

**Public hearing: hb 2729, HB 2934, hb 3000**

**WORK SESSION: hb 2716**

**Public hearing AND WORK SESSION: hb 3641**

**TAPES 149 — 150 A/B**

**TAPE 151 A**

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

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**APRIL 24, 2001 — 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING**

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Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair

Representative Deborah Kafoury, Vice Chair (1:25 arrived)

Representative Alan Bates

Representative Chris Beck

Representative Alan Brown

Representative Mark Hass (1:24 arrived)

Representative Max Williams (1:40 arrived)

Representative Bill Witt (1:32 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

James Jensen, LRO Intern from Willamette University

Joan Green, Committee Assistant

Witnesses: Chuck Sheketoff, Oregon Center for Public Policy

Rep. Richard Devlin, Legislative House District 24

Gary Andeen, Oregon Independent Colleges Association

Scott West, Oregon Lodging Association

Bill Cross, Oregon Association of Convention and Visitor Bureaus

Todd Davidson, Oregon Tourism Commission

Doug Riggs, Central Oregon Cities Organization

Michelle Deister, League of Oregon Cities

Alicia Blalock, City of Salem

Richard Sheeland, City of Eugene

Duane Cole, City of Newberg

Sam Sasaki, City of Newport

Mark Jones, City of Newport

Don Lindly, Lincoln County Commissioners

Ken Rust, City of Portland

David Boyer, Multnomah County

Witnesses (Cont.): Jim Craven, American Electronics Association

Paul Phillips, Smart Growth Coalition

Gary Conkling, Intel

Joan Fraser, Building Codes Division

Don Miner, Oregon Manufactured Housing Association

**TAPE 149, SIDE A**

007 Chair Shetterly Meeting called to order at 1:16 p.m.

**OPENED WORK SESSION ON HB 2716**

015 Ed Waters Reviewed the measure in its original form. Described the (-1) amendment and distributed the (-1) Revenue statement. (Exhibits 1-2)

Described the (-2) amendments, which would change the way the minimum income requirement is indexed for inflation. (Exhibit 3)

043 Chuck Sheketoff Spoke to the (-2) amendments. (Exhibit 3)

045 Chair Shetterly Spoke to the (-1) amendments. (Exhibit 2)

064 Chair Shetterly **MOTION: MOVED LC (-1) AMENDMENTS DATED 04/20/2001 TO HB 2716 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED. (ALL MEMBERS PRESENT EXCEPT Hass, Witt, Williams and Kafoury EXCUSED)**

065 Chair Shetterly **MOTION: MOVED LC (-2) AMENDMENTS DATED 04/23/2001 TO HB 2716 BE ADOPTED. (ALL MEMBERS PRESENT EXCEPT Hass, Witt, Williams and Kafoury EXCUSED)**

067 Chair Shetterly **MOTION: MOVED HB 2716 TO THE HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.**

081 **ROLL CALL VOTE: MOTION PASSED 5-0-4\* (Tape 149, Side A, 166 — Hass and Kafoury vote aye. VOTE 7-0-2; Tape 151, Side A, 193 — Williams votes aye. VOTE 8-0-1)**

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

**REPRESENTATIVES EXCUSED: Hass, Williams, Witt, Kafoury**

**Chair Shetterly and Rep. Rosenbaum will carry the bill.**

**OPENED PUBLIC HEARING ON HB 3000**

084 James Jensen Provided a description of the measure and discussed the background. (Exhibit 4)

099 Rep. Richard Presented testimony in support of measure.

Devlin (Exhibit 5)

149 Gary Andeen Spoke in support of the measure.

**\*REOPENED WORK SESSION ON HB 2716**

166 Chair Shetterly **THE CHAIR REQUESTED UNANIMOUS CONSENT TO SUSPEND THE RULES TO REOPEN THE WORK SESSION ON HB 2716 FOR THE PURPOSE OF ALLOWING Rep. Hass and Vice Chair Kafoury TO VOTE. HEARING NO OBJECTION, THE CHAIR SO ORDERED.**

**Rep. Hass and Vice Chair Kafoury BEING EXCUSED WHEN THE ROLL WAS CALLED, WERE GRANTED UNANIMOUS CONSENT TO BE RECORDED AS VOTING AYE ON HB 2716.**

