

HOUSE SPECIAL SESSION BUDGET COMMITTEE ON PERS

June 29, 2002 (Second meeting) Hearing Room D
10:30AM Tapes 8 - 9

MEMBERS PRESENT: Rep. Tim Knopp, Chair
 Rep. Rob Patridge, Vice Chair
 Rep. Ralph Brown
 Rep. Betsy Close
 Rep. Mark Hass
 Rep. Elaine Hopson
 Rep. Diane Rosenbaum
 Rep. Tootie Smith
 Rep. Vickie Walker

STAFF PRESENT: Cara Filsinger, Administrator
 Lizbeth Martin-Maher, Legislative Revenue Economist
 Ted Reutlinger, Legislative Counsel Senior Deputy
 Adrienne Sexton, Legislative Fiscal Office Legislative Analyst
 Jim Stenbridge, Administrative Support

MEASURE/ISSUES HEARD: SJR 52 Public Hearing and Work Session
 HB 4063 Public Hearing and Work Session
 HB 4064 Public Hearing and Work Session
 HB 4065 Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 8, Side A		
003	Chair Knopp	Opens meeting at 10:30 Opens hearing on SJR 52
<u>SJR 52 – PUBLIC HEARING</u>		
	Rep. Patti Smith	Discusses technicality that requires resolution. States that taxing authority of community college will not go into effect if resolution is not adopted by June 30.
	Rep. Walker	Asks about taxation.
	Rep. Smith	Responds.
	Chair Knopp	Closes hearing and opens work session on SJR 52.
<u>SJR 52 – WORK SESSION</u>		
024	Rep. Rosenbaum	MOTION: Moves SJR 52 to the floor with “be adopted” recommendation. VOTE: 7 – 0 – 2 EXCUSED: Brown, Close Declares motion CARRIED. Rep. P. Smith will lead floor debate.
	Chair Knopp	Closes work session on SJR 52.
035	Chair Knopp	Recesses meeting at 10:50 a.m.
041	Chair Knopp	Re-convenes meeting at 12:50 p.m. Opens hearing on HB 4065. Closes hearing on HB 4065. Opens hearing on HB 4064. Re-opens hearing on HB 4065.

HB 4064 and HB 4065 – PUBLIC HEARING

	John Valley	American Cancer Society, states that tax will deter young people from wanting to smoke. Opposes sunset provision of HB 4064. For HB 4065, states that it is appropriate to have public vote on cigarette tax increase (EXHIBIT A).
078	Rep. Close	Asks about influence of Internet on cigarette sales.
	Valley	States that statistics show smoking rates going down.
	Rep. Close	Says statistics may not include Internet sales, so how do you know statistics are accurate.
	Valley	Responds, there is information that shows the proportion of cigarette sales over the Internet are minimal, less than one percent.
112	Rep. Close	States that statistics shows cigarette use in Oregon basically flat. (EXHIBIT B)
	Rep. Brown	Questions Internet sales.
	Valley	Provides further explanation, based on research on Jenkins Act.
137	Rep. Knopp	Closes public hearings on HB 4064 and 4065. Opens work session on HB 4065.

HB 4065 – WORK SESSION

	Rep. Rosenbaum	Asks for clarification on amount of cigarette taxes being referred.
	Lizbeth Martin-Maher	Legislative Revenue Office. States that enrolled version of HB 4051, \$.60 per pack.
175	Rep. Rosenbaum Martin-Maher	Asks for clarification. Responds that currently, HB 4051 provides for permanent tax. Describes differences between House and Senate versions.
	Rep. Rosenbaum Ted Reutlinger	Asks clarification on voting dates. Legislative Counsel, refers to HB 4059.
	Rep. Hopson Reutlinger	Asks cost of special election. Responds \$1.5 million.
226	Rep. Walker Reutlinger	Asks about referral process. Answers, if citizens, by petition, seek referral, special election would be set up in January 2003. If Legislature does nothing, referral would be voted on at general election in 2004.
	Rep. Walker	Clarifies that if voters want to take as referendum, the sponsors could pay the cost, saving state budget.
	Reutlinger	Yes, could save \$1.5 million by not holding special election.
	Rep. Walker	Asks what cost would be for second measure at same special election.

