

SENATE REVENUE COMMITTEE
April 23, 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: Representative Deborah Kafoury, District 43
John Christensen, Senator Margaret Carter's Office
Marge Kafoury, City of Portland
Mike Saba, City of Portland, Bureau of Planning
Jeanne Arana, Oregon Housing and Community Services
Dan Gardner, Labor Commissioner
David Nebel, Oregon Law Center
Rob Douglas, Oregon Society of Certified Public Accountants
Kim Spaulding, Certified Public Accountant
Robert Carus, Certified Public Accountant
Bruce Krohn, Certified Public Accountant

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

TAPE 103, SIDE A

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

OPENS PUBLIC HEARING ON HB 2379

014 Mazen Malik Explains HB 2379 A, which extends by 10 years the sunset provision of tax exemption for housing in urban distressed areas. Exhibit 1. Discusses the -2 and -3 amendments. Exhibits 2-3.

059 Rep. Kafoury Testifies in support of HB 2379 and HB 2380 because it is important in providing low income housing to residents of Portland and offers support for the -A2 and -A3 amendments.

071 John Christensen Testifies in support of HB 2379 on behalf of Senator Carter because it is critical for low income residents and offers support for the -A2 and -A3 amendments.

082 Marge Kafoury Testifies in support of HB 2379, stating that there is no opposition. Offers support for the -A2 and -A3 amendments.

099 Mike Saba Testifies in support of HB 2379 because it would allow the program adopted by Portland in 1991 of providing tax exemptions for new housing in urban distressed areas to continue. Discusses the success of the program. Refer to written testimony. Exhibit 5.

- 125 Malik Adds that there is an expansion in the bill from single family units to multi-family units.
- 130 Sen. Deckert Asks if Oregonians in Action is still trying to amend the bill.
- 135 M. Kafoury Responds negatively.
- 140 Jeanne Arana Testifies in support of HB 2379 with the –A2 amendments because it would support fair housing practices and sets up penalties for discrimination. Refer to written testimony. Exhibit 6.

CLOSES PUBLIC HEARING ON HB 2379

OPENS WORK SESSION ON SB 747

- 200 Sen. Ferrioli MOTION: MOVES SB 747 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION AND A SUBSEQUENT REFERRAL TO THE WAYS AND MEANS COMMITTEE.
- 205 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-2-0. SENATORS ANSWERING AYE: CORCORAN, HANNON, STARR, FERRIOLI. SENATORS ANSWERING NO: RINGO, DECKERT.

CLOSES WORK SESSION ON SB 747

OPENS PUBLIC HEARING ON HB 2379

- 224 Dan Gardner Testifies in support of the –A3 amendments because it allows the Bureau of Labor and Industries to contract with the United States Housing and Urban Development to raise revenues needed to investigate housing discrimination complaints. Refer to written testimony. Exhibit 7.
- 249 David Nebel Testifies in support of –A2 amendments because they would prevent discrimination by landlords of domestic violence victims. Explains that the amendment does not have anything to do with the substance of the bill.

CLOSES PUBLIC HEARING ON HB 2379

OPENS PUBLIC HEARING ON HB 2186

- 330 Rob Douglas Introduces book that discusses the changes resulting from federal tax reform (Exhibit 5 from 4/17/03 meeting) and three CPA's who are going to review it.
- 360 Kim Spaulding Gives brief overview of book, An Analysis of Changes Resulting From. Exhibit 5 from 4/17/03 meeting.
- 380 Robert Carus Discusses the Economic Growth and Tax Relief Reconciliation Act of 2001.
Discussion follows.
- 389 Bruce Krohn Discusses 457 plans (Act Section 641).

TAPE 104, SIDE A

- 006 Spaulding Discusses tax deadlines and sunset provisions (Act Sections 801, 802, 901). Discusses the Victims of Terrorism Tax Relief Act of 2001.
- 031 Krohn Discusses the Job Creation and Worker Assistance Act of 2002.