**OPENED PUBLIC HEARING ON HB 2934**

207 Richard Yates Provided a description of the measure and discussed the background. (Exhibit 6)

Noted that there are four proposed amendments and provided a handout describing how each amendment affects the printed measure. (Exhibits 7-10 and 15)

258 Scott West Presented testimony in support of measure. (Exhibit 11)

261 Todd Davidson Spoke in support of the measure.

357 Bill Cross Presented testimony in support of measure and the (-2) and (-3) amendments. (Exhibits 9, 10 and 12)

**TAPE 150, SIDE A**

011 West Summarized testimony in support of the measure, (Page 3, Exhibit 11).

077 West Continued with testimony, , (Pages 6-7, Exhibit 11) and spoke to the (-2) and (-3) amendments, (Exhibits 9-10).

115 Rep. Brown Questions and discussion regarding how cities like Yachats and Depoe Bay that support their local government services primarily by room tax be affected.

138 Rep. Bates Questions and discussion regarding the

efficiency curve for dollars invested in tourism and does the measure obtain the needed money to invest in that manner.

- 170 Vice Chair Questions and discussion regarding if there is a decrease in tourism if the room tax rises above a certain level.  
Kafoury
- 189 Vice Chair Questions and discussion regarding and requested examples of what types of activities and facilities would be addressed on page 1, lines 16-18 and lines 22-24 of the (-2) amendments, (Exhibit 9):  
Carlson
- 219 Yates Discussed differences between the (-2) amendments, (Exhibit 9), and the (-3) amendments, (Exhibit 10), as they relate to the original measure.
- 251 Vice Chair Questions and discussion regarding:  
Carlson
1. Are the (-2) amendments, (Exhibit 9) are more or less restrictive than the (-3) amendments, (Exhibit 10).
  2. How does the language in the (-3) amendment, (Exhibit 10) relate to §11, page 4 of the printed measure?
- Questions and discussion regarding how the different amendments interact with the measure.
- 344 Vice Chair The (-4) amendments deal with debt financing and refinancing, what is the industry's position on using the lodging tax to do debt financing or refinancing of debt, (Exhibit 15)?  
Carlson
- 374 West Spoke to prior conversations with the City of Portland and the industry's perspective and neutrality based on those conversations. Has not seen the (-4) amendments, (Exhibit 15).
- 412 Rep. Bates Spoke to the importance of this measure to Southern Oregon. Noted concern about the definition of tourist promotion; would the definition include maintenance of roads and public transportation

**TAPE 149, SIDE B**

- 014 West Referenced local option language and spoke to the Metropolitan area's construction of the Convention Center and the project expansion of "Fareless Square" and that being an integral part of promoting tourism.
- 026 Rep. Bates Spoke to concerns in "trying to make one law fit the entire State" and the dilemma that is posed by this type of measure; spoke to preempting local decision making where this rightfully belongs. Will have problems supporting the preemption piece of the measure, but could fully support the rest of it.
- 061 Rep. Beck Questions and discussion regarding local options above the 1%, is it subject to public vote or not under the (-2) and (-3) amendments, (Exhibits 9-10).
- 130 Michelle Deister Presented testimony in opposition to measure and spoke in support of the (-4) amendments. (Exhibits 14-15)
- 186 Doug Riggs Spoke in opposition to the measure.
- 231 Alicia Blalock Presented testimony in opposition to measure. (Exhibit 16)
- 258 Richard Sheeland Spoke in opposition to the measure.
- 279 Duane Cole Presented testimony in opposition to measure. (Exhibit 17)
- 334 Rep. Bates Could you support the (-4) amendments, (Exhibit 15)?
- 339 Cole Qualified yes.
- 344 Mark Jones Spoke in opposition to the measure.
- 356 Sam Sasaki Spoke in opposition to the measure.

**TAPE 150, SIDE B**

- 037 Don Lindly Presented testimony in opposition to measure. (Exhibit 18)
- 116 Ken Rust Presented testimony in opposition to measure. (Exhibit 19)
- 194 David Boyer Presented testimony in opposition to measure.

