

SENATE REVENUE COMMITTEE
August 19, 2003 10:00 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: Mike Marsh, Oregon Department of Transportation
Bob Russell, Oregon Transportation Association
Fred Hansen, Tri-Met
Olivia Clark, Tri-Met
Paul Phillips, Smart Growth Coalition
Jim Craven, American Electronics Association

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

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003 Chair Deckert Calls meeting to order at 10:07 am

OPENS PUBLIC HEARING ON SB 469

014 Dick Yates Explains the -2 amendments (Exhibit 1) which replaces the original bill and increases the fee for obtaining an identification device in connection with the weight-mile tax and reduces fees for registration cards, plates and stickers. Refer to staff measure summary (Exhibit 2).

020 Mike Marsh Testifies in support of SB 469 because it fixes problems discovered with the implementation of HB 2041. Refer to written testimony (Exhibit 3).

055 Bob Russell Testifies in support of SB 469-2 amendments because it is necessary for the implementation of HB 2041.

060 Sen. Hannon Asks if the truckers will stop at the point of entry to obtain a sticker.

062 Russell Responds that they can obtain them at the point of entry or a variety of other ways.

071 Sen. Hannon Asks if truckers will have to wait for long periods at points of entry waiting for them to open up.

075 Russell Responds negatively.

CLOSES PUBLIC HEARING ON SB 469

OPENS WORK SESSION ON SB 469

- 079 Sen. Starr MOTION: MOVES SB 469-2 AMENDMENTS DATED 8/14/03 BE ADOPTED.
- 081 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 7-0-1. SENATOR EXCUSED: RINGO.
- 085 Sen. Starr MOTION: MOVES SB 469 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
- 088 Sen. Deckert ORDER: HEARING NO OBJECTION, MOTION PASSES: 7-0-1. SENATOR EXCUSED: RINGO.
Sen. Starr will carry the bill on the Senate Floor.

OPENS WORK SESSION ON HB 2283

- 096 Mazen Malik Explains HB 2283 which extends the property tax exemption offered to a non-profit corporation to land that is used as a golf course and for the discharge of wastewater. Refer to staff measure summary from 4/28/03.
- 110 Sen. Ferrioli MOTION: MOVES HB 2283 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
- 115 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. Fisher will carry the bill on the Senate Floor.

OPENS WORK SESSION ON HB 3183

- 125 Sen. Hannon Explains the -2 amendments (Exhibit 4) which addresses Longview Fibre Co. and urges support.
- 145 Lizbeth Martin-Mahar Explains the -3 (Exhibit 5) amendments which add the components of SB 549 A to allow for an increase in the maximum payroll tax rate for mass transit districts by 1% of the wages paid of each employee. Refer to staff measure summary (Exhibit 6). Discusses the revenue impact of the -3 amendment (Exhibit 7). Explains the -4 amendments (Exhibit 8) which deletes the original bill and increases the research and development tax credit. Refer to staff measure summary (Exhibit 9). Discusses the revenue impact for the -4 amendments (Exhibit 10). Explains the -7 amendments (Exhibit 11) which does not delete the existing bill and just adds the increase in the research credit to it. Discusses the revenue impact for the -7 amendments (Exhibit 12).
- 222 Sen. Deckert Asks if the change in the research credit conforms to federal law and increases the cap to \$1 million.
- 225 Martin-Mahar Responds affirmatively.
- 233 Sen. Nelson Asks how to sort out all these bills.
- 240 Sen. Deckert Responds that the ones most strongly under consideration are the -2, -3, and -7 amendments.
- 250 Fred Hansen Testifies in support of the -3 amendments because it would allow TriMet to access federal discretionary funds to expand mass transit. Discusses widespread business support. Refer to written testimony (Exhibit 13).

