 Keil Responds that SB 415 is different in that it is only for licensed physicians.
Discussion follows.
- 075 Meletis Responded that the motivation for the bill was patient care.
- 080 Sen. Deckert Recommends that they write an amendment to lower the revenue impact to \$50,000.

CLOSES PUBLIC HEARING ON SB 415

OPENS PUBLIC HEARING ON SB 492

- 096 Sen. Devlin Introduces SB 492, which creates a personal income tax credit for taxpayers with outstanding principal on student loans. Testifies in support of SB 492 because it creates an incentive for students to pay off their loans in a timely manner.
- 188 Sen. Starr Asks if the bill would cover family members paying for a loan.
- 190 Sen. Devlin Responds positively.
- 200 Sen. Deckert Challenges Sen. Devlin to make the bill revenue neutral.

CLOSES PUBLIC HEARING ON SB 492

OPENS PUBLIC HEARING ON SB 798

- 220 Martin-Mahar Explains SB 798, which establishes a state income tax credit for teachers for any expenses incurred in the tax year for purchases of educational supplies. Discusses federal income tax credit. Exhibit 28.
- 271 Shawn Cleave Testifies in support of SB 798 on behalf of Senator Clarno.
- 280 David Eaton Testifies in support of SB 798 because teachers are very important in providing education to the student population. Expresses concern over excluding parochial schools. Refer to written testimony. Exhibit 29.
- 335 Cleave Refers members to example of Arizona's tax credit for teachers.
- 359 Sen. Deckert States that to move the bill it would have to be revenue neutral.
- 364 Sen. Starr Asks if would be possible to put a cap on the credit.
- 377 Martin-Mahar Responds that the easiest way would be to set it at a certain level above what the federal credit level is.
Discussion follows.

421 Marcia Kelley Testifies in opposition to SB 798 because schools should be properly funded so that teachers don't have to pay for materials out of their pockets. Refer to written testimony. Exhibit 30.

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CLOSES PUBLIC HEARING ON SB 798

035 Sen. Hannon Asks Warner to get information to the committee on cutting tax credits to raise revenue.

Discussion follows.

110 Sen. Deckert Adjourns meeting at 2:41pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. SB 550, Steve Meyer, Staff Measure Summary, 1p.
2. SB 550, Steve Meyer, Revenue Impact Statement, 1p.
3. SB 550, Steve Meyer, School Transportation Grant Estimates, 2pp.
4. SB 550, Steve Meyer, Fiscal Impact Statement, 1p.
5. SB 550, Steve Meyer, Proposed SB 550-3 Amendments, 22pp.
6. SB 550, Steve Meyer, Proposed SB 550-4 Amendments, 22pp.
7. SB 292, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
8. SB 292, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
9. SB 292, Lizbeth Martin-Mahar, Fiscal Impact Statement, 1p.
10. SB 292, Jim Craven, Written Testimony from University of Oregon, 1p.
11. SB 292, Ron Adams, Written Testimony, 3pp.
12. SB 292, Marcia Kelley, Written Testimony, 3pp.
13. SB 415, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
14. SB 415, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
15. SB 415, Lizbeth Martin-Mahar, Oregon Rural Hospitals, 1p.
16. SB 415, Art Keil, Oregon Association of Naturopathic Physicians Brochure, 2pp.
17. SB 415, Art Keil, Written Testimony, 3pp.
18. SB 415, Art Keil, List of Naturopathic Products, 5pp.
19. SB 415, Chris Meletis, Written Testimony, 3pp.
20. SB 415, Wayne Centrone, Written Testimony, 4pp.
21. SB 415, Art Keil, National College of Naturopathic Medicine Information Packet, 102pp.
22. SB 819, Steve Meyer, Staff Measure Summary, 1p.
23. SB 819, Steve Meyer, Revenue Impact Statement, 1p.
24. SB 819, Steve Meyer, Proposed SB 819-1 Amendments, 4pp.
25. SB 492, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
26. SB 492, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
27. SB 492, Marcia Kelley, Written Testimony, 3pp.
28. SB 798, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
29. SB 798, David Eaton, Written Testimony, 2pp.

30. SB 798, Marcia Kelley, Written Testimony, 3pp.