

PUBLIC HEARING: HJR 64; HB 2204

PUBLIC HEARING AND WORK SESSION: HB 2204

TAPES 136 — 138 A/B

TAPE 139 A

HOUSE SCHOOL FUNDING AND TAX FAIRNESS/REVENUE COMMITTEE

APRIL 18, 2001 — 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair

Representative Alan Bates (1:23 arrived)

Representative Chris Beck

Representative Alan Brown (1:15 arrived)

Representative Max Williams (1:26 arrived)

Representative Bill Witt

Members Excused: Representative Deborah Kafoury, Vice Chair

Representative Mark Hass

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: John Lilly, Division of State Lands

Pete Shepherd, Attorney General's Office

Kevin Shuba, Attorney General's Office

Jack Kenny, Oregon Housing and Community Service

Bob Gillespie, Oregon Housing and Community Service

Trisha Baxter, Department of Revenue

Jerry Hanson, Washington County Assessor

Steve Gerlt, Douglas County Assessor's Office

Ron Northcraft, Douglas County Assessor's Office

John Blatt, Association of Oregon Community
Development Organizations

Jim Tierny, Community Action Team

Rochelle Nedeau, Department of Justice

John Van Landingham, Lane County Law and Advocacy Center

Bartholomew Martin, Metro Multi-Family Housing Association

Chris Robinson, Citizen

David Bell, GSL Properties

Jim Wiard, Guardian Management

Bob Johnson, Marathon Manager, Inc.

Witnesses (Cont.): Scott Phinney, Attorney

Fred Van Natta, Greater Oregon Chapter of the Appraisers Institute

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005 Chair Shetterly Meeting called to order at 1:13 p.m. as a sub-committee with Rep.'s. Beck, Witt, Vice Chair Carlson and Chair Shetterly in attendance.

OPENED PUBLIC HEARING ON HJR 64

010 Paul Warner Provided a description of the measure and discussed the background. (Exhibits 1-2)

Convened as full committee at 1:15 p.m. with the arrival Rep. Brown.

048 Rep. Witt Spoke to the measure.

060 Chair Shetterly Spoke to the measure.

- 074 Rep. Beck "How much does the Common School Fund fall and rise with the stock market?"
- 079 Warner There has been some loss of principle, but it has grown; referenced the issues surrounding the Stabilization Fund, (Exhibit 2).
- 095 John Lilly Presented testimony in opposition to measure. (Exhibit 3)
- 287 Rep. Witt In what specific way does this measure's language propose language to the Oregon Constitution that contradicts the federal Admissions Act?
- 300 Lilly Noted that the comments about intergenerational equity and discussed reduction of the fund's principle to meet a particular biennium's needs for school children and how that could be in conflict with the federal Admissions Act.
- 365 Rep. Witt Questions and discussion regarding whether Admissions Act language is consistent with the language in HJR 64, which clearly states the use of the fund's principle trust.
- 389 Rep. Witt Questions and discussion regarding the responsibilities of the trustee; spoke to possible amendments to the measure to address Shepherd's concerns.

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- 043 Chair Shetterly Referenced the Attorney General's (AG) opinion regarding the Admissions Act and questioned if the trust referenced is implied or express, (Page 10, Exhibit 4)?
- 049 Kevin Shuba Provided history regarding school trust lands on a federal level; discussed the pivotal piece of the referred to referred to the AG's opinion and provided his interpretation of the language, (Page 11, Exhibit 4).
- Questions and discussion continued regarding a trustee's responsibilities and how that would interplay with HJR 64.
- Questions and discussion regarding the possible legal roadblocks and solutions.
- 268 Rep. Witt Spoke of two possible amendments:
1. One that would be specific to the trigger

and a specification that it is strictly for K-12 education.

2. Limit the percentage of the fund that could be taken at any given time.

Questions and discussion regarding the proposed amendments.

OPENED PUBLIC HEARING ON HB 2204

365 Lizbeth Martin-Mahar Provided a description of the (-1) amendment, which replaces the original measure and provided background. (Exhibits 5-6)

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043 Martin-Mahar Continued with review of the (-1) amendments and §7 requirements, (Page 1, Exhibit 5).

