

SENATE REVENUE COMMITTEE
JUNE 12, 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: Michelle Deister, League of Oregon Cities
Jim Anderson, AVISTA Inc.
Mike Burton, Office of Economic and Community Development Dept.
Dennis Mulvihill, Washington County
Dexter Johnson, Legislative Counsel
Bill Penhollow, Association of Oregon Counties
Andrew Bowman, Private Lands Conservation Counsel
Mike Barsotti, Department of Forestry

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

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004 Chair Deckert Calls meeting to order at 1:16 pm.
006 Sen. Deckert States that if there are any more amendments to HB 2299 being drafted they will have to find another vehicle.

OPENS WORK SESSION ON HB 2299

015 Mazen Malik Discusses issues discussed in previous meetings. Refer to staff measure summary (Exhibit 1). Discusses HB 2299-B24 amendments (Exhibit 2), which replace the earlier conflict amendments (HB2299-B20).
033 Sen. Hannon MOTION: MOVES HB 2299-B24 AMENDMENTS DATED 6/12/03 BE ADOPTED.
036 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1. SENATOR EXCUSED: FERRIOLI.
040 Malik Explains the HB 2299-B12 amendments which eliminates section 34 of the bill as requested by the counties.
048 Michelle Deister Testifies in support of the -B12 amendments and states that the League of Oregon Cities has agreed to sit down with AVISTA and others to come up with a solution to the problem of how centrally assessed utilities should be treated under the new environment of regulation.
061 Anderson Testifies that AVISTA has no problem with the -B12 amendments and that they are willing to sit down with other groups to try and resolve the issue.

Discussion follows.

- 074 Sen. Ringo MOTION: MOVES HB 2299-B12 AMENDMENTS DATED 5/19/03 BE ADOPTED.
- 080 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1.
SENATOR EXCUSED: FERRIOLI.
- 089 Mike Burton Discusses the compromise on the prevailing wage issue in HB 2299-B23 amendments (Exhibit 3) and states that the opposition is still against the amendment and would prefer the –B18 amendments.
- 127 Sen. Ringo Asks which amendments require the prevailing wage.
- 132 Burton Responds that neither of the amendments would require it.
- Discussion follows.
- 144 Sen. Corcoran MOTION: MOVES HB 2299-B18 AMENDMENTS DATED 6/6/03 BE ADOPTED.
- 156 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-2-0.
SENATORS ANSWERING AYE: CORCORAN, HANNON, RINGO, DECKERT.
SENATORS ANSWERING NO: STARR, FERRIOLI.
- 156 Sen. Starr Explains the –B21 amendments which were intended to provide cities and counties with equal footing as it relates to submitting a SIP project. Discusses proposed changes to accomplish his goal and to ensure that counties are okay with the amendment. Suggests adopting conceptual amendments and states that short of that they will try to get the amendment done in a conference committee should the bill be referred to one.
- 197 Dennis Mulvihill Testifies that in the –B21 amendments it was unclear as to whether the city or county could make the request or if both have to make the request.
- 229 Sen. Deckert States that it is his understanding that the bill will go to conference committee and it is his preference to adopt the amendments there.
- 238 Sen. Starr Discusses changes to be made to the amendments and asks for advice from counsel on if they could conceptually amend the bill in committee.
- 262 Dexter Johnson Responds that what Starr is proposing would take some thought because of the possibility that the city and county would disagree.
- 270 Sen. Starr States that he will try to work on the amendment if there is a conference committee or through another vehicle.
- 285 Sen. Deckert Asks if there is a relating clause that would fit the –B25 amendment.
- 293 Johnson Responds that it would fit into any relating to taxation clause.
- Discussion follows.
- 321 Sen. Corcoran MOTION: MOVES HB 2299 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 328 Sen. Ringo States that he is reluctant to vote for a bill that reduces property taxes

because it is difficult to know on what occasion economic stimulus is accomplished. Recognizes that it is meant to help rural Oregon and states that he will be voting yes.

- 340 Sen. Starr States that he supports virtually every part of the bill except for the prevailing wage amendment and that because of that he is going to oppose the bill.
- 350 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 4-2-0.
SENATORS ANSWERING AYE: CORCORAN, HANNON, RINGO, DECKERT.
SENATORS ANSWERING NO: STARR, FERRIOLI.
Sen. Starr serves notice of possible minority report.
Sen. Hannon will carry the bill on the Senate Floor.
- 362 Sen. Ferrioli Issues vote explanation that he is going to be supporting the minority report because of concerns about the prevailing wage issue.
- 398 Sen. Deckert Points out the –B18 amendment does not change anything.
- 405 Sen. Hannon States that he supports the bill because the prevailing wage is not mandatory, but permissive.