(Exhibit 20)

LRO Staff Distributed:

The (-1) amendments. (Exhibit 8)

Submitted testimony from Portland Oregon Visitors Association, Joe D'Alessandro. (Exhibit 13)

Submitted testimony from the City of Gresham, Vicki Thompson. (Exhibit 21)

#### **OPENED PUBLIC HEARING ON HB2729**

278 Ed Waters Provided a description of the measure and discussed the (-2) amendments and (-2) Revenue Impact statement. (Exhibit 22-23)

Distributed House Committee on Smart Growth and Commerce Staff Measure Summary, Fiscal statement. (Exhibit 24)

314 Paul Phillips Presented testimony in support of measure. (Exhibit 26)

368 Jim Craven Presented testimony in support of measure. (Exhibit 27)

#### **TAPE 151, SIDE A**

015 Chair Shetterly Questioned what the revenue impact would be of just the sunset extension and Waters' noted it would be about \$3.5 million.

018 Craven Clarified if the Chair is referring to an extension of the current law.

019 Chair Shetterly Concurred, without the expansion.

024 Waters Referenced the Governor's proposed budget in the Revenue section.

029 Craven Noted that number is included in the Governor's budget balance, per conversations with the Governor's budget staff.

032 Rep. Bates Spoke to the measure and requested a Fiscal impact for the following two pieces:

1. The measure has been expanded.
2. The cap has been raised.

- 040 Phillips Spoke to the policy decisions to be made and their willingness to work with staff to provide numbers.
- 045 Gary Conkling Presented testimony in support of measure. (Exhibit 28)
- 068 Waters Reviewed the (-1) amendment, which basically incorporates HB 2527 and was requested by Rep. Zauner. (Exhibit 25)

#### **OPENED PUBLIC HEARING ON HB 3641**

- 082 Paul Warner Provided a description of the measure and discussed the background. (Exhibit 29)
- Described the (-1) amendments and noted the Fiscal Impact statement does not address the amendments; the estimated saving with the (-1) amendments would increase \$76,000. (Exhibit 30)
- 096 Don Miner Spoke in support of the measure and the (-1) amendments. (Exhibit 30)
- 106 Joan Fraser Presented testimony in support of measure and the (-1) amendments. (Exhibits 30-31)

#### **OPENED WORK SESSION ON HB 3641**

- 141 Vice Chair **MOTION: MOVED LC (-1)**  
Carlson **AMENDMENTS DATED 04/24/2001 TO HB 3641 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED. (ALL MEMBERS PRESENT EXCEPT Witt and Kafoury, EXCUSED)**
- 157 Vice Chair **MOTION: MOVED HB 3641 TO THE**  
Carlson **HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.**
- 159 Vice Chair **MOTION: REQUESTED UNANIMOUS**  
Carlson **CONSENT TO WITHDRAW MOTION WHEREBY HB 3641 WAS MOVED TO THE HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.**
- 160 Vice Chair **MOTION: MOVED HB 3641 TO THE**  
Carlson **HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION AND THE SUBSEQUENT REFERRAL TO THE JOINT COMMITTEE ON WAYS AND MEANS BE RESCINDED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.**



**(ALL MEMBERS PRESENT EXCEPT Witt,  
EXCUSED)**

**Vice Chair Carlson will carry the bill.**

**\*REOPENED WORK SESSION ON HB 2716**

193 Chair Shetterly **THE CHAIR REQUESTED UNANIMOUS  
CONSENT TO SUSPEND THE RULES TO  
REOPEN THE WORK SESSION ON HB  
2716 FOR THE PURPOSE OF ALLOWING  
Rep. Williams TO VOTE. HEARING NO  
OBJECTION, THE CHAIR SO ORDERED.**

**Rep. Williams BEING EXCUSED WHEN  
THE ROLL WAS CALLED, WAS  
GRANTED UNANIMOUS CONSENT TO  
BE RECORDED AS VOTING AYE ON HB  
2716.**

LRO Staff Distributed material for member review on HB  
2876 and HB 3127:

1. HB 2876 Revenue estimates for the (-1),  
(-2) and (-3) amendments, submitted by  
Martin-Mahar. (Exhibit 32)
2. HB 2876 Staff Measure Summary for the  
(-1) amendments, submitted by Martin-  
Mahar. (Exhibit 33)
3. HB 2876 (-1) amendments, submitted by  
the Farm Bureau and County Assessors.  
(Exhibit 34)
4. HB 2876 Staff Measure Summary for the  
(-2) amendments, submitted by Martin-  
Mahar. (Exhibit 35)
5. HB 2876 (-2) amendments, submitted by  
the Farm Bureau and County Assessors.  
(Exhibit 36)
6. HB 2876 Staff Measure Summary for the  
(-3) amendments, submitted by Martin-  
Mahar. (Exhibit 37)
7. HB 2876 (-3) amendments, submitted by  
the Special Districts Association. (Exhibit  
38)

