

PUBLIC HEARING AND WORK SESSION: HB 3370

PUBLIC HEARING AND WORK SESSION: HJR 46; HB 2908, HB 3400

TAPES 121 — 124 A/B

HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

APRIL 10, 2001 — 1:00 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

Representative Alan Brown

Representative Mark Hass

Representative Max Williams

Representative Bill Witt (1:24 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Steve Meyer, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Randall Edwards, Oregon State Treasury

Doug Goe, Ader-Winn Law Firm

Terry Thompson, Citizen

Gary Conkling, Beaverton Schools

James Walker, Oregon Health Sciences University

Ozzie Rose, Confederation of Oregon School Administrators

John Marshall, Oregon School Boards Association

Rep. Kelly Wirth, Legislative House District 35

Jean Thorne, Governor's Office

Laurie Wimmer Whelan, Oregon Education Association

Marlene Payne, Beaverton School District

David Williams, Oregon School Employees Association

Skip Liebertz, Willamette Education Service District

Marge Kafoury, City of Portland

Mike Saba, City of Portland

Erik Sten, City of Portland

David Bell, GSC Properties

Bob Repine, Oregon Housing and Community Services

Becky Smith, Washington County Community Action Organization

Witnesses (Cont.): Rob Drake, City of Beaverton

Jacqueline Zimmer, Oregon Association of Area Agencies on Aging and Disabilities and Human Services Coalition of Oregon

Theresa Flowers, Elders in Action

Ted Doronila, Community Alliance of Tenants

Josh DuBois, Community Alliance of Tenants

Bob Castagna, Oregon Catholic Conference

Chuck Currie, First United Methodist Church

Sydney Sherwood, Pearson Financial

Jana Jarvis, Oregon Association of Realtors

Carol Dozois, Oregon Association of Realtors

Jon Chandler, Oregon Building Industry Association

Russ Dondero, Citizen

Melinda Sain, Washington County Coalition

Rebecca Ambrose, Good Neighbor Center

Craig Loughridge, Citizen

Charles Kurtz, AARP Oregon

Jeremy Starr, Realtor

Rick Harris, Citizen

Kirk Manzanares, Citizen

Ibrahim Mibarak, Dignity

Chris Billay, Citizen

Jack Tafari, Dignity

Enid Edwards, Ecumenical Ministries of Oregon

Laura Baumeister, Ecumenical Ministries of Oregon

Paul Buss, Oregon Realty Company

Beth Kaye, Housing and Community Development
Commission

Gil Riddell, Association of Oregon Counties

Bartholomew Martin, Metro Multi-Family Housing
Association

TAPE 121, SIDE A

006 Chair Shetterly Meeting called to order at 1:07 p.m. Conducted administrative business.

OPENED PUBLIC HEARING ON HJR 46

019 Randall Edwards Presented testimony in support of measure. (Exhibit 1-2)

117 Chair Shetterly Asked that the difference between the printed measure and the (-3) amendments be described. (Exhibit 2)

119 Doug Goe The (-3) amendments are technical:

1. Provide flexibility not only for K-12 schools, but also for any other public purpose that the Legislature would deem appropriate.
2. Clarified that the no property taxing power of the State would be pledged to repayment of the bonds.
3. Section 2 provides the legislature the flexibility in determining the appropriate repayment source. (Exhibit 2)

141 Chair Shetterly Read (-3) amendment language and asked if the intent was to go beyond the capital needs or to provide a general funding authorization for providing public schools only, (Page 1, Line 12-14, Exhibit 2).

155 Goe No, that is addressed in §3, which details the purposes and the enacting legislation, HB 3370 clarifies further that the focus is on capitol costs, (Page 2, Lines 6-13, Exhibit 2)

162 Chair Shetterly Questioned if the language goes beyond capital for schools or any other purpose that the legislature deems a public purpose, based on language in the (-3) amendments, (Page 1, Lines 12-14 and Page 2, Lines 13-15, Exhibit 2).