Discussion follows.

- 057 Spaulding Discusses missing children as dependents (Act Section 412) and the exclusion for employer-provided educational assistance.
- 073 Carus Discusses foreign sales corporation rules (Act Section 2-3 of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000).
Discussion follows.
- 100 Spaulding Discusses the Community Renewal Tax Relief Act of 2000, the Installment Tax Correction Act of 2000, and the Economic Growth and Tax Relief Reconciliation Act of 2001.
- 135 Carus Discusses changes in estate taxes due to the Economic Growth and Tax Reconciliation Act of 2001.
- 145 Krohn Discusses IRA's (Act Sections 601-602) and contribution plans (Act Sections 611, 613-617, 631, 631-32, 635, 641-44, 647, 649, 651,-52, 654, 656, 658, 662, 665, 667).
Questions and answers interspersed.
- 310 Spaulding Discusses the Victims of Terrorism Tax Relief Act of 2001.
- 320 Krohn Discusses the Job Creation and Worker Assistance Act of 2002.
Discussion follows.
- 390 Spaulding Continues discussion of the Job Creation and Worker Assistance Act of 2002 (Act Sections 402-406, 411-418).
Questions and answers interspersed.

TAPE 103, SIDE B

- 040 Sen. Deckert Asks for any general guidance on the reconnect or disconnect bill.
- 042 Spaulding Responds that the CPA's would be happy to provide assistance with any changes to the bill and any questions.
- 045 Sen. Corcoran Thanks the CPA's for not opposing the disconnects to get through the financial situation even though it creates more work for themselves.
- 063 Martin-Mahar Explains the -A7 amendments which fix the problem of disconnecting from depreciation.

CLOSES PUBLIC HEARING ON HB 2186

OPENS PUBLIC HEARING ON HB 2380

- 118 Malik Explains HB 2380 which allows for application of property tax exemption of multiple-unit low income housing property to be filed prior to the property being subject to a housing assistance contract. Exhibit 11.
- 145 Marge Kafoury Testifies in support of HB 2380 because it helps keep housing affordable.
- 155 Saba Testifies in support of HB 2380 because it is crucial in providing affordable housing. Refer to written testimony. Exhibit 14.

175 Sen. Ferrioli States that this bill is very specific and has a proven track record.

CLOSES PUBLIC HEARING ON HB 2380

200 Sen. Deckert States that they will bring back HB 2535 for a public hearing next week.

205 Sen. Deckert Adjourns meeting at 2:24pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2379 A, Mazen Malik, Staff Measure Summary, 1p.
2. HB 2379 A, Mazen Malik, Proposed –A2 Amendments, 9pp.
3. HB 2379 A, Mazen Malik, Proposed –A3 Amendments, 14pp.
4. HB 2379 A, Mazen Malik, Tax Expenditure 2.030 from the Tax Expenditure Report, 2pp.
5. HB 2379 A, Mike Saba, Written Testimony, 2pp.
6. HB 2379 A, Jeanne Arana, Written Testimony, 2pp.
7. HB 2379 A, Dan Gardner, Written Testimony, 1p.
8. SB 747, Lizbeth Martin-Mahar, Fiscal Impact Statement, 1p.
9. HB 2186, Lizbeth Martin-Mahar, Proposed –A7 Amendments, 3pp.
10. HB 2186, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
11. HB 2380, Mazen Malik, Staff Measure Summary, 1p.
12. HB 2380, Mazen Malik, Tax Expenditure 2.032 from the Tax Expenditure Report, 2pp.
13. HB 2380, Mazen Malik, Tax Expenditure 2.033 from the Tax Expenditure Report, 1p.
14. HB 2380, Mike Saba, Written Testimony, 3pp.
15. HB 2535, Mazen Malik, Staff Measure Summary, 1p.
16. HB 2535, Mazen Malik, Tax Expenditure 2.036 from the Tax Expenditure Report, 2pp.