

SENATE SPECIAL COMMITTEE ON BUDGET

June 27, 2002 Hearing Room E

11:15 A.M. Tape 17

MEMBERS PRESENT: **Sen. Lenn Hannon, Chair**
 Sen. Peter Courtney
 Sen. Avel Gordly
 Sen. John Minnis
 Sen. David Nelson

STAFF PRESENT: **Paul Warner, Legislative Revenue Office**
 Ken Rocco, Legislative Fiscal Office
 Rick Olson, Legislative Fiscal Office
 Richard Yates, Legislative Revenue Office
 Janet Adkins, Committee Assistant

MEASURES HEARD: **HB 4052C Work Session**
 HB 4059B Work Session
 HB 4051 Work Session
 HB 4055B Work Session
 HB 5091B Work Session
 SJR 52 Public Hearing and Work Session
 HB 4056 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 17, A		
003	Chair Hannon	Calls the meeting to order at 12:35 p.m.
006	Paul Warner	Legislative Revenue Officer. Introduces HB 4052C which is the implementing language for the education stability fund. There are no amendments.
	Chair Hannon	Opens the work session on HB 4052C.
<u>HB 4052C WORK SESSION</u>		
010	Sen. Courtney	MOTION: Moves HB 4052C to the floor with a DO PASS recommendation.
013	Chair Hannon	Hearing no objection, declares the motion CARRIED. SEN. COURTNEY will lead discussion on the floor.
	Chair Hannon	Closes the work session on HB 4052C and opens the work session on HB 4059B.
<u>HB 4059B WORK SESSION</u>		
014	Warner	Introduces HB 4059B which sets up election procedures. In its amended form it is election procedures for HJR 80 only and contains language in case there is a referendum on HB 4051 or HB 4054.
022	Sen. Courtney	MOTION: Moves HB 4059B to the floor with a DO PASS recommendation.
028	Chair Hannon	Hearing no objection, declares the motion CARRIED. SEN. COURTNEY will lead discussion on the floor.
035	Chair Hannon	Opens the work session on HB 4051.
<u>HB 4051 WORK SESSION</u>		

036	Chair Hannon	Reviews HB 4051B-23 amendments, (EXHIBIT A) which changes the cigarette tax proposal from 65-cents to 60-cents.
040	Sen. Courtney	MOTION: Moves HB 4051B-23 amendments dated 6/27/02.
046	Sen. Nelson	Objects.
047		VOTE: 4-1
		AYE: 4 – Courtney, Gordly, Minnis, Hannon
		NAY: 1 – Nelson
		The motion CARRIES.
049	Sen. Courtney	MOTION: Moves HB 4051 as amended to the floor with a DO PASS recommendation.
053	Sen. Nelson	Objects.
		VOTE: 4-1
		AYE: 4 – Courtney, Gordly, Minnis, Hannon
		NAY: 1 – Nelson
		The motion CARRIES.
		SEN. HANNON will lead discussion on the floor.
056	Chair Hannon	Closes the work session on HB 4051 and opens the work session on HB 4055.
<u>HB 4055B WORK SESSION</u>		
073	Rick Olson	Senior Legislative Analyst, LFO. States that the bill is essentially the same. Refers to page one, line 13, where the number has been changed (EXHIBIT B).
079	Chair Hannon	Summarizes that the net effect is the addition of \$20 million back into the school fund reduction that was made and that the figure was reduced from \$112 million to \$92 million.
082	Olson	Responds affirmatively.
083	Olson	Refers to page one, line 20 and states the number.
088	Sen. Minnis	MOTION: Moves the conceptual amendment to the hand engrossed bill of HB 4055B that on line 13 deletes \$2,241,389,982 and inserts 2,260,657,559. AND on line 20 deletes \$85,154,160 from the school fund and inserts \$85,886,183.
100	Chair Hannon	Hearing no objection, declares the motion CARRIED.
103	Sen. Minnis	MOTION: Moves HB4055B as conceptually amended to the floor with a DO PASS recommendation.
107	Chair Hannon	Hearing no objection, declares the motion CARRIED.
		SEN. HANNON will lead discussion on the floor.
115	Chair Hannon	Reconvenes the meeting. Opens the work session on HB 5091.
<u>HB 5091 WORK SESSION</u>		
123	Ken Rocco	Legislative Fiscal Officer. Refers to submitted materials (EXHIBITS C, D, E). Notes the shaded block is the only change from yesterday. Reviews what they are and states the net effect is \$8.1 million in fewer cuts and \$19 million in transfers that are no longer in the plan.
153	Sen. Courtney	MOTION: Moves HB 5091B-7 amendments.
158	Rocco	Notes that the HB 5091B-7 amendments are hand engrossed.
162	Sen. Courtney	MOTION: Moves to ADOPT HB 5091B-7 hand engrossed amendments to the HB 5091B-7 amendments that were adopted in committee yesterday.
167		Hearing no objection, declares the motion CARRIED.
168	Sen. Courtney	MOTION: Moves HB 5091 AS AMENDED to the floor with a DO PASS recommendation.

