

HOUSE SPECIAL SESSION COMMITTEE ON BUDGET RESTORATION

5th Special Session

September 15, 2002 Hearing Room 343
5:45 p.m. Tapes 27

MEMBERS PRESENT: Rep. Ben Westlund, Chair
Rep. Alan Bates
Rep. Richard Devlin
Rep. Cedric Hayden
Rep. Betsy Johnson
Rep. Susan Morgan
Rep. Lane Shetterly

STAFF PRESENT: Paul Warner, Administrator
Jan McComb, Assistant
Lizbeth Martin-Mahar, Legislative Revenue Office, (LRO)

MEASURE HEARD: Introduction of Committee Bills
HB 4079 – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 27, Side A		
003	Chair Morgan	Calls the meeting to order and recesses at the call of the chair. Reconvenes and opens a public hearing and work session on LC 36-1 for the purpose of introduction of committee bills.
<u>PUBLIC HEARING AND WORK SESSION ON LC 36-1</u>		
019	Paul Warner	Reviews LC36-1. States that the language is identical to the language that came from this committee, HB 4076, with the exception of the election date.
039	Rep. Hayden	MOTION: Moves LC 36-1 BE INTRODUCED as a committee bill.
048	Rep. Bates	Reminds the committee of former calculations; one year would be a substantial loss of revenue.
055	Warner	Confirms the bill is for three years and would generate \$315 million.
061	Rep. Morgan	Reminds the committee members that this work session is for bill introduction purposes only. VOTE: 4-0-3 AYE: 4 - Bates, Devlin, Hayden, Morgan NAY: 0 EXCUSED: 3 - Johnson, Shetterly, Westlund
070	Chair Morgan	Hearing no objection, declares the motion CARRIES.
075	Chair Morgan	Closes the public hearing and work session on LC 36-1. Recesses the committee at the call of the chair; reconvenes the committee at 7:10 p.m. and recesses the committee at the call of the chair.

080	Chair Westlund	Reconvenes the committee at 10:30 p.m. and opens the public hearing on HB 4079.
<u>HB 4079 PUBLIC HEARING</u>		
095	Lizabeth Martin-Mahar	(LRO), Reviews HB 4079 which raises tax rates for three years. States that in the 2002 – 2003 biennium \$315 million would be generated, \$413 million in the 2003 – 2005 biennium. The average tax increase would be \$114.
115	Chair Westlund	Asks if anyone wishes to testify; seeing no one, closes the public hearing on HB 4079 and opens a work session on HB 4079.
<u>HB 4079 WORK SESSION</u>		
125	Rep. Bates	MOTION: Moves that January 28 be the conceptual date for a special election.
141	Rep. Shetterly	States opposition to the date change.
152	Rep. Morgan	States opposition to the date change. Recommends Jan 7.
160	Rep. Devlin	Responds that the difficulty with January 14 is that the ballot will go out between Christmas and New Years Day.
180	Rep. Hayden	Argues that the longer the delay in January the more the refunds will be impounded and withheld. VOTE: 3-4 AYE: 3 - Bates, Devlin, Johnson NAY: 4 - Hayden, Morgan, Shetterly, Westlund
198	Chair Westlund	The motion FAILS.
205	Rep. Shetterly	MOTION: Moves HB 4079-1 amendments, (EXHIBIT B).
208	Chair Westlund	VOTE: 4-3 AYE: 4 - Hayden, Morgan, Shetterly, Westlund NAY: 3 - Bates, Johnson, Devlin. The motion CARRIES.
218	Rep. Shetterly	MOTION: Moves HB 4079 to the floor with a DO PASS AS AMENDED recommendation. VOTE: 6-1 YEA: Bates, Devlin, Johnson, Morgan, Shetterly, Westlund NAY: Hayden
227	Chair Westlund	States for the record that Representatives Bates, Devlin, Johnson, Westlund and Morgan are courtesy votes.
222	Chair Westlund	The motion CARRIES.
239	Chair Westlund	Closes the work session on HB 4079 and adjourns the committee at 10:40 p.m.

