

INFORMATIONAL

BILL INTRODUCTIONS: LC 1612, LC 1628, LC 2608

PUBLIC HEARING AND WORK SESSION: SB 428; HB 2028

TAPE 31 A/B

TAPES 32 - 33 A

**HOUSE SCHOOL FUNDING AND TAX
FAIRNESS/REVENUE COMMITTEE**

FEBRUARY 1, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair

Representative Deborah Kafoury, Vice Chair

Representative Alan Bates

Representative Chris Beck (1:52 arrived)

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Representative Bill Witt (2:06 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Ute Testerman, Committee Clerk

Witnesses: Diane Belt, Oregon Association of Tax

Collectors

Tom Potiowsky, Office of Economic Analysis

Cora Parker, Office of Economic Analysis

Craig Fischer, Department of Revenue

TAPE 31, SIDE A

009 Chair Shetterly Meeting called to order at 1:41 p.m.

OPENED PUBLIC HEARING ON HB 2028

028 Lizbeth Martin- Provided a description of the measure and
Mahar discussed the background, as amended by the (-
1) amendment. (EXHIBITS 1-2)

074 Diane Belt Presented testimony in support of measure.
(Exhibit 3)

162 Rep. Hass The revenue impact is minimal, but requested
figures for Washington County, if available.

166 Belt Responded.

OPENED WORK SESSION ON HB 2028

186 Vice Chair **MOTION: MOVED LC -1 AMENDMENTS
Kafoury DATED 01/25/2001 TO HB 2028 BE
ADOPTED. HEARING NO OBJECTION,
THE CHAIR SO ORDERED. (ALL
MEMBERS PRESENT EXCEPT REP.
WITT, EXCUSED)**

194 Vice Chair **MOTION: MOVED HB 2028 TO THE
Kafoury HOUSE FLOOR WITH A DO PASS AS
AMENDED RECOMMENDATION.**

197 **ROLL CALL VOTE: MOTION PASSED 8-
0-1*(Tape 31, Side B, 16 —Witt votes aye)**

**REPRESENTATIVES VOTING AYE: Bates,
Beck, Brown, Hass, Williams, Carlson,
Kafoury, Chair Shetterly**

REPRESENTATIVES EXCUSED: Witt

Rep. Williams will carry the bill.

OPENED PUBLIC HEARING ON SB 428

215 Ed Waters Provided a description of the measure and

discussed the background. (EXHIBIT 4)

- 225 Tom Potiowsky Presented testimony in support of measure. (Exhibit 5)
- 288 Chair Shetterly The criminal penalty for disclosure is incorporated in another statute and applies to anyone who obtains access to that information, correct?
- 293 Potiowsky Concurred.
- 295 Vice Chair Carlson The measure is much more specific than it is for the Legislative Revenue Office isn't it?
- 306 Cora Parker It was included in the measure on page 3, line 4 as that seemed to be the most appropriate place to outline all of the specifics.
- 313 Chair Shetterly Cited ORS 173.850.
- 320 Rep. Bates Will this provide for more accuracy, at least in the short run?
- 328 Potiowsky Yes.

OPENED WORK SESSION ON SB 428

- 342 Vice Chair Kafoury **MOTION: MOVED SB 428 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.**

348 **ROLL CALL VOTE: MOTION PASSED 8-0-1*(Tape 31, Side B, 22 —Witt votes aye)**

REPRESENTATIVES VOTING AYE: Bates, Beck, Brown, Hass, Williams, Carlson, Kafoury, Chair Shetterly

REPRESENTATIVES EXCUSED: Witt

Vice Chair Kafoury will carry the bill.

BILL INTRODUCTION

- 367 Chair Shetterly The vote for LC 1612, LC 1628 and 2608, is for the purpose of introduction only. The merits of the proposals will be discussed, if the bills come before the Committee.
- 347 Paul Warner Introduced the three Legislative Concepts before the Committee and read the relating to clauses. (EXHIBITS 6-8)
- 387 Chair Shetterly **MOTION: INTRODUCTION, AS**

COMMITTEE BILLS, OF LC 1612 DATED 01/11/2001 (EXHIBIT 6), LC 1628 DATED 10/20/2000 (EXHIBIT 7) AND LC 2608 DATED 01/16/2001 (EXHIBIT 8).

HEARING NO OBJECTION, THE CHAIR SO ORDERED. (ALL MEMBERS PRESENT EXCEPT REP. WITT EXCUSED)

TAPE 32, SIDE A

INFORMATIONAL MEETING

- 002 Craig Fischer Gave overview of Tax Expenditure Report, addressed the following areas: (EXHIBIT 10)
1. Use of the report.
 2. Explain the structure of the report.
- 079 Fischer Continued with presentation and review of "Summary", (Page 5, Exhibit 10).
- 152 Fischer Continued with presentation and explained how to use Table 1, (Pages 9-15, Exhibit 10).
- 200 Fischer Continued with presentation and referenced where more detailed information can be found for individual tax expenditures. Cited an example, (Pages 151-152, Exhibit 10).
- 254 Fischer Continued with presentation and referenced the table for the Governor's recommendations for sunset, (Pages 7-8, Exhibit 10).
- 275 Vice Chair Questions and discussion regarding sunset
Carlson recommendations.
- 280 Fischer Continued with presentation and explained how expenditures are grouped by program and function, (Pages 17-25, Table 2, Exhibit 10).
- 403 All Questions and discussion regarding:
1. Is there a public hearing process prior to publication?
 2. How do the evaluations get rolled into policy recommendations to the Legislature?

