

SENATE REVENUE COMMITTEE
JULY 14, 2003 9:30 AM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Ted Ferrioli, Vice Chair
Senator Tony Corcoran
Senator Lenn Hannon
Senator Rick Metsger
Senator David Nelson
Senator Charlie Ringo
Senator Bruce Starr

Witnesses Present: Bob Russell, Oregon Trucking Associations, Inc.
Larry Campbell, AAA Oregon/Idaho
Randy Tucker, 1000 Friends of Oregon
Rex Smith, Fought & Co. Inc.
Anthony Butkovich, Ironworkers International
Brad Murphy, Universal Structural Inc.
Ron Piksa, Ironworkers International
Bruce Bunner, Ironworkers International
Senator Ginny Burdick, District 18
Jeff Carlson, International Association of Bridge Ironworkers Local 29

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

TAPE 160, SIDE A

003 Chair Deckert Calls meeting to order at 9:35 am.

OPENS PUBLIC HEARING ON HB 2041 B

012 Bob Russell Testifies in support of HB 2041–B28 amendments (Exhibit 1). Discusses other small change that should be made in the amendment on line 22, which would take out the phrase “will purchase”.

031 Larry Campbell Discusses concerns regarding the state of Oregon bridges and the cost responsibility involved in fixing them. Offers support for the –B28 amendments. States that they don’t believe that this will be the last effort necessary to fix Oregon’s roads.

055 Sen. Hannon Asks why the bill says on line 12 that the taxpayer may not claim the credit until a tax year beginning on or after January 1, 2005 when the biennium does not begin until July 1, 2005.

065 Russell Responds that there is another provision that says you cannot take the tax credit into consideration on your estimated taxes that would be paid in the first half of 2005, which pushes the revenue impact back to the next biennium.

074 Sen. Hannon States that he does not see that in the –B28 amendment.

077 Dick Yates Clarifies that on line 25 it states that a taxpayer may not reduce estimated tax payments made before July 1, 2005.

080	Sen. Nelson	Asks if the panel is just supporting the bill and the-B28 amendments.
088	Campbell	Responds affirmatively.
089	Russell	Responds affirmatively.
088	Sen. Metsger	Asks for an explanation of the –B28 amendments.
095	Yates	Discusses the intent of the amendments to remove the language of the bill relating to the sequestering of income tax revenues and the funding for the mass transit vehicle replacement, the demand studies by ODOT, and the reimbursement of the General Fund for the truck engine tax credit. States that it reinstates in section 29 the truck engine tax credit and treats it like a normal tax credit. Explains that it prevents an individual from claiming the credit in the tax year 2004, delaying the impact until the next biennium. Warns that there is no way to enforce that people delay the estimated tax payments, which could create an impact in the current biennium.
141	Sen. Deckert	Asks where the carry forward is in the bill.
145	Yates	Responds that the carry forward is extended for one more year to allow the taxpayer to carry the credit forward for 4 years.
152	Sen. Deckert	Asks if taxpayers can accumulate the credit and cash it in all in one year.
156	Yates	Responds that the taxpayer would take it as early as possible to offset the liability.
162	Sen. Deckert	Asks if the panel is okay with amendments that would change the word from may on freight mobility to shall on page 22, line 34 of the B-engrossed bill.
174	Russell	Responds that he prefers to give the transportation commission the flexibility to make the decision.
186	Randy Tucker	Introduces the –B29 amendments (Exhibit 2), which changes the word from may to shall on page 22, line 34 of the B-engrossed bill in order to give local governments more control over the economic development of their downtown areas.
208	Sen. Ringo	States that it seems that the commission is going to apply a reasonable enough analysis anyway.
210	Tucker	Responds that it is likely because they have a good transportation commission, but that this seems like it would carry forward to every project in the future and not just on this package and that this a reasonable balancing.
235	Sen. Starr	Reminds the committee that there was a representative from local governments that said they were comfortable with the original language.
254	Rex Smith	Testifies in support of bridge replacement and repair provisions of the act. Expresses concern that there is no requirement to buy American products for projects using only state money and points out that there are 3 bridge fabricators in the Portland area that are hurting economically.
298	Brad Murphy	Testifies for the need for jobs in the bridge fabricating industry.
307	Anthony Butkovich	States that a similar bill was passed in California without the buy American provision and submits a picture of a bridge repair project in which a Korean company was hired for the job (Exhibit 3). Discusses current difficulties in

Oregon companies.