286	Sen. Starr	Asks about the federal funds that are at risk if this bill does not pass.
294	Hansen	Responds that the dollar amount would be over a six year period and would be around \$400 million for projects that would be matched by local dollars and private investment.
325	Sen. Deckert	Points out that this is not imposing but rather allowing Tri-Met to go ahead with this tax.
332	Olivia Clark	Points out that the Lane Transit District is also in support of the amendment.
336	Paul Phillips	Testifies in strong support of the -7 amendments because moving to a single sales factor would keep Oregon competitive and the research credit would help technology companies.
378	Sen. Ringo	Asks about the OTIM analysis that said this would create 20 jobs and asks for the realistic estimate.
387	Phillips	Responds that there are a lot more benefits than just 20 jobs and that in every other state that moves to a single sales factor, there has been a positive return and jobs created.
450	Sen. Starr	Asks about what the passage of this bill means to keeping headquarters in the state.
453	Phillips	Responds that this would help Oregon with the problem of attracting and retaining corporate headquarters.

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031	Sen. Deckert	Asks about start-up companies and how the research credit would impact them.
034	Jim Craven	Responds that the R&D credit increases the allowable cap and broadens the definition. States that there are exciting things going on to give a signal that economic development is in Oregon's future.
065	Sen. Ferrioli	Asks about the -4 amendments.
070	Phillips	Responds that they are not supportive of the -4 amendments.
072	Sen. Ferrioli	States that the next big thing could be anything and might not fit into the current definition.
080	Phillips	States that he agrees with Sen. Ferrioli and that is why the identical language is in the -7 amendments.
085	Sen. Hannon	MOTION: MOVES HB 3183-2 AMENDMENTS DATED 6/27/03 BE ADOPTED.
090	Sen. Metsger	Asks if this would conflict with any other portion of the bill they intend to adopt.
093	Sen. Hannon	Responds that before the bill is passed out it will be checked by Legislative Counsel for conflicts.
100	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 7-1-0. SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, STARR, FERRIOLI, DECKERT. SENATOR ANSWERING NO: RINGO.

105	Sen. Hannon	MOTION: MOVES HB 3183-3 AMENDMENTS DATED 8/7/03 BE ADOPTED.
108	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 7-0-0. SENATORS ANSWERING AYE: CORCORAN, HANNON, METSGER, NELSON, RINGO, STARR, FERRIOLI, DECKERT.
112	Sen. Hannon	MOTION: MOVES HB 3183-7 AMENDMENTS DATED 8/19/03 BE ADOPTED.
115	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 7-1-0. SENATORS ANSWERING AYE: HANNON, METSGER, NELSON, RINGO, STARR, FERRIOLI, DECKERT. SENATOR ANSWERING NO: CORCORAN.
120	Sen. Hannon	MOTION: MOVES HB 3183 TO THE SENATE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.
124	Sen. Corcoran	States that he will be opposing the motion because increasing credits, even if there is no revenue impact until the next biennium, is how they got into the current fiscal crisis.
150	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 7-1-0. SENATORS ANSWERING AYE: HANNON, METSGER, NELSON, RINGO, STARR, FERRIOLI, DECKERT. SENATOR ANSWERING NO: CORCORAN. Sen. Deckert will carry the bill on the Senate Floor.
152	Sen. Deckert	Adjourns meeting at 10:45 am.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. SB 469, Richard Yates, Proposed SB 469-2 Amendments, 2pp.
2. SB 469, Richard Yates, Staff Measure Summary, 1p.
3. SB 469, Mike Marsh, Written Testimony, 2pp.
4. HB 3183, Sen. Hannon, Proposed HB 3183-2 Amendments, 2pp.
5. HB 3183, Lizbeth Martin-Mahar, Proposed HB 3183-3 Amendments, 4pp.
6. HB 3183, Lizbeth Martin-Mahar, Staff Measure Summary for -3 Amendments, 1p.
7. HB 3183, Lizbeth Martin-Mahar, Revenue Impact Statement for -3 Amendments, 1p.
8. HB 3183, Lizbeth Martin-Mahar, Proposed HB 3183-4 Amendments, 4pp.
9. HB 3183, Lizbeth Martin-Mahar, Staff Measure Summary for -4 Amendments, 1p.
10. HB 3183, Lizbeth Martin-Mahar, Revenue Impact Statement for -4 Amendments, 1p.
11. HB 3183, Sen. Deckert, Proposed HB 3183-7 Amendments, 4pp.
12. HB 3183, Lizbeth Martin-Mahar, Revenue Impact Statement for -7 Amendments, 2pp.
13. HB 3183, Fred Hansen, Written Testimony, 2pp.