

**SENATE REVENUE COMMITTEE**  
**April 22, 2003 1:00 PM STATE CAPITOL BUILDING**

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

Members Excused: Senator Lenn Hannon

Witnesses Present: Veronica Rinard, Oregon Film and Video Office  
Megann Ratzow, Casting Director  
Dave Tyler, Department of Transportation  
Douglas Goe, Orrick, Herrington, & Sutcliffe

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

**TAPE 101, SIDE A**

005 Chair Deckert Calls meeting to order at 1:12pm.

OPENS WORK SESSION ON SB 292

010 Lizbeth Martin-Mahar Explains SB 292 and discusses the revenue impact. Exhibit 1.

021 Sen. Starr MOTION: MOVES SB 292 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

025 Sen. Corcoran States that he will vote the bill out of committee but will not vote for it on the floor.

030 Sen. Starr Points out that it saves the state a large amount of money in buying new technology for universities and colleges.

040 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-0-2.  
SENATORS ANSWERING AYE: CORCORAN, RINGO, STARR, DECKERT.  
SENATORS EXCUSED: HANNON, FERRIOLI.  
Sen. Ferrioli will carry the bill on the Senate Floor.

OPENS WORK SESSION ON SB 313

050 Paul Warner Explains SB 313-3 amendments and other possible amendments. Exhibit 2.

090 Veronica Rinard Explains why they have chosen to use SB 313 rather than SB 79 and discusses why this bill is important. Gives data from two studies done on the economic impact from the Production Investment Fund. Refer to written testimony. Exhibit 3.

155 Megan Ratzow Testifies in support of SB 313 and gives personal account of the film industry and how the bill would positively impact the economy.

230 Sen. Deckert States that they will bring the bill back on Monday with new amendments.

OPENS PUBLIC HEARING ON HB 2213

265 Richard Yates Explains HB 2213 which allows the Treasury to issue grant anticipation revenue bonds at the request of the Department of Transportation for financing transportation projects that are eligible to receive federal transportation funds. Exhibit 5.

285 Dave Tyler Testifies in support of HB 2213 and discusses the substantive changes it makes. Refer to written testimony. Exhibit 6.

325 Sen. Deckert States that he has been told the Grant Anticipation Revenue Vehicle Bonds (GARVEEs) are not a good deal.

328 Tyler Responds that the highway user tax revenue bonds are a better credit and that you pay a higher premium with GARVEE bonds.

335 Sen. Ringo Asks if the bonds are backed by federal funds.

338 Tyler Responds positively.

340 Sen. Ringo Asks how much money the state gets from the funds that are subject to GARVEE bonding.

344 Tyler Responds that the Department of Transportation receives approximately \$300 million over a biennium.

350 Sen. Ringo Asks if they currently spend that stream of revenue since they aren't using it for bonding.

354 Tyler Responds positively.

360 Sen. Ringo Asks why it doesn't make more sense to live off the stream of revenue.

370 Tyler Responds that ODOT has traditionally used current revenues, but that there are serious problems with the infrastructure that wouldn't get fixed by using the revenue.

395 Sen. Deckert Asks if this bill would be a policy switch from using revenues to a bonding scheme that would jeopardize future revenues and if this causes concern.

405 Tyler Responds that it is a fundamental policy shift, but that they have a great deal of protection in bond restrictions.

425 Douglas Goe Responds that even if a significant package goes forward, there would still be a significant amount of revenue used on a pay as you go basis. Discusses interest rates and the highway user tax program. Testifies in support of HB 2213 and discusses the intentions.

**TAPE 102, SIDE A**

065 Sen. Ringo Asks how much more expensive GARVEEs are.

067 Tyler Responds that it depends on ratings and debt coverage.

078 Sen. Deckert Asks why the bill gives the authority for bonding to ODOT and then makes them come back to utilize the authority given to them.

080 Tyler Responds that the authority comes by being included in the Department of Administrative Services annual bond limit bill.

095 Sen. Ringo Asks what would happen if this bill didn't pass other than the GARVEE issue.

099 Tyler Responds that they wouldn't be able to issue GARVEE bonds or use federal funds as a pledge for highway user tax revenue bonds.

Discussion follows.

130 Sen. Deckert Asks about lottery bonding.

135 Goe Responds that lottery bonds are much more volatile, making the criteria for coverage higher.

170 Sen. Ringo Asks what Goe's firm makes on the issuance of bonds.

175 Goe Responds that they are paid on an hourly basis at a substantially discounted rate.

Discussion follows.

CLOSES PUBLIC HEARING ON HB 2213

212 Sen. Deckert Adjourns meeting at 1:56pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. SB 292, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
2. SB 313, Paul Warner, Proposed SB 313-3 Amendments, 5pp.
3. SB 313, Veronica Rinard, Written Testimony, 4pp.
4. SB 313, Megann Ratzow, Written Testimony, 2pp.
5. HB 2213, Richard Yates, Staff Measure Summary, 1p.
6. HB 2213, Dave Tyler, Written Testimony, 4pp.