072 Jack Kenny Presented testimony in support of measure, as amended by the (-1) amendments. (Exhibit 7)

165 Bob Gillespie Presented testimony in support of measure, as amended by the (-1) amendments. (Exhibit 8)

203 Trisha Baxter Spoke in support of the measure, as amended by the (-1) amendments.

208 Rep. Beck Questions and discussion for clarification purposes as to the purpose of the measure and amendments.

299 Jerry Hanson Spoke in support of the measure, as amended by the (-1) amendments.

385 Steve Gerlt Spoke in support of the measure, as amended by the (-1) amendments. (Exhibit 9)

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035 Gerlt Continued with testimony in support of the measure, as amended by the (-1) amendments, (Page 2, Exhibit 9).

076 Ron Northcraft Spoke in support of the measure, as amended by the (-1) amendments.

101 John Blatt Spoke in support of the measure, as amended by the (-1) amendments. (Exhibit 10)

Continued as at 2:44 p.m. as a sub-committee with Rep.'s. Beck, Witt, Vice Chair Carlson and Chair Shetterly in attendance.

152 Jim Tierney Spoke in support of the measure, as amended by

the (-1) amendments. (Exhibit 11)

- 268 Blatt Made concluding comments in support of the measure, as amended by the (-1) amendments.
- 364 Chair Shetterly Questions and discussion regarding retroactivity and revenue impact.
- Chair Shetterly Left at 3:00 p.m., passed gavel to Vice Chair Carlson.

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- 006 John Van Spoke in support of the measure, as amended by
Landingham the (-1) amendments.
- 112 Rochelle Spoke in support of the measure, as amended by
Nedeau the (-1) amendments.
- 249 Bartholomew Continued with testimony in opposition to the
Martin measure and (-1) amendments. (Exhibit 12)
- 300 Chris Robinson Presented testimony in opposition to measure
and (-1) amendments. (Exhibit 13)

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- 035 Robinson Continued with testimony in opposition to the
measure and (-1) amendments, (Page 6, Exhibit
13).
- 140 Robinson Continued with testimony in opposition to the
measure and (-1) amendments, (Page 28, Exhibit
13).
- 154 David Bell Spoke in opposition to the measure and (-1)
amendments.
- 183 Vice Chair Noted that the arguments being presented in
Carlson testimony would more appropriately be
discussed in the workgroup and directed the
workgroup to bring all players, including the
parties testifying in opposition, to the table.
- 214 Bell Continued with testimony in opposition to the
measure and (-1) amendments and addressed
one substantive concern with the measure.
- 302 Jim Wiard Presented testimony in opposition to measure
and (-1) amendments. (Exhibit 14)
- 344 Robert Johnson Presented testimony in opposition to measure
and (-1) amendments. (Exhibit 15)

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- 005 Scott Phinney Presented testimony in opposition to measure

and (-1) amendments.

086 Fred Van Natta Spoke to the measure and the (-1) amendments and noted there are two concerns that will be brought forward in the workgroup setting.

101 Vice Chair Meeting adjourned at 4:02 p.m.
Carlson

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HJR 64, Staff Measure Summary, Warner, 1 page
2. HJR 64, Stabilization Fund Issues paper, Warner, 1 page
3. HJR 64, Testimony, Lilly, 8 pages
4. HJR 64, Testimony, Shepherd, 20 pages
5. HB 2204, (-1) Staff Measure Summary and Revenue Impact statement, Martin-Mahar, 3 pages
6. HB 2204, (-1) amendment, (DJ/ps) 04/17/01, LRO Staff, 7 pages
7. HB 2204, Testimony, Kenny, 1 page
8. HB 2204, Testimony, Gilliespie, 2 pages
9. HB 2204, Testimony, Gerlt, 9 pages
10. HB 2204, Testimony, Blatt, 2 pages
11. HB 2204, Testimony, Tierney, 4 pages
12. HB 2204, Testimony, Martin, 1 page
13. HB 2204, Testimony, Robinson, 32 pages
14. HB 2204, Testimony, Wiard, 1 page
15. HB 2204, Testimony, Johnson, 1 page