- 323 Ron Piksa Discusses current crisis in the steel industry and how this bill could help them if there was a Buy American provision.
- 418 Smith Adds that Fought & Co. has been in Tigard for 40 years and has paid a great deal of taxes.

TAPE 161, SIDE A

- 005 Sen. Burdick Testifies in support of the package but states that she cannot support a tax giveaway to anyway during this time. Offers the –B18 amendment as a compromise, which would require the companies to permanently take the old engines out of service.
- 053 Jeff Carlson Offers support for the bridge package and states that they just want to build something.

CLOSES PUBLIC HEARING ON HB 2041 B

RECESSES MEETING UNTIL 1:00 PM

RECONVENES MEETING AT 1:08 PM

OPENS WORK SESSION ON HB 2041 B

- 076 Bruce Warner States that ODOT will be able to fund the mass transit replacement through savings that have been identified through the Ways and Means process. Explains that because of the federal funds used in the package, the buy American provision is already in place and not necessary in this bill.
- 130 Sen. Starr MOTION: MOVES HB 2041–B29 AMENDMENTS DATED 7/14/03 BE ADOPTED.
- 137 Sen. Metsger Clarifies that the –B29 amendments change the word from may to shall and maintain the integrity of both truck routes and cities.
- 146 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 6-1-1.
SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, STARR, DECKERT.
SENATOR ANSWERING NO: FERRIOLI.
SENATOR EXCUSED: RINGO.
- 150 Sen. Starr MOTION: MOVES HB 2041–B30 AMENDMENTS DATED 7/14/03 BE ADOPTED.
- 152 Sen. Nelson Asks if these replace the –B28 amendments.
- 153 Sen. Deckert Responds affirmatively and explains that the change is made in line 22 on page 1 by removing the phrase “or will purchase”.
- 157 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 7-0-1.
SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, STARR, FERRIOLI, DECKERT.
SENATOR EXCUSED: RINGO.
- 160 Sen. Hannon MOTION: MOVES HB 2041–B18 AMENDMENTS DATED 7/8/03 BE ADOPTED.

163	Sen. Hannon	States that he is moving the –B18 amendment as a courtesy to a colleague.
165	Yates	Explains the –B18 amendments, which require that engines that have been replaced are permanently taken out of service.
183	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION FAILS: 3-4-1. SENATORS ANSWERING AYE: CORCORAN, HANNON, DECKERT. SENATORS ANSWERING NO: METSGER, NELSON, STARR, FERRIOLI. SENATORS EXCUSED: RINGO.
188	Sen. Starr	MOTION: MOVES HB 2041 B TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
192	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 7-0-1. SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, STARR, FERRIOLI, DECKERT. SENATOR EXCUSED: RINGO. Sen. Metsger and Sen. Starr will carry the bill on the Senate Floor.
200	Sen. Deckert	Adjourns meeting at 1:18 pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2041 B, Bob Russell, Proposed HB 2041-B28 Amendments, 3pp.
2. HB 2041 B, Randy Tucker, Proposed HB 2041-B29 Amendments, 1p.
3. HB 2041 B, Anthony Butkovich, Alfred Zampa Memorial Bridge Picture, Excerpt from “The Ironworker”, 1p.
4. HB 2041 B, Sen. Burdick, Proposed HB 2041-B18 Amendments, 1p.
5. HB 2041 B, Sen. Metsger, Proposed HB 2041-B30 Amendments, 3pp.