SENATE REVENUE COMMITTEE
April 30, 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:	John Phillips, Department of Revenue
	Chip Lazenby, Portland Development Commission
	Jeff Tashman, Association of Oregon Redevelopment Agencies

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

TAPE 110, SIDE A

004	Chair Deckert	Calls meeting to order at 1:26pm

OPENS WORK SESSION ON HB 2131 A

013	Sen. Hannon	MOTION: MOVES THE RULES BE SUSPENDED FOR RECONSIDERATION OF THE VOTE BY WHICH HB 2131 A WAS SENT TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
020	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 5-0-1. SENATORS ANSWERING AYE: CORCORAN, HANNON, RINGO, STARR, DECKERT. SENATOR EXCUSED: FERRIOLI.
023	Sen. Hannon	MOTION: MOVES TO RECONSIDER THE VOTE BY WHICH HB 2131 A WAS SENT TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
028	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 6-0-0.
032	Sen. Hannon	MOTION: MOVES THAT HB 2131-A3 AMENDMENTS DATED 4/29/03 BE ADOPTED FOR THE PURPOSE OF RESOLVING CONFLICTS.
040	Sen. Deckert	ORDER: HEARING NO OBJECTION, MOTION PASSES: 6-0-0.
042	Sen. Hannon	MOTION: MOVES HB 2131 A TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
050	Sen. Deckert	ORDER: HEARING NO OBJECTION, MOTION PASSES: 6-0-0.

OPENS PUBLIC HEARING ON HB 2187

055	Mazen Malik	Explains HB 2187, which requires Urban Renewal revenues raised by either a special levy or division of tax to be categorized as general government

		taxes by measure 5 definitions. Exhibit 2. Discusses the background of the bill and gives example data from the Shilo Inn court case. Exhibit 3.
126	Sen. Ringo	Asks if the Shilo Inn decision caused loss in revenues to schools or other government entities.
130	Malik	Responds that it has not decreased or increased revenues, but rather has allowed a release in the compression rate.
161	Sen. Ringo	Asks if the Shilo Inn decision helped schools and hurt local governments.
164	Malik	Responds positively.
165	Sen. Ringo	Asks if this bill is codifying that problem.
168	Malik	Responds positively.
175	Sen. Ringo	Asks if the school districts have any input on the bill.
178	Sen. Deckert	Responds that they are going to have some testimony.
180	Sen. Deckert	Asks what would happen if they did not codify the Shilo decision.
182	Malik	Responds that the Supreme Court has judged that this is the intent of the Constitution, so it would push it to court again.
200	Sen. Hannon	Asks what would happen if they do codify the decision and someone challenges it in the future.
208	Malik	Responds that since courts have already determined the case, it would probably not be able to be challenged.
216	Sen. Hannon	Asks if the Department of Revenue interpreted the decision or if it was Multnomah County's interpretation.
224	John Phillips	Explains the process and reasoning for drafting HB 2187.
257	Sen. Hannon	Asks if this bill changes the law to what is already being done administratively.
262	Phillips	Responds affirmatively.
265	Chip Lazenby	Testifies that the Department of Revenue chose to intervene on the lawsuit because the implications of the case were statewide.
280	Sen. Hannon	Asks if other areas of the state directly or indirectly affected by the court decision.
282	Phillips	Responds affirmatively.
285	Sen. Hannon	Asks what the impact is.
287	Phillips	Responds that it varies from account to account.
		Discussion follows.
301	Sen. Deckert	Asks if this brings finality to the Shilo Inn case.
304	Lazenby	Responds affirmatively.

315	Phillips	Refers members to detailed handout on the Shilo case and what is being changed by the bill. Exhibit 5.
344	Sen. Ferrioli	Asks if this actually creates a shift in revenue or just a release in compression.
356	Phillips	Responds that it does relieve compression in some accounts but not in all.
366	Sen. Ferrioli	Asks if this automatically produce revenues for schools.
368	Phillips	Responds that he cannot answer that.
386	Jeff Tashman	Testifies in support of HB 2187 because it makes changes to the statute that are necessary to supplement the administrative rule adopted by the Department of Revenue. Discusses the success of urban renewal projects. Refer to written testimony. Exhibit 6.

TAPE 111, SIDE A

060	Sen. Ringo	Asks if this bill is not required since it is already under administrative rule.
063	Tashman	Responds affirmatively.
065	Sen. Ringo	Asks if they would prefer to see it in statute.
067	Tashman	Responds affirmatively. Refers members to history of urban renewal in Oregon. Exhibit 7.

CLOSES PUBLIC HEARING ON HB 2187

OPENS WORK SESSION ON HB 2187

| 084 | Sen. Hannon | MOTION: MOVES HB 2187 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION. |
| 090 | Sen. Deckert | ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1.
SENATOR EXCUSED: STARR.
Sen. Hannon will carry the bill on the Senate Floor. |

OPENS PUBLIC HEARING ON HB 2589

092	Malik	Explains HB 2589, which exempts sensitive financial information submitted to an urban renewal agency from disclosure under the public records law. Exhibit 8.
109	Chip Lazenby	Testifies in support of HB 2589 because disclosure of sensitive information relating to sales, marketing, and costs puts companies at a competitive disadvantage. Refer to written testimony. Exhibit 9.
130	Sen. Deckert	Asks for an example of a risk of information being shared.
134	Lazenby	Gives example of the May Company.
165	Sen. Ferrioli	States that it seems that a standard confidentiality agreement would be the order of the day in those kind of negotiations.
168	Lazenby	Discusses the controversy of the non-disclosure of PGE park in Portland.

196	Sen. Deckert	Expresses concern that the public has an interest in the information since there are public dollars involved.
201	Lazenby	Responds that the government will still have access to the information in order to make sound investments and the public to the information about the agreement, but that the bill will keep information that could financially hurt a company if disclosed private.

CLOSES PUBLIC HEARING ON HB 2589

OPENS WORK SESSION ON HB 2589

226	Sen. Hannon	MOTION: MOVES HB 2589 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
229	Sen. Corcoran	States that he is a no because he believes that given the environment of today, transparency should be the goal.
233	Sen. Ringo	Responds that they need to encourage private entities to do business with local governments on renewal projects.
		Discussion follows.
271	Sen. Hannon	States that he agrees with Sen. Corcoran, but in this unique situation there is proprietary information that if leaked out, would put companies at a competitive advantage.
286	Sen. Deckert	States that his concern is that a company wouldn't enter into a renewal project if they had to disclose their information.
294	Sen. Ferrioli	States that there would be public disclosure of all the proprietary information, it just won't be published.
329	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 4-1-1. SENATORS ANSWERING AYE: HANNON, RINGO, FERRIOLI, DECKERT SENATOR ANSWERING NO: CORCORAN. SENATOR EXCUSED: STARR.
334	Sen. Deckert	Adjourns meeting at 2:17pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:
1. HB 2131, Richard Yates, Proposed HB 2131-A3 Amendments, 8pp.
2. HB 2187, Mazen Malik, Staff Measure Summary, 2pp.
3. HB 2187, Mazen Malik, Shilo Inn Example, 2pp.
4. HB 2187, John Phillips, Administrative Rule Review, 8pp.
5. HB 2187, John Phillips, Written Testimony, 6pp.
6. HB 2187, Jeff Tashman, Written Testimony, 4pp.
7. HB 2187, Jeff Tashman, Urban Renewal in Oregon, 68pp.
8. HB 2589, Mazen Malik, Staff Measure Summary from House Committee on Judiciary, 1p.

9. HB 2589, Chip Lazenby, Written Testimony, 2pp.