

**SENATE REVENUE COMMITTEE**  
**May 20, 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: Ken Armstrong, Oregon Fire Chiefs' Association  
Robert Garrison, State Fire Marshal  
John Powell, State Farm & North Pacific Insurance  
Lynn Partin, Oregon Housing and Community Services  
Don Schellenberg, Oregon Farm Bureau  
John McCulley, Tree Fruit Growers  
Peter Hainley, Community and Shelter Assistance Corporation

Staff Present: Lizbeth Martin-Mahar, Legislative Revenue Office  
Tara Lantz, Committee Assistant

**TAPE 124, SIDE A**

004 Chair Deckert Calls meeting to order at 1:10 pm.

OPENS PUBLIC HEARING ON HB 3051 A

010 Lizbeth Martin-Mahar Explains HB 3051 A which allows insurance companies to impose a new assessment on property and casualty insurance policy holders in order to recoup the Oregon Insurance Guaranty Association assessment which insurance companies pay (Exhibit 1). Discusses current law and reasoning for changes (Exhibit 2).

150 Martin-Mahar Discusses revenue impact (Exhibit 3).

286 Sen. Ringo Asks if the bill includes auto insurance companies.

293 Martin-Mahar Responds that she doesn't believe so.

308 John Powell Explains that each type of insurance that has a fire insurance component, such as home owner policies, are subject to a tax that goes to the fire marshals and other programs. Gives background of the bill and the reasoning behind it.

360 Sen. Ringo Asks if the bill would affect the cost of auto insurance.

361 Powell Responds that the affect would be small.

372 Sen. Ringo Asks for an estimate of the affect on auto insurance.

373 Powell Responds that he doesn't know.

380 Sen. Ringo Asks if this bill was brought to them because companies are going out of business due to 9-11.

383 Powell Responds that only a small number are directly related to 9-11, but that many are worker's comp companies.  
Discussion follows.

**TAPE 125, SIDE A**

023 Ken Armstrong Testifies in support of HB 3051 because the fire marshal office funding is being threatened. Refer to written testimony (Exhibit 4).

051 Robert Garrison Discusses programs that are at risk due to lack of funding. Refer to written testimony (Exhibit 5).

088 Sen. Ringo Asks if this bill is charging automobile drivers for the use of fire protection when the nexus used to be directly connected with fire insurance.

094 Powell Responds that automobile insurance premiums currently include the tax for the fire protection component.  
Discussion follows.

114 Powell Explains why other states generally charge higher insurance rates compared to Oregon.

CLOSES PUBLIC HEARING ON HB 3051 A

OPENS PUBLIC HEARING ON HB 2166 B

155 Martin-Mahar Explains HB 2166 which (Exhibit 7). Discusses revenue impact (Exhibit 8).

203 Lynn Partin Gives background of the Farm worker Housing Tax Credit and testifies in support of HB 2166 because it makes improvements to the credit in order to maximize its use. Refer to written testimony (Exhibit 9).

273 Don Schellenberg Offers support for HB 2166 on behalf of farm workers who are greatly in need of housing. Refer to written testimony (Exhibit 10).

293 John McCulley Testifies in support of HB 2166. Refer to written testimony (Exhibit 11).

323 Sen. Hannon Asks about the procedure for transferring tax credits.

330 Partin Responds that the procedure is simple and essentially contractual.

359 Sen. Hannon Asks if there is any follow up to ensure the farm worker housing was built and maintained.

369 Partin Responds that in most cases the Department of Revenue uses audits to ensure that individuals and corporations are held accountable and discusses future plans to solve the problem of accountability. Points out that the credits aren't issued until the housing is already built.

**TAPE 124, SIDE B**

016 Sen. Hannon Asks about permits being included in eligible costs.

020 Partin Responds that local fees are included in costs.  
Discussion follows.

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| 046 | Sen. Deckert  | Expresses concern that the bill begins in 2005.   |
| 052 | Partin        | Responds that they would have been happy to begin it now, but they didn't have the votes in the house revenue committee. Points out that they can't give out any more credits, but are just wishing to carry out the ones they have already issued. |
| 064 | Sen. Ferrioli | States that this is good public policy and they should just do it even if it doesn't start until 2005.  |
| 076 | Peter Hainley | Testifies in support of HB 2166 because it will ensure that these tax credits get used in the most efficient manner. Refer to written testimony (Exhibit 12).   |

CLOSES PUBLIC HEARING ON HB 2166 B

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| 127 | Sen. Deckert | Adjourns meeting at 2:15 pm. |
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Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 3051, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
2. HB 3051, Lizbeth Martin-Mahar, Current Law, 3pp.
3. HB 3051, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
4. HB 3051, Ken Armstrong, Written Testimony, 3pp.
5. HB 3051, Robert Garrison, Written Testimony, 2pp.
6. HB 3051, Dianne Middle, Written Testimony, 2pp.
7. HB 2166, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
8. HB 2166, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
9. HB 2166, Lynn Partin, Written Testimony, 2pp.
10. HB 2166, Don Schellenberg, Written Testimony, 1p.
11. HB 2166, John McCulley, Written Testimony, 1p.
12. HB 2166, Peter Hainley, Written Testimony, 1p.