

## SENATE SPECIAL COMMITTEE ON BUDGET

June 29, 2002 Hearing Room E

11:30 A.M.      Tape 18

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

**STAFF PRESENT:**            **Rick Olsen, Legislative Fiscal Office (LFO)**  
                                 **Janet Adkins, Committee Assistant**

**MEASURE HEARD:**            **HB 4053 Public Hearing and Work Session**

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<b>TAPE</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 18, A</b>		
003	Chair Hannon	Calls the meeting to order at 2:00 p.m. and opens the public hearing on HB 4053.
<b>HB 4053 PUBLIC HEARING</b>		
006	<b>Rick Olson</b>	<b>Senior Legislative Analyst, LFO.</b> Explains that HB 4053 extends the sunset date of the Hearings Officer Panel to January 2, 2006 from current law at January 1, 2004. Explains that the current sunset would necessitate agencies to prepare two different budgets for 2003 – 2005 biennium.
024	<b>Rep. Krummel</b>	<b>House District 26.</b> Explains that the concept was heard in an April House Interim General Government Committee. Notes that the testimony was about some of pitfalls and presented one side of the story. States support of a Central Hearings Panel. Explains the reason he voted against this on the House floor was because it has not had the legislative review. Proposes HB 4053-1 amendments ( <b>EXHIBIT A</b> ).
076	<b>Jana Jarvis</b>	<b>Oregon Association of Realtors.</b> States that this has been an expensive and time consuming process. Refers to a case that required six days to give the Hearings Officer background information and that this should have been a two day hearing. States support for the amendments that would change the sunset to 2005 to allow time for participation.
107	Chair Hannon	Asks is it the HB 4053-1 amendments she supports.
108	Jarvis	Responds affirmatively.
108	Chair Hannon	Closes the hearing and opens the work session on HB 4053.
<b>HB 4053 WORK SESSION</b>		
112	Sen. Minnis	Submits HB 4053-2 amendments dated 6-29-02 ( <b>EXHIBIT B</b> ). Explains that HB 4053-2 amendments are the same as HB 4056-1 except Section 1a language is added. Explains that he opposed the bill as written and it was the intention of the interim Judiciary committee to work on this issue.
141	Chair Hannon	Asks Rep. Krummel if he is comfortable with HB 4053–2 amendment.

141	Rep. Krummel	Responds affirmatively.
143	Chair Hannon	Asks if the Oregon Association of Realtors is comfortable with the amendment. Implied consent.
146	Chair Hannon	Asks if there is any opposition. Silence.
146	<b>Sen. Minnis</b>	<b>MOTION: Moves to ADOPT HB 4053 –2 amendments dated 6-29-02.</b>
148	Sen. Gordly	Inquires if it can be assumed that during the 2003 review there will also be discussion of the Legislative Fiscal Office audit currently underway and that it will be taken into consideration.
160	Sen. Minnis	Responds that is his intent.
170	<b>Chair Hannon</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
174	<b>Sen. Minnis</b>	<b>MOTION: Moves HB 4053 AS AMENDED to the floor with a DO PASS recommendation.</b>
178	<b>Chair Hannon</b>	<b>Hearing no objection, declares the motion CARRIED. SEN. MINNIS will lead discussion on the floor.</b>
181	Chair Hannon	Recesses the meeting.

Transcribed By,

Linda K. Gatto,  
Committee Assistant

Submitted By,

Reviewed By,

Janet Adkins,  
Committee Assistant

Marjorie Taylor,  
Administrator

**EXHIBIT SUMMARY**

- A. HB 4053-1 amendments dated 6/29/02, staff, 2 pp.**
- B. HB 4053 –2 amendments dated 6/29/02, Sen. Minnis, 3 pp.**

**SENATE THIRD SPECIAL SESSION**  
**COMMITTEE ON SENATE BUDGET**

**June 29, 2002 Hearing Room B**  
**5:30 p.m. Tape 19**

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

**STAFF PRESENT:**         **Lizbeth Martin-Mahar, Legislative Revenue Office Economist**  
                                  **Patsy Wood, Committee Assistant**

**MEASURE/ISSUES HEARD:**       **HB 4064A Public Hearing and Work Session**  
                                  **HB 4065 Public Hearing and Work Session**