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- 002 Sen. Corcoran States that he supports prevailing wage because hiring workers from out of state doesn't do anything for Oregon, it is a family wage job, and there is evidence that providing prevailing wage for projects is less expensive. Discusses study done in Washington.

OPENS PUBLIC HEARING ON HB 3582

- 046 Dick Yates Explains HB 3582 which directs the Association of Oregon Counties to establish a work group of county officials to study the method by which highway funds are allocation to counties. Refer to staff measure summary (Exhibit 5).
- 065 Bill Penhollow Testifies in neutrality of HB 3582. Explains the bill in its original form and the amendments made in the House. States that they were planning to do the study before and are reluctant to have the legislature mandate them to do anything. Points out that the bill is intended to make sure the study gets done.
- 097 Sen. Corcoran Asks if the Counties could do this on their own without money from ODOT.
- 099 Penhollow Responds affirmatively.
- 107 Yates Clarifies that the money used is money that would flow to the counties anyway.
- 112 Sen. Hannon States that he will not be supportive of a transportation package if money is being used for studies.

Discussion follows.
- 129 Sen. Ferrioli States that there is an emphasis in the bill on Willamette Rivers and asks if the work group would be representative of the state.
- 141 Penhollow Responds that it is only for county bridges over the Willamette River but that they will have representation from across the state.

156	Sen. Ferrioli	States that he has no opinion one way or another on the bill. Asks how AOC had intended to pay for the study.
167	Penhollow	Responds that they have some resources set aside that they planned on using. Discussion follows.
197	Sen. Starr	Asks if AOC has determined the cost of the project.
200	Penhollow	Responds that they have estimated a cost of about \$120,000 but have not done any hard calculations on what it would be.
215	Sen. Ringo	States that he would rather not spend time on this bill because it doesn't do anything.
220	Sen. Deckert	States that Sen. Starr has the suggestion that they delete a section and that they will bring the bill back at a later time.

CLOSES PUBLIC HEARING ON HB 3582

OPENS PUBLIC HEARING ON HB 3616

236	Malik	Explains HB 3616 which establishes property tax special assessment program for wildlife habitat. Refer to staff measure summary (Exhibit 6). Discusses revenue impact (Exhibit 7).
290	Andrew Bowman	Testifies in support of HB 3616. Discusses the work group that came up with the suggestions included in the bill and what the bill does. Refer to written testimony (Exhibit 8). Submits testimony on behalf of Rep. Dingfelder (Exhibit 9).
358	Mike Barsotti	Explains the problem with the stewardship agreement and what the bill does to fix it.
400	Sen. Ferrioli	Asks about the opt-out clause.

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007	Bowman	Responds that the law as written lets people opt-out but if they opt back in, are not allowed to opt-out again and that this bill changes that to allow people the option of opting out. Discussion follows.
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CLOSES PUBLIC HEARING ON HB 3616

OPENS WORK SESSION ON HB 3616

047	Sen. Hannon	MOTION: MOVES HB 3616 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
051	Sen. Deckert	ORDER: HEARING NO OBJECTION, MOTION PASSES: 5-0-1. SENATOR EXCUSED: CORCORAN. Sen. Ringo will carry the bill on the Senate Floor.

CLOSES WORK SESSION ON HB 3616

056	Sen. Deckert	Adjourns meeting at 2:16 pm.
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Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2299 B, Mazen Malik, Staff Measure Summary, 2pp.
2. HB 2299 B, Mazen Malik, Proposed HB 2299-B24 Amendments, 5pp.
3. HB 2299 B, Mike Burton, Proposed HB 2299-B23 Amendments, 1p.
4. HB 2299 B, Richard Kosesan, Proposed HB 2299-B25 Amendments, 4pp.
5. HB 3582 A, Richard Yates, Staff Measure Summary, 2pp.
6. HB 3616 B, Mazen Malik, Staff Measure Summary, 1p.
7. HB 3616 B, Mazen Malik, Revenue Impact Statement, 1p.
8. HB 3616 B, Andrew Bowman, Written Testimony, 2pp.
9. HB 3616 B, Rep. Dingfelder, Written Testimony, 3pp.