TAPE 33, SIDE A

- 031 Fischer Continued with the presentation and reviewed the property tax exemption, (Pages 241-243, Exhibit 10).
- 116 Fischer Continued with presentation and referenced Appendixes, (Pages 315-331, Exhibit 10)
- 133 Fischer Summarized what is included in the Tax Expenditure Report: (EXHIBIT 10)
1. Detailed information on Oregon's tax system is provided.
 2. Collaborative effort of many State agencies, in both evaluations and provision of information.
 3. Requested feedback on content and presentation and overall usability.
- 151 Ed Waters Discussed how Legislative Revenue Office will use the Tax Expenditure report this session and commented that it is an excellent resource and reference tool.
- Distributed one-page handout on the Report. (EXHIBIT 9)

TAPE 31, SIDE B

014 Chair Shetterly **THE CHAIR REQUESTED UNANIMOUS CONSENT THAT THE RULES BE SUSPENDED TO REOPEN THE WORK SESSION ON HB 2028 TO ALLOW REP. WITT, WHO WAS EXCUSED WHEN THE VOTE WAS TAKEN, TO VOTE. HEARING NO OBJECTION, THE CHAIR SO ORDERED. (ALL MEMBERS PRESENT)**

REOPENED WORK SESSION ON HB 2028

016 **REP. WITT BEING EXCUSED WHEN THE ROLL WAS CALLED, WAS GRANTED UNANIMOUS CONSENT TO BE RECORDED AS VOTING AYE ON HB 2028. THE VOTE WILL BE RECORDED AS 9-0-0.**

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

020 Chair Shetterly **THE CHAIR REQUESTED UNANIMOUS**

CONSENT THAT THE RULES BE SUSPENDED TO REOPEN THE WORK SESSION ON HB 2028 TO ALLOW REP. WITT, WHO WAS EXCUSED WHEN THE VOTE WAS TAKEN, TO VOTE. HEARING NO OBJECTION, THE CHAIR SO ORDERED. (ALL MEMBERS PRESENT)

REOPENED WORK SESSION ON SB 428

022 **REP. WITT BEING EXCUSED WHEN THE ROLL WAS CALLED, WAS GRANTED UNANIMOUS CONSENT TO BE RECORDED AS VOTING AYE ON HB 2028. THE VOTE WILL BE RECORDED AS 9-0-0.**

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

BILL INTRODUCTION

024 Chair Shetterly **MOTION: MOVED THE RULES BE SUSPENDED FOR THE PURPOSE OF RECSINDING THE VOTE BY WHICH LC 1612 WAS INTRODUCED AS A COMMITTEE BILL.**

027 Chair Shetterly The version of LC 1612, (EXHIBIT 6), that was previously adopted was an older version; the correct version of LC 1612 is now before with the date of 02/01/2001. (EXHIBIT 11)

036 **HEARING NO OBJECTION, THE CHAIR SO ORDERED.**

026 Chair Shetterly **MOTION: INTRODUCTION, AS COMMITTEE BILL, OF LC 1612, DATED 02/01/2001 (EXHIBIT 11). HEARING NO OBJECTION, THE CHAIR SO ORDERED.**

042 Chair Shetterly Meeting adjourned at 2:48 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Ute Testerman

Committee Clerk

Exhibit Summary:

1. HB 2028, House Rules, Redistricting, and Public Affairs Staff Measure Summary, Preliminary Staff Measure Summary and Revenue and Fiscal statements, LRO Staff, 3 pages
2. HB 2028, (-1) amendment, (DJ/ps) 01/25/01, LRO Staff, 1 page
3. HB 2028, Testimony, Belt, 4 pages
4. SB 428, Senate Revenue Staff Measure Summary and Revenue and Fiscal statements, LRO staff, 2 pages
5. SB 428, Testimony, Potiowsky, 1 page
6. Bill Introduction, LC 1612, dated 01/11/2001, (DJ/ps), LRO staff, 56 pages
7. Bill Introduction, LC 1628, dated 10/20/2000, (DJ/ps), LRO staff, 1 page
8. Bill Introduction, LC 2608, dated 01/16/2001, (DJ/ps), LRO staff, 1 page
9. Informational, Handout, LRO Staff, 1 page
10. Informational, Tax Expenditure Report, LRO Staff, 337 pages
11. Bill Introduction, LC 1612, dated 02/01/2001, (DJ/ps), LRO staff, 57 pages