

## HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

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MARCH 15, 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 Alan Bates

Representative Chris Beck

Representative Alan Brown (1:40 arrived)

Representative Mark Hass

Representative Max Williams (2:23 arrived)

Representative Bill Witt (1:55 arrived)

Members Excused: Representative Janet Carlson, Vice Chair

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Rep. Tom Butler, Legislative House  
District 60

Jason Williams, Taxpayer Association of Oregon

Pamela Konstantopoulos, State Board of Tax Service  
Examiners

Gerald Zielinski, State Board of Tax Service  
Examiners

John Fletcher, Legislative Fiscal Office

Kyle Martin, Attorney General's Office

John Phillips, Department of Revenue

Rep. Tim Knopp, Legislative House District 54

Bill Gaetano, Special Road District #1

Gil Riddell, Association of Oregon Counties

Hasina Squires, Special Districts Association

**TAPE 87, SIDE A**

002 Chair Shetterly Meeting called to order at 1:36 p.m.

**OPENED PUBLIC HEARING ON SB 279**

010 Rep. Tom Butler Spoke in opposition to the measure.

118 Chair Shetterly "When will Ways and Means hear the budget?"

126 Rep. Butler It has passed out of Ways and Means with strict budget notes.

195 Chair Shetterly Questioned what Butler's testimony was in Ways and Means.

200 Rep. Butler Was not at that meeting; asked that it be held over until I could return — the budget notes were added after my return and the measure had already passed out of Committee.

At 1:50 p.m. Committee meeting continued as sub-Committee with Rep.'s Bates, Brown, Hass and Chair Shetterly in attendance.

Convened as full committee at 1:55 p.m. with the arrival Rep.'s Beck, and Witt.

292 Paul Warner Provided a description of the measure and discussed the Senate Committee debate and distributed an excerpt from the Governor's recommended budget. (Exhibits 1-2)

307 Pamela Konstantopoulos Presented testimony in support of measure. (Exhibit 3)

**TAPE 88, SIDE A**

041 Rep. Witt Have you requested a fee increase from the legislature to address the financial problems

the Board has encountered?

- 053 Konstantopoulos That is what we are doing at this time and the Ways and Means committee approved our budget.
- 064 Rep. Witt Questions and discussion regarding how SB 279 is important to the financial stabilization of the Board.
- 116 Rep. Hass Is the measure meant to allow flexibility to the Board?
- 117 Konstantopoulos Concurred.
- 123 Rep. Hass Does SB 279 change the licensure statute?
- 126 Konstantopoulos No.
- 130 Rep. Bates Questioned why some boards have flexibility and others don't.
- 132 Warner That is the policy question.
- 175 Gerald Zielinski Spoke in support of the measure.
- 235 Jason Williams Presented testimony in opposition to measure. (Exhibit 4)

**OPENED PUBLIC HEARING ON SB 301 A-ENG.**

- 343 Paul Warner Provided a description of the measure and discussed the background. (Exhibit 5)
- 359 Pamela Konstantopoulos Presented testimony in support of measure. (Exhibit 6)

**TAPE 87, SIDE B**

- 035 Konstantopoulos Continued with testimony in support of the measure. (Exhibit 6)

**REOPENED PUBLIC HEARING ON SB 279**

- 101 Chair Shetterly Requester Fletcher clarify the following:
1. How does this measure interact with the Ways and Means process?
  2. What determines whether an agency has its fees set by statute or by allowed to be established by rule?
  3. Speak to SB 333 and the process established in the 1995 session.
- 110 John Fletcher Distributed summary from budget hearing; the

proposed Governor's budget had a policy package including the increases assuming passage of SB 279; the Ways and Means Committee concurred. (Exhibit 7)

- 122 Chair Shetterly "Clarified that Ways and Means assumed the passage of SB 279?"
- 124 Fletcher "They passed the package, which included the increased fee revenue. If this measure were not passed that revenue wouldn't be realized, but they are moving ahead in support of the funding as if the revenue were available."
- 128 Chair Shetterly That revenue could be realized in one of two ways:
1. By adopting the measure, as is and giving them rule authority.
  2. Making changes in the dollar amounts in statute to accommodate the anticipated increase.
- 129 Fletcher Concurred.
- 134 Chair Shetterly "How would SB 333 from 1995 work with the budget bill and SB 279, should it pass?"
- 136 Fletcher An increase in fees would need to be ratified by the legislature.
- 142 Rep. Beck Requested clarification why some agencies are allowed more flexibility than others in the budgeting process.
- 145 Konstantopoulos It depends on the level of oversight the legislature wants over an agency so it is based on a case-by-case basis.
- 150 Fletcher It depends on the level of oversight the legislature wants over an agency, how much authority should an agency have and how well has an agency done in the past; it is determined on a case-by-case basis.
- 195 Chair Shetterly "What does the budget note reflect?"
- 197 Fletcher "This particular budget note goes beyond the norm for a small board of this nature; it was included because of the concern of a member about the overall mission of this particular agency. (Exhibit 7)

## **REOPENED PUBLIC HEARING ON SB 301**

- 249 Chair Shetterly Noted that the Board of Tax Service Examiners is under a central panel and questioned if the language in §5 of the printed measure would exempt you where it states the "board" shall conduct a hearing?
- 252 Kyle Martin That is the Administrative Procedures Act (APA) and so it would go within the central panel and the central panel is incorporated within that section of statutes.
- Spoke in support of the measure.
- 360 Rep. Bates What is the process for appeal if an individual disagrees with a Board ruling?
- 362 Martin Explained the process available for appeal of a board decision, however a cease and desist authority is only as to the unlicensed individuals and not as to licensees.
- 367 Rep. Bates "A cease and desist order is not issued to a licensed individual under the same circumstances?"
- 370 Martin No, explained the administrative process for a licensed individual.
- 381 Rep. Bates Commented that he fails to see the logic in treating the same situation in two different manners, based on whether or not the person is licensed.
- 405 Chair Shetterly Spoke to the underlying policy for the APA, which allows a substantially greater due process to a license than for someone who is not licensed..
- 423 Konstantopoulos "The Board moved to apply it only to unlicensed individuals because that is where we are finding the gravest violations. If the committee desired to apply it to both licensed and unlicensed individuals the Board would not be opposed."
- 435 Rep. Bates I would prefer it be the same for both.

## **TAPE 88, SIDE B**

### **OPENED PUBLIC HEARING ON HB 2869**

- 028 Rep. Tim Knopp Spoke in support of the measure.

043 Bill Gaetano Spoke in support of the measure.  
137 Gil Riddell Spoke to the measure; no position taken.  
157 Chair Shetterly "How many road districts are there in the four affected counties?"  
162 Hasina Squires It would apply to a number of road districts, particularly in Deschutes County.  
193 John Phillips Spoke to the measure; no position taken. (Exhibit 9)  
234 Chair Shetterly Meeting adjourned at 3:14 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 279, Staff Measure Summary, Revenue and Fiscal statements, Warner, 2 pages
2. SB 279, Excerpt from Governor's Recommended Budget, Warner, 1 page
3. SB 279, Testimony, Konstantopoulos, 1 page
4. SB 279, Testimony, Williams, 1 page
5. SB 301, Staff Measure Summary, Warner, 1 page
6. SB 301, Testimony, Konstantopoulos, 2 pages
7. SB 279, Summary from Ways and Means on budget bill, LFO, 1 page
8. HB 2869, Revenue Impact Statement, Martin-Mahar, 1 page
9. HB 2869, Testimony, Phillips, 1 page