8. HB 2876 Testimony, submitted by  
Columbia County Assessor. (Exhibit 39)
9. HB 3127 Staff Measure Summary for the  
(-2) and (-3) amendments, submitted by  
Martin-Mahar. (Exhibit 40)
10. HB 3127 (-3) amendments, submitted by  
the Oregon Trucking Association, Inc.  
(Exhibit 41)

195 Chair Shetterly Meeting adjourned at 3:16 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2716, (-1) Revenue statement, Waters, 1 page
2. HB 2716, (-1) amendment, (DJ/ps) 04/20/01, Chair Shetterly, 1 page
3. HB 2716, (-2) amendment, (DJ/ps) 04/23/01, Sheketoff, 1 page
4. HB 3000, Revenue Impact statement, Jensen, 1 page
5. HB 3000, Testimony, Rep. Devlin, 3 pages
6. HB 2934, Staff Measure Summary, Revenue statement, Yates, 2 pages
7. HB 2934, (-2) Spread Sheet, Yates, 1 page
8. HB 2934, (-1) amendment, (DJ/ps) 04/05/01, Chair Shetterly, 3 pages
9. HB 2934, (-2) amendment, (DJ/ps) 04/12/01, Chair Shetterly, 3 pages
10. HB 2934, (-3) amendment, (DJ/ps) 04/19/01, Chair Shetterly, 1 page
11. HB 2934, Testimony, West, 13 pages
12. HB 2934, Testimony, Cross, 2 pages
13. HB 2934, Submitted Testimony, D'Alessandro, 1 page
14. HB 2934, Testimony, Deister, 2 pages
15. HB 2934, (-4) amendment, (DJ/ps) 04/23/01, League of Oregon Cities, 2 pages
16. HB 2934, Testimony, Blalock, 2 pages
17. HB 2934, Testimony, Cole, 2 pages
18. HB 2934, Testimony, Lindly, 2 pages
19. HB 2934, Testimony, Rust, 5 pages
20. HB 2934, Testimony, Boyer, 1 page
21. HB 2934, Submitted Testimony, Thompson, 1 page
22. HB 2729, (-2) Revenue statement, Waters, 1 page
23. HB 2729, (-2) amendment, (DJ/ps) 04/23/01, Rep. Witt, 1 page
24. HB 2729, House Committee on Smart Growth and Commerce Staff Measure Summary and Fiscal

- statement, LRO Staff, 2 pages
25. HB 2729, (-1) amendment, (DJ/ps) 04/02/01, Rep. Zauner, 4 pages
  26. HB 2729, Testimony, Phillips, 2 pages
  27. HB 2729, Testimony, Craven, 2 pages
  28. HB 2729, Testimony, Conkling, 1 page
  29. HB 3641, Staff Measure Summary for the (-1) amendments, Revenue and Fiscal impact statements, Warner, 3 pages
  30. HB 3641, (-1) amendment, (CT/ps) 04/24/01, Dept. of Consumer Business Services, 6 pages
  31. HB 3641, Testimony, Fraser, 3 pages
  32. HB 2876, Spread Sheet of Revenue Estimates for the (-1), (-2) and (-3) amendments, Martin-Mahar, 1 page
  33. HB 2876, (-1) Staff Measure Summary, Martin-Mahar, 1 page
  34. HB 2876, (-1) amendment, (DJ/ps) 03/22/01, Farm Bureau/County Assessors, 3 pages
  35. HB 2876, (-2) Staff Measure Summary, Martin-Mahar, 2 pages
  36. HB 2876, (-2) amendment, (DJ/ps) 03/22/01, Farm Bureau/County Assessors, 3 pages
  37. HB 2876, (-3) Staff Measure Summary, Martin-Mahar, 2 page
  38. HB 2876, (-3) amendment, (DJ/ps) 04/16/01, Squires, 555 pages
  39. HB 2876, Submitted testimony, Linhares, 1 page
  40. HB 3127, (-2) and (-3) Staff Measure Summary, Martin-Mahar, 1 page
  41. HB 3127, (-3) amendment, (DJ/ps)04/23/01, Russell, 2 pages