170 Goe That is correct.

177 Rep. Bates Questioned if it is limited to capital for schools.

179 Goe Referenced language in §1 (3) of the (-3) amendments, which states proceeds from bonds issued may be used to provide matching

funds to finance the capital costs, (Page 2, Line 7, Exhibit 2).

192 Rep. Bates Noted that it doesn't limit use, it is permissive; the language needs to be tightened.

193 Goe That is not the intent and language can be tightened.

200 Edwards Noted the intent and what the limitations would be.

202 Goe "Regarding K-12 schools the intent is to address capital costs; in respect to 'other purposes' I would suggest flexibility within the constitution."

220 Chair Shetterly Noted that the original measure is very clear in providing K-12 public school facilities and that in broadening it the (-3) amendments went too far.

233 Goe Concurred.

237 Rep. Beck Is there a reason for prohibiting ad valorem tax in the (-3) amendments and not in the printed measure. (Exhibit 2)

242 Edwards The original draft was strictly a placeholder; we tried to refine the printed measure with the (-3) amendments. (Exhibit 2)

253 Rep. Beck Would this measure prohibit the use of State property tax to pay off debt and if so why would that flexibility be taken away?

261 Edwards It is not a necessary tool.

272 Rep. Bates Are old bonds allowed to be refinanced under this program and ask for grants at the same time?

284 Edwards "That would be contained in the implementing legislation, HB 3370. There is a general cap of 1% of all market value of State property taxes that can be issued under this program."

299 Vice Chair
Carlson Are the flexibility issues related solely to education?

307 Edwards No, described a variety of public purposes that this tool could be used for.

320 Vice Chair
Carlson Spoke to her feelings that it would be more salable to the voters if it was limited to

education?

- 350 Terry Thompson Spoke in support of the measure.
375 Gary Conkling Presented testimony in support of measure.
(Exhibit 3)

TAPE 122, SIDE A

- 002 James Walker Presented testimony in support of measure.
(Exhibit 4)
- 026 Chair Shetterly "Is the \$200 million for the Oregon Opportunity Act for capital expense?"
- 030 Walker "The vast majority is for capital expense; listed some of the other expenses it is used for."
- 042 Ozzie Rose Spoke in support of the measure.
- 129 John Marshall Spoke in support of the measure.
- 150 Chair Shetterly Referenced the (-3) amendments, which extend the bonding authority beyond capital construction for schools, (Exhibit 2), and questioned how that expansion would be received by the voters.
- 154 Rose Would support the measure either way, but believes the appeal to the voters would be increased if it was aimed at schools and noted the State has broader needs than just the schools — does not know how to balance it.
- 209 Rep. Kelly Wirth Presented testimony in support of measure.
(Exhibit 5)
- 279 Jean Thorne Presented testimony in support of measure.
(Exhibit 6)
- 355 Rep. Williams Has there been a policy change in the Governor's office regarding uses of the Tobacco Master Settlement monies?
- 373 Thorne No.
- 383 Rep. Williams "If we moved forward with both this plan and the Oregon Health Sciences University (OHSU) Opportunity Fund and tied its entire payment to the Master Settlement Agreement would the Governor support that approach?"
- 394 Thorne The Governor's recommended budget requested utilization of \$10 million of the Tobacco Settlement monies for OHSU as the revenue stream.

TAPE 121, SIDE B

- 004 Laurie Wimmer Spoke in support of the measure.
Whelan
- 040 Chair Shetterly Read (-3) amendments and questioned if she has a problem with the language that would allow use of the bonds for not only capital construction of K-12 public schools, but for any other purpose, (Exhibit 2).
- 046 Wimmer Whelan "As it was explained to me my initial concerns are lessened."
- 058 Marlene Payne Spoke in support of the measure.
- 087 David Williams Spoke to the measure; could support the measure as printed, but cannot support the (-3) amendments. (Exhibit 2)
- LRO Staff Distributed Revenue Impact Statement.
(Exhibit 7)