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 19, A</b>		
004	Chair Hannon	Calls the meeting to order at 5:38 p.m. and opens a public hearing on HB 4064A which sunsets the cigarette tax rate increase in HB 4051 on July 1, 2009, if enrolled HB 4051 becomes law.
007	Lizbeth Martin-Mahar	LRO Economist. States that HB 4064A puts a sunset of January 1, 2009 on a cigarette tax, if enrolled HB 4051 becomes law.
020	Sen. Minnis	Asks why the fiscal impact sunsets the tax on July 1, 2009 and the revenue impact sunsets the tax on January 1, 2009.
023	Martin-Mahar	States that the revenue impact should read July 1, 2009.
<b><u>HB 4064A PUBLIC HEARING</u></b>		
027	Chair Hannon	Opens the public hearing on HB 4064A. No one testifies so he closes the public hearing and opens a work session.
<b><u>HB 4064A WORK SESSION</u></b>		
032	Chair Hannon	<b>MOTION: Moves HB 4064A to the floor with a PASSAGE OF THE A-ENGROSSED MEASURE recommendation.</b>
		<b>VOTE: 5-0</b>
035	Chair Hannon	<b>Hearing no objection, declares the motion CARRIED. SEN. HANNON will lead discussion on the floor.</b>
036	Chair Hannon	Closes the work session on HB 4064A and opens a public hearing on HB 4065 which refers enrolled HB 4051 to a vote of the people.
<b><u>HB 4065 PUBLIC HEARING</u></b>		
038	Lizbeth Martin-Mahar	LRO Economist. Further explains that this referral will take place at a special election on September 17, 2002. Indicates that the revenue impact will have a loss of \$8.1 million as the effective date of HB 4051C will move to November 1, 2002

		rather than October 1, 2002.
049	Sen. Minnis	Asks if the cost of having a special election is somehow recaptured.
050	Martin-Mahar	Answers that the fiscal cost of this election was not taken into account.
052	Sen. Minnis	Wonders if the special election cost was taken into account in an earlier version of this legislation.
054	Martin-Mahar	Responds that HB 4059 had cost for a special election September 17 for HJR 80. Notes that there will be incremental costs to also refer HB 4051, but they will not be significant.
065	Chair Hannon	Closes the public hearing on HB 4065 and opens a work session.
		<b><u>HB 4065 WORK SESSION</u></b>
<b>068</b>	<b>Sen. Minnis</b>	<b>MOTION: Moves HB 4065 to the floor with a DO PASS recommendation.</b>
		<b>VOTE: 5-0</b>
<b>071</b>	<b>Chair Hannon</b>	<b>Hearing no objection, declares the motion CARRIED. SEN. HANNON will lead discussion on the floor.</b>
073	Chair Hannon	Closes the work session on HB 4065 and adjourns the meeting at 5:43 p.m.

Submitted By,

Reviewed By,

Patsy Wood  
Committee Assistant

Gina Rumbaugh,  
Legislative Fiscal Office Manager

**SENATE THIRD SPECIAL SESSION**  
**COMMITTEE ON SENATE BUDGET**

June 29, 2002 Hearing Room B  
8:10 p.m. Tape 20

**MEMBERS PRESENT:**        **Sen. Len Hannon, Chair**  
                                  **Sen. Peter Courtney**  
                                  **Sen. Avel Gordly**  
                                  **Sen. John Minnis**

**MEMBER EXCUSED:**        **Sen. Dave Nelson**

**STAFF PRESENT:**         **Lizbeth Martin-Mahar, Legislative Revenue Office Economist**  
                                  **Patsy Wood, Committee Assistant**

**MEASURE/ISSUES HEARD:**        **HB 4054B Public Hearing and Work Session**

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 20, A</b>		
003	Chair Hannon	Calls the meeting to order at 8:33 p.m. and opens a public hearing on HB 4054B which phases in Measure 88.
<b><u>HB 4054B PUBLIC HEARING</u></b>		
009	Lizbeth Martin-Mahar	LRO Economist. Explains that the B14 amendments to HB 4054B move the bill back to the version that came out of the House ( <b>EXHIBIT A</b> ). Describes the revenue impact ( <b>EXHIBIT B</b> ) and a chart showing the phase-in of Measure 88 ( <b>EXHIBIT C</b> ).
060	Chair Hannon	No one testifies on HB 4054B so he closes the public hearing and opens a work session.
<b><u>HB 4054B WORK SESSION</u></b>		
061	Chair Hannon	<b>MOTION: Moves to take HB 4054B FROM THE TABLE.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Nelson</b>
064	Chair Hannon	<b>Hearing no objection, declares the motion CARRIED.</b>
065	Chair Hannon	<b>MOTION: Moves to RECONSIDER the vote by which the committee adopted the B13 amendments.</b> <b>VOTE: 4-0-1</b> <b>EXCUSED: 1 - Sen. Nelson</b>
068	Chair Hannon	<b>Hearing no objection, declares the motion CARRIED.</b>
074	Chair Hannon	<b>MOTION: Moves to ADOPT HB 4054B-14 amendments dated 06/29/02.</b> <b>VOTE: 4-0-1</b>

077            Chair Hannon            **EXCUSED: 1 - Sen. Nelson**  
**Hearing no objection, declares the motion CARRIED.**

081            Chair Hannon            **MOTION: Moves HB 4054B to the floor with a DO PASS AS**  
**AMENDED recommendation.**  
**VOTE: 4-0-1**

084            Chair Hannon            **EXCUSED: 1 - Sen. Nelson**  
**Hearing no objection, declares the motion CARRIED.**  
**SEN. HANNON will lead discussion on the floor.**

