

SENATE REVENUE COMMITTEE
August 20, 2003 1:30 PM STATE CAPITOL BUILDING

Members Present: Senator Ryan Deckert, Chair
Senator Peter Courtney
Senator Rick Metsger
Senator David Nelson
Senator Bruce Starr

Members Excused: Senator Ted Ferrioli, Vice Chair
Senator Tony Corcoran
Senator Lenn Hannon
Senator Charlie Ringo

Witnesses Present: Pat Egan, Governor's Office
Scott West, Oregon Lodging Association
Todd Davidson, Oregon Tourism Commission
Michelle Deister, League of Oregon Cities
Marge Kafoury, City of Portland
Larry Campbell, Oregon Lodging Association

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

TAPE 173, SIDE A

003 Chair Deckert Calls meeting to order at 1:42 pm

OPENS PUBLIC HEARING ON HB 2267 A

016 Pat Egan Testifies in support of HB 2267 because it is a very substantial and beneficial piece of Oregon's economic recovery.

023 Scott West Offers support for HB 2267.

028 Todd Davidson Offers support for HB 2267. Refer to written testimony (Exhibit 4).

040 Sen. Ferrioli States that he is a no on the bill.

042 Sen. Starr Asks if this institutes a 1 percent statewide lodging tax.

045 West Responds affirmatively.

047 Sen. Starr Asks if 2 percent would be better.

050 West Responds that they feel 1 percent is appropriate.

052 Davidson Responds that the 1 percent is for tourism promotion.

057 Sen. Starr Asks about the distribution of the dollars.

060 Davidson Responds that the dollars are allocated so that at least 80 percent of the revenues are dedicated to the Tourism Commission statewide marketing program and up to 15 percent will go back to the region on a pro rata basis to carry out their marketing programs as well.

073	Sen. Ferrioli	Asks if a pro rata basis is by population.
075	Davidson	Responds that it is based on how the dollars are collected in the region and not per capita. States that approximately 33% will be collected in the tri-counties and 20% on the coast.
082	Sen. Ferrioli	Asks if at least 70% would be spent west of the cascades.
085	Davidson	Responds that he cannot give an approximate answer but that it could be 70% west of the cascades.
098	Michelle Deister	Testifies that the bill in front of them is much better than the original bill and that the local communities need to not only attract tourists but to accommodate them. Discusses problems with the bill that they may need to address later.
114	Sen. Ferrioli	Asks about the refinancing debt in related facilities.
116	Deister	Responds that it may have to do with facilities that are financed and then refinanced backed with lodging taxes and that it might be language that was inserted during the 2001 session.
120	Sen. Ferrioli	Asks why they need additional money to refinance at a lower rate.
130	Marge Kafoury	Responds that this is language that was put into law in the last legislative session and that it relates specifically to an agreement that the city of Portland made with the Lodging Association. States that the language was put into this bill to ensure that they are still able to use the dollars if they refinance at a more reasonable rate.
145	Sen. Ferrioli	States that he is concerned that the proposal has been marketed as a way to promote tourism and is actually used to refinance existing debt.
148	Kafoury	Clarifies that they are talking about the amount of lodging taxes that the city has already raised.
152	Sen. Ferrioli	States that the proposal has been marketed to the public as money used to promote tourism and not to refinance existing debt.
155	Sen. Deckert	Asks why they need it in the bill.
157	Kafoury	Responds that she doesn't know why it was put into the bill.
176	Egan	States that there is an agreement for legislative intent for the use of capitalization of administrative costs relative to the issuance of debt.
193	Larry Campbell	Agrees with Egan about bonding. Responds to Sen. Ferrioli's question that the dollars used to refinance are local dollars raised by a local tourist tax and not the statewide 1% tax.
205	Egan	States that this is a priority for the Governor.
230	Sen. Deckert	RECESSES MEETING AT 1:59 PM
231	Sen. Deckert	REOPENS MEETING AT 3:33 PM

OPENS WORK SESSION ON HB 2267

262	Sen. Metsger	Asks if there was a public hearing earlier.
265	Sen. Deckert	Responds affirmatively.
270	Sen. Nelson	MOTION: MOVES HB 2267 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.
274	Sen. Metsger	States that this is important for the state and has had a lot of hard work put into it.
279	Sen. Deckert	ORDER: ROLL CALL VOTE: MOTION PASSES: 5-0-4. SENATORS ANSWERING AYE: COURTNEY, METSGER, NELSON, STARR, DECKERT. SENATORS EXCUSED: CORCORAN, HANNON, RINGO, FERRIOLI. Sen. Metsger will carry the bill on the Senate Floor.
285	Sen. Deckert	Adjourns meeting at 3:37 pm.

Tape Log Submitted by,

Tara Lantz, Committee Assistant

Exhibit Summary:

1. HB 2267, Dick Yates, Staff Measure Summary, 1p.
2. HB 2267, Dick Yates, Revenue Impact Statement, 1p.
3. HB 2267, Dick Yates, Fiscal Impact Statement, 2pp.
4. HB 2267, Scott West, Written Testimony, 1p.