

SENATE REVENUE COMMITTEE
August 11, 2003 2:30 PM 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: Jim Geisinger, Associated Oregon Loggers
Gil Riddell, Association of Oregon Counties
Hasina Squires, Special Districts Association of Oregon
Senator Frank Morse, District 8

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

TAPE 163, SIDE A

004 Chair Deckert Calls meeting to order at 2:37 pm.

OPENS WORK SESSION ON HB 2372

017 Lizbeth Martin-Mahar Explains HB 2372-A3 amendments (Exhibit 1) which extend the sunset date from July 1, 2008 to July 1, 2012. Refer to staff measure summary (Exhibit 2). Discusses the revenue impact (Exhibit 3).

031 Jim Geisinger Testifies in support of the bill because it allows loggers to stay in business and states that the loggers are okay with the amendment because they know more time will just add to the proof that the exemption is successful.

053 Sen. Metsger Asks who has utilized this credit and what kind of equipment qualifies for the exemption.

056 Geisinger Responds that the type of equipment involved is largely ground-based forwarders and processors that can take down a standing tree and load it on to a forwarding, leaving a very light touch on the land.

072 Sen. Metsger Asks if this applies to air equipment.

075 Geisinger Responds that it only applies to land equipment.

080 Gil Riddell Testifies in support of the amendment because it adds the four year clause rather than eliminating the sunset in order to make sure it is a responsible exemption.

085 Hasina Squires Testifies that they don't support eliminating exemptions but they do support the amendment to extend it four additional years.

092 Riddell Explains that local governments pay for exemptions, which is why they are there.

- 098 Sen. Starr MOTION: MOVES HB 2372-A3 AMENDMENTS DATED 7/18/03 BE ADOPTED.
- 103 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 7-0-1.
SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, RINGO, STARR, DECKERT.
SENATOR EXCUSED: FERRIOLI.
- 105 Sen. Starr MOTION: MOVES HB 2372 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 109 Sen. Ringo States that he understands that there are reasons for exemptions but he does not think this is an appropriate tax break.
- 115 Sen. Starr Thanks the chair for working with parties to come to an agreement.
- 119 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 7-1-1.
SENATOR ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, STARR, DECKERT.
SENATOR ANSWERING NO: RINGO.
Sen. Starr will carry the bill on the Senate Floor.

OPENS WORK SESSION ON SJR 18

- 130 Paul Warner Discusses SJR 18-4 amendments (Exhibit 4) which replaces the original bill. Refer to staff measure summary (Exhibit 5). Discusses revenue impact (Exhibit 6).
- 146 Sen. Morse Discusses the need for a stability fund and the debate on also having a spending limit. Discusses analysis of unfunded voter initiatives compared to growth in spending and income levels (Exhibit 7).
- 210 Warner Elaborates on the analysis of initiatives and expenditures.
- 258 Sen. Morse Asks that the committee keep the kicker bills in the mix by allowing them to go to the floor for a vote.
- 271 Sen. Metsger Discusses the argument that there is an inherent spending cap. Asks how this measure is a spending limitation as well as a saving mechanism.
- 295 Sen. Morse Responds that there is an implied spending limit in the bill because they have lowered the threshold to anything over 1 percent going into the stability fund. States that there is a reasonable possibility that the kicker will kick in this biennium, creating a bigger hole.
- 326 Sen. Hannon States that he would be more supportive if they were putting a referendum to the voters to repeal the kicker because people won't understand the shifting of funds. Asserts that this won't create discipline in the Legislature, citing the increase in spending at the same time the kicker was refunded.
- 368 Sen. Morse Responds that this bill does create a discipline for saving.
- 378 Sen. Hannon Replies that those were the same words used when the kicker was created.
- 392 Sen. Ferrioli Agrees that citizens have difficulty understanding the kicker but that they understood it enough to vote it into the Constitution. States that even though he opposed the bill originally, they should be flexible as possible to keep options alive and that he will support it here today to keep it alive.

TAPE 164, SIDE A

021 Sen. Starr MOTION: MOVES SJR 18-4 AMENDMENTS DATED 8/11/03 BE ADOPTED.

024 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 6-1-1.
SENATORS ANSWERING AYE: CORCORAN, METSGER, NELSON,
STARR, FERRIOLI, DECKERT.
SENATOR ANSWERING NO: HANNON.
SENAOTR EXCUSED: RINGO.