Transcribed By,

Reviewed By,

Annastasia Suess
Committee Assistant

Marjorie Taylor,
Committee Administrator

EXHIBIT SUMMARY

A. LC 36-1 dated 9/15/02, staff, 6 pp.

- B. **HB 4079 revenue impact, staff, 1 p**
- C. **HB 4079-1 amendments, staff, 1 p**

HOUSE SPECIAL SESSION COMMITTEE ON BUDGET RESTORATION

5th Special Session

September 15, 2002 Hearing Room 343
11:30 PM Tape 28

MEMBERS PRESENT: Rep. Ben Westlund, Chair
Rep. Alan Bates
Rep. Richard Devlin
Rep. Cedric Hayden
Rep. Betsy Johnson
Rep. Susan Morgan

STAFF: Paul Warner, Administrator
Lizbeth Martin-Mahar, Legislative Revenue Office
Adrienne Sexton, Legislative Fiscal Office
Jan McComb, Assistant

MEASURES HEARD: HB 4075 – Public Hearing and Work Session
HB 4077 – Public Hearing and Work Session

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TAPE/#	Speaker	Comments
TAPE 28, Tape, A		
003	Chair Westlund	Calls the meeting to order at 11:40 p.m. and opens a public hearing on HB 4077.
<u>HB 4077 PUBLIC HEARING</u>		
008	Chair Westlund	Closes the public hearing and opens a work session on HB 4077.
<u>HB 4077 WORK SESSION</u>		
010	Paul Warner	Reviews HB 4077 and explains that recent changes in federal law is what is driving the change, (EXHIBIT A) . States that this will reduce revenue to the state and will connect the state with federal changes.
060	Rep. Shetterly	States that the House Revenue Committee has examined this, in conjunction with the Oregon State Bar and Department. of Revenue.
078	Rep. Shetterly	MOTION: Moves HB 4077 to the floor with a DO PASS recommendation.
081	Chair Westlund	Hearing no objection, declares the motion CARRIED.
082	Chair Westlund	REP. SHETTERLY will lead discussion on the floor.
086	Chair Westlund	Closes the work session on HB 4077 and opens a public hearing on HB 4075. Explains the elections bill.
<u>HB 4075 PUBLIC HEARING</u>		
087	Adrienne Sexton	LFO. Explains the HB 4075-5 amendments, (EXHIBIT B) .
109	Ellen Lowe	Ecumenical Ministries of Oregon. Asks if the total income level is taxable income or adjusted gross income. Explains that there may be a significant difference between the two for large families.

123	Warner	Clarifies that it is adjusted gross income.
158	Rep. Shetterly	MOTION: Moves to CONCEPTUALLY AMEND HB 4075 line four, page three delete “total income level” and replace it with “adjusted gross income.”
172	Chair Westlund	Hearing no objection, declares the motion CARRIES.
166	Sexton	Clarifies this is HB 4075-5 amendments.
172	Rep. Shetterly	MOTION: Moves HB 4075-5 AS CONCEPTUALLY AMENDED
177	Chair Westlund	Hearing no objection, declares the motion CARRIES.
178	Rep. Shetterly	MOTION: Moves HB 4075 AS AMENDED to the floor with a DO PASS recommendation.
		6-1
		AYE: 6 - Bates, Devlin, Johnson, Morgan, Shetterly, Westlund
		NAY: 1 - Hayden
188	Chair Westlund	States for the record that Representatives Bates and Johnson are courtesy votes.
194	Chair Westlund	The motion CARRIES.
196	Chair Westlund	REP. MORGAN will lead discussion on the floor.
202	Chair Westlund	Closes the work session on HB 4075 and adjourns meeting at 11:55 p.m.

Transcribed By,

Reviewed By,

Annastasia Suess,
Committee Assistant

Marjorie Taylor,
Administrator

EXHIBIT SUMMARY

- A . Current Law and Recent Changes in Federal Estate Tax Law handout, staff, 1 p**
- B. HB 4075-5 amendments dated 9/15/02, staff, 6 pp.**