	Reutlinger	Answers, cost would go up slightly, but not a lot.
290	Adrienne Sexton	Legislative Fiscal Office clarifies costs of special election.
	Rep. Walker	Asks if Legislature refers measure, does it delay applicable date.
	Martin-Maher	Answers yes, applicable date would be delayed.
330	Rep. Hopson	Asks question about impact of special election dates on smaller election offices around the state.
	Sexton	Responds.
	Rep. Hopson	Additional question on election dates.
	Sexton	Responds.
360	Rep. Rosenbaum	Clarifies, bill calls for election only if law is referred by citizens.
	Sexton	Answers, yes.
	Rep. Rosenbaum	Asks how many signatures it takes.
	Reutlinger	Answers, 44,000 or so, significantly lower than to initiate a law.
392	Chair Knopp	Recesses meeting at 1:10 p.m.
	Chair Knopp	Re-convenes meeting at 2:50 p.m.
	Rep. Patridge	MOTION: Move HB 4065 to floor with do pass recommendation.
	Rep. Walker	States that Legislature should do its job not refer. States that added cost of another referral is not that much, so not that concerned.

TAPE 9, Side A

	Chair Knopp	VOTE: 6 – 3 (NO - Reps. Hass, Rosenbaum, and Walker)
	Chair Knopp	Declares motion CARRIED. Rep. Patridge will lead floor debate.
	Chair Knopp	Closes work session on HB 4065; opens work session on HB 4064.

HB 4064 – WORK SESSION

	Rep. Close	Asks about length of sunset.
	Chair Knopp	Explains that the -1 amendment adjusts the sunset date.
	Rep. Close	MOTION Moves adoption of –1 amendments (dated June 29, 2002).
	Chair Knopp	VOTE 9 – 0 – 0
	Rep. Close	Hearing no objection, declares motion CARRIED.
	Rep. Walker	MOTION: Moves HB 4064 as amended to floor with do pass recommendation.
	Rep. Walker	Expresses opposition, citing Tobacco Free Coalition document (EXHIBIT A). Cites concern about bonding of revenue stream from cigarette tax.

040	Rep. Patridge	States that there is sufficient time and revenue to back the bonds.
	Kate Richardson	State Treasurer's Office. Discusses time periods for bonding and tax.
	Rep. Walker	Asks about cost of bond issue.
	Richardson	Tax backs bond, enables low rate, a little over four percent.
	Rep. Walker	Asks if these bonds take Oregon near its bonding limit?
	Richardson	Answers no.
	Rep. Smith	Asks if the bill contains specific language on the bond sale.
	Richardson	States no, that language is in HB 4056.
	Rep. Rosenbaum	Points out that changes are being made to bill that narrowly passed Senate.
		VOTE 5 – 4 (NO - Hass, Hopson, Rosenbaum, Walker)
124	Chair Knopp	Declares Motion CARRIED. Rep. Patridge will lead floor debate
	Chair Knopp	Recesses meeting at 3:00 pm.
135	Chair Knopp	Re-convenes meeting at 3:10 pm. Opens public hearing on HB 4063.
HB 4063 – PUBLIC HEARING		
	John Marshall	Oregon School Boards Association. Expresses support.
	Chair Knopp	Closes public hearing on HB 4063. Opens work session on HB 4063.
HB 4063 – WORK SESSION		
	Rep. Patridge	MOTION: Moves adoption of –4 amendments (dated June 29, 2002).
		VOTE: 9 – 0 – 0
153	Chair Knopp	Hearing no objection, declares motion CARRIED.
	Rep. Patridge	MOTION: Moves adoption of –5 amendments (dated June 29, 2002).
		VOTE: 9 - 0
	Chair Knopp	Hearing no objection, declares motion CARRIED.
	Rep. Patridge	MOTION: Moves adoption of –6 amendments (dated June 29, 2002).
		VOTE: 9 - 0
	Adrienne Sexton	Legislative Fiscal staff. Explains \$20,000 appropriation to Legislative Fiscal Office for task force.
	Chair Knopp	Hearing no objection, declares motion CARRIED.
	Rep. Patridge	

		MOTION: Moves HB 4063 as amended to floor with a do pass recommendation.
200	Rep. Walker Rep. Hass	Expresses support for bill. States that this bill will provide foundation for regular-session bills.
	Rep. Close	States support, but expresses caution on concept of long-term stable funding.
	Rep. Brown	States that the bill is a way to address solving the problem, rather than budget-cutting.
253	Chair Knopp	Comments on tax reform efforts from the past. Asks for role-call. VOTE: 9 – 0 – 0 Declares motion CARRIED. Representatives V. Walker and Schrader will lead floor debate.
310	Chair Knopp	Adjourns meeting at 3:20 p.m.