088            Chair Hannon            Closes the work session on HB 4054B and adjourns the meeting  
8:42 p.m.

Submitted By,

Reviewed By,

Patsy Wood  
Committee Assistant

Gina Rumbaugh,  
Legislative Fiscal Office Manager

**EXHIBIT SUMMARY**

- A – HB 4054B -14 amendments, dated 6/29/02, submitted by staff, 9 pgs.**
- B – HB 4054B revenue impact statement, dated 6/29/02, submitted by staff, 1 pg.**
- C – HB 4054B, measure 88 phase-in chart, dated 6/15/02, submitted by staff, 2 pgs.**

**SENATE THIRD SPECIAL SESSION**  
**COMMITTEE ON SENATE BUDGET**

June 29, 2002 Hearing Room B  
11:55 p.m.      Tape 21

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

**STAFF PRESENT:**      **Robin LaMonte, Legislative Fiscal Office Analyst**  
                                 **Adrienne Sexton, Legislative Fiscal Office Analyst**  
                                 **Patsy Wood, Committee Assistant**

**MEASURE/ISSUES HEARD:**      **SB 1023    Public Hearing and Work Session**  
   **HB 4063A Public Hearing and Work Session**

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 21, A</b>		
001	Chair Hannon	Calls the meeting to order at 11:55 p.m. and opens a public hearing on SB 1023 which reduces amounts transferred from State School Fund for certain grants.
002	Robin LaMonte	LFO Analyst. Explains the -5 amendments to SB 1023 which replace the original bill and eliminate salary adjustments for particular judges ( <b>EXHIBIT A</b> ).
007	Chair Hannon	Asks if the salaries for other statewide elected officials are in a different bill.
009	LaMonte	Responds that they remain in the omnibus program change bill.
<b><u>SB 1023 PUBLIC HEARING</u></b>		
016	Mark Nelson	Oregon Judges Association. Testifies in strong opposition to SB 1023 saying he doesn't see the need for this legislation.
026	Bill Linden	Circuit and Appellate Judges Association. Testifies in opposition to SB 1023 acknowledging that judges were granted two increases by the 2001 legislature, but says they had not had a raise since July 1997. Indicates that the first raise took the circuit court judges from 46 <sup>th</sup> in the nation to 40 <sup>th</sup> ; still below their goal of reaching mid-point of national salaries. States these are not easy jobs and there is no justification for rescinding the second salary adjustment.
045	Chair Hannon	Closes the public hearing on SB 1023 and opens a work session.
<b><u>SB 1023 WORK SESSION</u></b>		
050	LaMonte	Explains that the -5 amendments replace the original bill and eliminate the second-year salary adjustment for judges.
058	Sen. Minnis	<b>MOTION: Moves to ADOPT SB 1023-5 amendments dated</b>

06/29/02.

**VOTE: 5-0**

062 Chair Hannon

Hearing no objection, declares the motion **CARRIED**.

065 Sen. Minnis

**MOTION: Moves SB 1023 to the floor with a DO PASS AS AMENDED recommendation.**

**VOTE: 5-0**

068 Chair Hannon

Hearing no objection, declares the motion **CARRIED**.  
**SEN. DUKES will lead discussion on the floor.**

069 Chair Hannon

Closes the work session on SB 1023 and recesses the meeting at 12:06 a.m.

070 Chair Hannon

Reconvenes the meeting at 12:42 a.m. and opens a public hearing on HB 4063A relating to the study of revenue options.

**HB 4063A PUBLIC HEARING**

073 Adrienne Sexton

LFO Analyst. Explains HB 4063A which sets up a task force of eight legislators and creates a 13-person advisory council with responsibilities to look at revenue options. Describes the scope of the task force with the ultimate goal to make recommendations to the next legislative assembly. Notes that the Legislative Revenue Officer would staff both entities.

112 Sen. Gordly

Says that she supports the concept, but would like to see the actual bill.

117 Chair Hannon

Understands her concern. Says the bill will be available by the time it is heard on the Senate floor.

121 Sexton

Indicates she will try to get the bill to the committee members before the paperwork gets to the desk.

124 Chair Hannon

Closes the public hearing on HB 4063A and opens a work session.

**HB 4063A WORK SESSION**

127 Sen. Minnis

**MOTION: Moves HB 4063A to the floor with a PASSAGE OF THE A-ENGROSSED MEASURE recommendation.**

**VOTE: 5-0**

130 Chair Hannon

Hearing no objection, declares the motion **CARRIED**.  
**SEN. MINNIS will lead discussion on the floor.**

133 Chair Hannon

Closes the work session on HB 4063A and adjourns the meeting at 12:45 a.m.

Submitted By,

Reviewed By,

Patsy Wood  
Committee Assistant

Gina Rumbaugh,  
Legislative Fiscal Office Manager



**EXHIBIT SUMMARY**

**A – SB 1023 – 5 amendments, dated 6/29/02, submitted by staff, 2 pgs.**