174	Chair Hannon	Hearing no objection, declares the motion CARRIED.
177	Chair Hannon	Acknowledges the work, cooperation, and compromises of the committee members. Thanks them for their diligence and perseverance. Acknowledges the work of Ken Rocco and the LFO staff, committee staff, Paul Warner and the LRO staff. Thanks the work of Legislative Counsel Greg Chaimov and his staff, and Pat Egan from the Governor's office.
214	Chair Hannon	Announces that the committee will recess until 2:30 p.m.
220	Chair Hannon	Opens the work session on SJR 52.
<u>SJR 52 PUBLIC HEARING AND WORK SESSION</u>		
230	Sen. Ferrioli	Provides background information on SJR 52. States that ORS 341.565 requires the either the Legislature or the Emergency Board approve Community College annexations before they are effective.
253	Chair Hannon	MOTION: Moves SJR 52 to the floor with a BE ADOPTED recommendation.
257	Chair Hannon	Hearing no objection, declares the motion CARRIED.
259	Chair Hannon	SEN. FERRIOLI will lead discussion on the floor. Closes the work session on SJR 52 and opens the hearing and work session on HB 4056.
<u>HB 4056B PUBLIC HEARING</u>		
263	Richard Yates	Legislative Revenue Office. Reviews HB 4056B-9 amendments, (EXHIBIT F) which provide conditional authority for the Treasurer to issue revenue bonds, contingent upon the General Fund anticipated to have a negative balance.
276	Chair Hannon	States that this allows the sale of \$50 million on July 1, 2002 to fund the programs already approved, and \$150 million if the State Treasurer determines certain conditions have been met in the economic forecast in September.
282	Yates	Clarifies that it authorizes the Treasurer to issue bonds for any economic forecast that shows a deficit, it authorizes the Treasurer to issue bonds in the amount of that deficit not to exceed \$150 million.
300	Chair Hannon	Asks if anyone wants to testify. Closes the public hearing and opens the work session on HB 4056B.
<u>HB 4056B WORK SESSION</u>		
293	Sen. Minnis	MOTION: Moves to ADOPT HB 4056-B9 amendments dated 6/27/02.
298	Chair Hannon	Hearing no objection, declares the motion CARRIED.
304	Chair Hannon	Announces that the committee needs to reconsider the vote on SJR 52. Reconvenes the meeting at 3:40 p.m. and opens the work session on SJR 52.
<u>SJR 52 WORK SESSION</u>		
305	Sen. Hannon	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SJR 52.
306	Chair Hannon	Hearing no objection, declares the motion CARRIED.
307	Sen. Hannon	MOTION: Moves to RECONSIDER the vote by which the committee adopted SJR 52.
308	Chair Hannon	Hearing no objection, declares the motion CARRIED.
313	Sen. Courtney	MOTION: Moves SJR 52 to the floor with a BE ADOPTED recommendation.
316	Chair Hannon	Hearing no objection, declares the motion CARRIED.
		SEN. FERRIOLI will lead discussion on the floor.
317	Chair Hannon	Recess the meeting.

321	Chair Hannon	Reconvenes the meeting.
322	Sen. Courtney	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote on SB 4056B.
325	Chair Hannon	Hearing no objection, declares the motion CARRIED.
307	Sen. Hannon	MOTION: Moves to RECONSIDER the vote by which the committee adopted SB 4056B.
308	Chair Hannon	Hearing no objection, declares the motion CARRIED.
326	Sen. Courtney	MOTION: Moves to ADOPT SB 4056-B9 amendments dated 6/27/02.
328	Chair Hannon	Hearing no objection, declares the motion CARRIED.
331	Sen. Courtney	MOTION: Moves SB 4056B AS AMENDED to the floor with a DO PASS recommendation.
335	Chair Hannon	Hearing no objection, declares the motion CARRIED. SEN. MINNIS will lead discussion on the floor.
341	Chair Hannon	Adjourns meeting.

Submitted By,

Reviewed By,

Linda K. Gatto,
Committee Assistant

Marjorie Taylor,
Administrator

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EXHIBITS

- A. HB4051B-23 amendments dated 6/27/02, staff, 1 p**
- B. HB 4055B hand engrossed conceptual amendment, staff, 4 pp**
- C. HB 5091B-7 amendments dated 6/26/01, staff, 29 pp**
- D. HB 5091B, Senate proposal, staff, 1 p**
- E. Summary Reductions, staff, 4 pp**
- F. HB 4056B-9 amendments dated 6/27/02, staff, 2 pp.**