028 Sen. Starr MOTION: MOVES SJR 18 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

031 Sen. Starr States that he was opposed to the original bill and reserves the right to vote no on the floor, but that he promised to help move it out of committee.

037 Sen. Ferrioli States that he reserves the right to vote no on the floor but will pass it out of committee as a courtesy to the chair.

044 Sen. Metsger Offers support for the bill and disagrees that the public wouldn't understand this referendum.

074 Sen. Morse States that he has only received one negative response from his constituents.

082 Sen. Deckert Asks if Sen. Morse would be willing to organize a campaign on behalf of the referendum.

084 Sen. Morse Responds affirmatively.

090 Sen. Nelson States that something needs to be done but he doesn't know if this it. Reserves the right to vote no on the floor after a more careful analysis of the measure.

096 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 6-1-1.
SENATORS ANSWERING AYE: CORCORAN, METSGER, NELSON,
STARR, FERRIOLI, DECKERT.
SENATOR ANSWERING NO: HANNON.
SENATOR EXCUSED: RINGO.
Sen. Morse will carry the bill on the Senate Floor.

OPENS WORK SESSION ON HB 2168

111 Warner Explains HB 2168-4 amendments (Exhibit 10) which makes statutory changes occurring from SJR 18. Refer to staff measure summary (Exhibit 9).

135 Sen. Starr MOTION: MOVES TO CONCEPTUALLY AMEND HB 2168-A4 AMENDMENTS DATED 8/11/03 BY REPLACING SJR 2 ON PAGE 9, LINES 10 AND 15 WITH SJR 18.

142 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 7-0-1.
SENATOR EXCUSED: RINGO.

145 Sen. Starr MOTION: MOVES HB 2168-A4 AMENDMENTS DATED 8/11/03 BE ADOPTED AS CONCEPTUALLY AMENDED.

150 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 6-1-1.
SENATORS ANSWERING AYE: CORCORAN, METSGER, NELSON,

STARR, FERRIOLI, DECKERT.
SENATOR ANSWERING NO: HANNON.
SENATOR EXCUSED: RINGO.

- 155 Sen. Starr MOTION: MOVES HB 2168 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 165 Sen. Deckert ORDER: ROLL CALL VOTE: MOTION PASSES: 6-1-1.
SENATORS ANSWERING AYE: CORCORAN, METSGER, NELSON, STARR, FERRIOLI, DECKERT.
SENATOR ANSWERING NO: HANNON.
SENATOR EXCUSED: RINGO.
Sen. Morse will carry the bill on the Senate Floor.
- 170 Sen. Ferrioli MOTION: MOVES THE RULES BE SUSPENDED FOR THE PURPOSE OF RECORDING A VOTE ON THE MOTION BY WHICH HB 2372 WAS SENT TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION. * (Refer to tape 163, side A, meter 105)
- 175 Sen. Deckert ORDER: HEARING NO OBJECTION, SO ORDERED.
SENATORS EXCUSED: CORCORAN, HANNON, RINGO.
- 177 Sen. Ferrioli Asks to be recorded as an aye vote.
- 180 Sen. Deckert Records that Sen. Ferrioli is an aye vote on HB 2372.
- 185 Sen. Deckert Adjourns meeting at 3:17 pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2372, Sen. Deckert, Proposed HB 2372-A3 Amendments, 1p.
2. HB 2372, Lizbeth Martin-Mahar, Staff Measure Summary, 1p.
3. HB 2372, Lizbeth Martin-Mahar, Revenue Impact Statement, 1p.
4. SJR 18, Sen. Morse, Proposed SJR 18-4 Amendments, 4pp.
5. SJR 18, Paul Warner, Staff Measure Summary, 1p.
6. SJR 18, Paul Warner, SJR 18 Simulation, 1p.
7. SJR 18, Sen. Morse, Budget Analysis, 1p.
8. HB 2168, Sen. Morse, Proposed HB 2168-A3 Amendments, 9pp.
9. HB 2168, Paul Warner, Staff Measure Summary, 1p.
10. HB 2168, Sen. Deckert, Proposed HB 2168-A4 Amendments, 9pp.