

## HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

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FEBRUARY 26, 2001 — 1:30 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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Members Present: Representative Lane Shetterly, Chair

Representative Deborah Kafoury, Vice Chair

Representative Chris Beck

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Representative Bill Witt (1:48 arrived)

Members Excused: Representative Janet Carlson, Vice Chair

Representative Alan Bates

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: John Phillips, Department of Revenue

Debra Buchanan, Department of Revenue

Elizabeth Harchenko, Department of Revenue

### TAPE 63, SIDE A

005 Chair Shetterly Meeting called to order at 1:45 p.m.

010 LRO Staff Distributed letter from the Senate Revenue

Committee. (Exhibit 1)

**OPENED PUBLIC HEARING ON SB 425**

- 013 Lizbeth Martin-  
Mahar Provided a description of the measure and discussed the background. (Exhibit 2)
- 045 Debra Buchanan Presented testimony in support of measure. (Exhibit 3)
- 065 Elizabeth  
Harchenko Discussed structural problems with the administration of the Elderly Rental Assistance (ERA) program and possible options to correct the problems. (Exhibit 4)
- 146 Chair Shetterly Questions and discussion regarding the request to the Emergency Board last biennium and whether the Department's budget addresses this issue.
- 163 Harchenko Continued with testimony and final option, (Page 2, Exhibit 4).
- 185 Rep. Witt Questions and discussion regarding funding of the programs and administratively how monies are allocated to the programs.
- 200 Chair Shetterly "Is the relating clause broad enough to address the non-profit housing issue?"
- 206 Harchenko "You may be limited with this vehicle."  
  
Questions and discussion regarding the proposed options and which would best serve the Department's needs.
- 250 Chair Shetterly Questioned what would happen to claims if the Department was under-budgeted and no money was forthcoming from the Emergency Board.
- 254 Harchenko "The Department would stop writing checks and the claims would be held to the next biennium.
- 256 Rep. Witt Couldn't this be solved by sufficient appropriation of funds?
- 262 Harchenko Yes, reviewed Emergency Board discussion regarding the level of funding. Budget hearings are not scheduled until April 2. Spoke of need for structural change even if funding is forthcoming.
- 275 Rep. Witt States that it needs to be part of the Department's budget with a 5-10% cushion and access to Emergency Board for additional

funding, if needed. "If the Committee feels these are important programs then we need to let Ways and Means know these are programs that need to be funded adequately."

- 328 Harchenko Noted there are two pieces to the problem — the funding side and administrative issues. Requested what the Committee's priorities and preferences are regarding the two programs so that the Department can narrow the options.
- 345 Chair Shetterly "If funding cannot be resolved recommends prorating on both programs."
- 360 Harchenko Questioned if there was interest in limiting ERA claims to just the year in which they are made.
- Questions and discussion regarding limiting the ERA claims.

#### **TAPE 64, SIDE A**

- 022 Chair Shetterly Provided direction to Department of Revenue and the measure will be brought back.

#### **OPENED PUBLIC HEARING ON HB 2208**

- 057 Lizbeth Martin-  
Mahar Provided a description of the measure and discussed the background. (Exhibit 5).
- Distributed the (-1) amendments and a fact sheet. (Exhibits 6 and 9)
- 096 John Phillips Presented testimony in support of measure and referenced letter from Deschutes County Finance Department. (Exhibits 7-8)
- 157 Phillips Continued with section by section review of the measure, (Page 3, Section 11, Exhibit 7).
- 173 Rep. Witt "Who requested the (-1) amendments?" (Exhibit 6)
- 178 Phillips "They were requested by the Department"; discussed the amendments. (Exhibit 9)
- 200 Rep. Witt "Current law provides the opportunity for members of the public to view on the tax roles how much of the tax was paid for by the Department of Revenue under the Senior, Disabled Deferral Program?"
- 202 Phillips Yes.
- 208 Rep. Witt "Is the current law \$0.50 reduction of income

above the threshold for both senior and disabled taxpayers using the deferral program?"

- 210 Phillips "Would need to check, but believes it is."
- 218 Martin-Mahar Noted that HB 2901 B-Eng. from the 1999 session does apply the indexing to both the seniors and disabled.
- 222 Rep. Witt Questions and discussion regarding the threshold and initial qualification.
- 263 Chair Shetterly Meeting adjourned at 2:32 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Informational, Letter from Senate Revenue, LRO Staff, 1 page
2. SB 425, Staff Measure Summaries and Fiscal statement, Martin-Mahar, 3 pages
3. SB 425, Testimony, Buchanan, 1 page
4. SB 425, Testimony, Harchenko, 2 pages
5. HB 2208, Staff Measure Summaries and Fiscal statement, Martin-Mahar, 3 pages
6. HB 2208, (-1) amendment, (DJ/ps) 02/26/01, LRO Staff, 1 page
7. HB 2208, Testimony, Phillips, 5 pages
8. HB 2208, Submitted letter from Deschutes County, Phillips, 2 pages
9. HB 2208, (-1) amendment fact sheet, Martin-Mahar, 1 page