OPENED PUBLIC HEARING ON HB 3370

- 111 Randall Edwards Presented testimony in support of measure and the (-3) amendments. (Exhibits 8-9)
- 163 Goe Referenced the (-3) amendments and the intent that the proceeds of the bonds could only be used for capital purposes. (Exhibit 9)
- 175 Chair Shetterly "Would Ways and Means appropriate \$100 million for a bill that may or may not become effective depending on the outcome of a public vote?"
- 190 Edwards Explained the intent for that amount of bonds to be earmarked for issuance, if the resolution becomes law.
- 217 Skip Liebertz Spoke in support of the measure.
- LRO Staff Distributed Revenue Impact Statement.
(Exhibit 10)

OPENED PUBLIC HEARING ON HB 2908

- 309 Lizbeth Martin- Provided a description of the measure and
Mahar discussed the background. (Exhibit 11)

370 Marge Kafoury Presented testimony in support of measure. (Exhibit 12)

376 Mike Saba Spoke in support of the measure.

396 Chair Shetterly Is there more than one "distressed area"?

397 Kafoury Yes, referenced map, (Page 3, Exhibit 12).

404 Chair Shetterly "Does the extension of the provisions to condominium units become automatic within those approved areas or is approval required by the taxing districts?"

414 Kafoury "It is our intent to clarify that single-unit housing also includes condominium units; it is not anticipated that new approval would need to be sought from the other jurisdictions."

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OPENED WORK SESSION ON HB 2908

010 Vice Chair **MOTION: MOVED HB 2908 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.**
Kafoury

ROLL CALL VOTE: MOTION PASSED 8-0-1

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

REPRESENTATIVES EXCUSED: Carlson

Vice Chair Kafoury will carry the bill.

020 Chair Shetterly Recessed the meeting at 2:30 p.m.; reconvened at 2:37 p.m.

OPENED PUBLIC HEARING ON HB 3400

LRO Staff Distributed Staff Measure Summary and Revenue Impact Statement. (Exhibit 13)

086 Vice Chair Spoke in support of the measure. Distributed testimony from David Bragdon. (Exhibit 15)
Kafoury

100 Rep. Beck Spoke in support of the measure.

154 Erik Sten Presented testimony in support of measure.
(Exhibit 14)

216 David Bell Spoke in support of the measure.

287 Rob Drake Spoke in support of the measure.

339 Bob Repine Presented testimony in support of measure.
(Exhibit 16)

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034 Becky Smith Spoke in support of the measure.

085 Jacqueline Zimmer Presented testimony in support of measure.
(Exhibit 17)

124 Theresa Flowers Spoke in support of the measure.

150 Josh DuBois Spoke in support of the measure; distributed
petition. (Exhibit 20)

183 Ted Doronila Spoke in support of the measure.

209 Bob Castagna Presented testimony in support of measure.
(Exhibit 18)

314 Chuck Currie Presented testimony in support of measure.
(Exhibit 19)

350 Sydney Sherwood Spoke in support of the measure.

386 Jana Jarvis Presented testimony in opposition to measure.
(Exhibit 21)

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025 Jarvis Continued with testimony in opposition to
measure. (Exhibit 21)

076 Carol Dozois Presented testimony in opposition to measure
and distributed letter of opposition from the
Oregon Housing Committee. (Exhibit 36)

112 Jon Chandler Spoke in opposition to the measure.

Continued as a sub-committee with Vice Chair
Kafoury and Chair Shetterly in attendance.

260 Melinda Sain Spoke in support of the measure.

294 Rebecca Ambrose Spoke in support of the measure.

327 Russ Dondero Presented testimony in support of measure.
(Exhibit 22)

TAPE 123, SIDE B

040 Craig Loughridge Presented testimony in opposition to measure.

(Exhibit 23)

- 128 Charles Kurtz Presented testimony in support of measure.
(Exhibit 24)
- 178 Jeremy Starr Spoke in opposition to the measure.
- 280 Rick Harris Presented testimony in opposition to measure.
(Exhibit 25)
- 325 Kirk Manzanares Spoke in support of the measure.
- 367 Ibrahim Mibarak Spoke in support of the measure.
- 400 Chris Billay Spoke in support of the measure.