Submitted By,

Reviewed By,

Jim Stembridge
Administrative Support

Cara Filsinger,
Administrator

EXHIBIT SUMMARY

A – “Myths and Realities of Tobacco Industry Testimony”, submitted by John Valley, 5 pages
B – Center for Disease Control statistics, submitted by Rep. Close, 1 page

HOUSE SPECIAL SESSION BUDGET COMMITTEE ON PERS

June 29, 2002 (Third meeting) Hearing Room D
5:00 PM Tape 10

MEMBERS PRESENT: **Rep. Tim Knopp, Chair**
 Rep. Ralph Brown
 Rep. Betsy Close
 Rep. Elaine Hopson
 Rep. Diane Rosenbaum
 Rep. Tootie Smith
 Rep. Vicki Walker

MEMBER EXCUSED: **Rep. Mark Hass**
 Rep. Rob Patridge, Vice Chair

STAFF PRESENT: **Cara Filsinger, Administrator**
 Jim Stenbridge, Administrative Support

MEASURE/ISSUES HEARD: **SB 1027-A – Public Hearing and Work Session**

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TAPE/#	Speaker	Comments
TAPE 10, Side A		
003	Chair Knopp	Opens meeting at 5:20 p.m.; opens public hearing on SB 1027-A.
SB 1027-A – PUBLIC HEARING		
	Ken Armstrong	Seattle NW Securities, speaks in favor of the bill. Clarifies that bill is necessary with potential move to a sequential crediting concept.
035	Steve Delaney	Public Employee Retirement System (PERS) staff. States that bill will accomplish task it is intended to do.
	Chair Knopp	Closes public hearing on SB 1027-A; opens work session on SB 1027-A.
SB 1027-A – WORK SESSION		
	Rep. Walker	MOTION: Moves SB 1027-A to floor with do pass recommendation.
		VOTE: 7 – 0 – 2 (Hass and Patridge excused)
	Chair Knopp	Declares motion CARRIED. Rep. Ralph Brown will lead floor debate.
050	Chair Knopp	Adjourns meeting at 5:27 p.m.

Submitted By,

Reviewed By,

Jim Stembridge,
Administrative Support

Cara Filsinger,
Administrator

EXHIBIT SUMMARY

- none -

HOUSE SPECIAL SESSION BUDGET COMMITTEE ON PERS

June 29, 2002 (First meeting) Hearing Room D

10:00 PM Tape 7

MEMBERS PRESENT: Rep. Tim Knopp, Chair
 Rep. Rob Patridge, Vice Chair
 Rep. Ralph Brown
 Rep. Betsy Close
 Rep. Mark Hass
 Rep. Elaine Hopson
 Rep. Diane Rosenbaum
 Rep. Tootie Smith
 Rep. Vicki Walker

STAFF PRESENT: Cara Filsinger, Administrator
 Jim Stenbridge, Administrative Support

MEASURE/ISSUES HEARD: LC 64 (Relating to taxation)
 LC 65-1 (Relating to elections)

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<u>TAPE 7, Side A</u>		
003	Chair Knopp	Opens meeting at 10:10 a.m.; entertains motion to introduce legislative concepts.
<u>LC 64 – RELATING TO TAXATION</u>		
	Rep. Patridge	MOTION: Moves introduction of LC 64 as a committee bill. VOTE: 9 – 0 – 0
	Chair Knopp	Hearing no objection, declares motion CARRIED. NOTE: LC 64 is introduced as HB 4064.
<u>LC 65-1 – RELATING TO ELECTIONS</u>		
	Rep. Patridge	MOTION: Moves introduction of LC 65-1 as a committee bill. VOTE: 9 – 0 – 0
	Chair Knopp	Hearing no objection, declares motion CARRIED. NOTE: LC 65-1 is introduced as HB 4065.
015	Chair Knopp	Explains intentions for meeting later in the day. Adjourns meeting at 10:15 a.m.

Submitted By,

Reviewed By,

Jim Stenbridge,
Administrative Support

Cara Filsinger,
Administrator

EXHIBIT SUMMARY

- none -