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- 014 Jack Tafari Spoke in support of the measure.
- 066 Enid Edwards Presented testimony in support of measure.
(Exhibit 26)
- 099 Laura Baumeister Presented testimony in support of measure.
(Exhibit 27)
- 134 Paul Buss Spoke in opposition to the measure.
- 197 Beth Kaye Presented testimony in support of measure.
(Exhibit 28)
- 253 Gil Riddell Spoke in opposition to the measure.
- 264 Bartholomew
Martin Spoke in opposition to the measure.
- LRO Staff Distributed informational material for member
review:
- Testimony submitted by Multnomah County
Commissioners. (Exhibit 29)
- Testimony, submitted by Coston Kaplinski.
(Exhibit 30)
- Testimony submitted by Steven Hillman.
(Exhibit 31)
- Testimony submitted by Oregon State Council
of Senior Citizens, Jim Davis. (Exhibit 32)
- Testimony submitted by Oregon Rental
Housing, Sharon Fleming-Barrett. (Exhibit 33)
- Testimony submitted by League of Women

Voters of Oregon, Ellen Maddex. (Exhibit 34)

Testimony submitted by JOIN, Rob Justus.
(Exhibit 35)

316 Chair Shetterly Meeting adjourned at 4:45 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HJR 46, Testimony, Edwards, 5 pages
2. HJR 46, (-3) amendment, (CH/ps) 04/06/01, Edwards, 3 pages
3. HJR 46, Testimony, Conkling, 1 page
4. HJR 46, Testimony, Walker, 1 page
5. HJR 46, Testimony, Rep. Wirth, 2 pages
6. HJR 46, Testimony, Thorne, 1 page
7. HJR 46, Revenue Impact statement, Meyer, 1 page
8. HB 3370, Testimony, Edwards, 2 pages
9. HB 3370, (-3) amendment, (CH/ps) 04/10/01, Edwards, 7 pages
10. HB 3370, Revenue Impact statement, Meyer, 1 page
11. HB 2908, Staff Measure Summary, Revenue and Fiscal statements, Martin-Mahar , 3 pages
12. HB 2908, Testimony, Kafoury, 3 pages
13. HB 3400, Staff Measure Summary and Revenue Impact statement, Yates, 2 pages
14. HB 3400, Handout, Sten, 2 pages
15. HB 3400, Testimony, Bragdon, 1 page
16. HB 3400, Handout, Repine, 3 pages
17. HB 3400, Testimony, Zimmer, 1 page
18. HB 3400, Testimony, Castagna, 25 pages
19. HB 3400, Testimony, Currie, 2 pages
20. HB 3400, Petition, DuBois, 2 pages
21. HB 3400, Testimony, Jarvis, 3 pages
22. HB 3400, Testimony, Dondero, 8 pages
23. HB 3400, Testimony, Loughridge, 4 pages
24. HB 3400, Testimony, Kurtz, 1 page
25. HB 3400, Testimony, Harris, 2 pages
26. HB 3400, Testimony, Edwards, 2 pages
27. HB 3400, Testimony, Baumeister, 1 page
28. HB 3400, Testimony, Kaye, 2 pages
29. HB 3400, Submitted testimony, Multnomah County Commissioners, 1 page
30. HB 3400, Submitted testimony, Kaplinski, 1 page

31. HB 3400, Submitted testimony, Hillman, 1 page
32. HB 3400, Submitted testimony, Davis, 1 page
33. HB 3400, Submitted testimony, Fleming-Barrett, 1 page
34. HB 3400, Submitted testimony, Maddex, 1 page
35. HB 3400, Submitted testimony, Justus, 1 page
36. HB 3400, Testimony, Dozois, 2 pages