

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

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

Members Present: Representative Lane Shetterly, Chair

Representative Janet Carlson, Vice Chair (1:26 arrived)

Representative Deborah Kafoury, Vice Chair (1:26 arrived)

Representative Alan Bates

Representative Chris Beck

Representative Alan Brown

Representative Mark Hass

Representative Max Williams (1:34 arrived)

Representative Bill Witt (1:32 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Mike Burton, Oregon Economic and
Community Development Department

Michelle Deister, League of Oregon Cities

John Phillips, Department of Revenue

Charles Jackson, Confederated Tribes of Warm
Springs Reservation of Oregon

Olney Patt, Confederated Tribes of Warm Springs
Reservation of Oregon

Michael Mason, Confederated Tribes of Warm
Springs Reservation of Oregon

Jim Noteboon, Confederated Tribes of Warm Springs
Reservation of Oregon

Roger Martin, Confederated Tribes of the Umatilla
Indian Reservation, Oregon

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005 Chair Shetterly Meeting called to order at 1:23 p.m.

OPENED WORK SESSION ON HB 2131 A-ENG.

008 Lizbeth Martin- Noted a section by section description of the
Mahar measure is provided in the Staff Measure
Summary from House Committee on Smart
Growth and Commerce and provided a summary
sheet of the A-Eng. measure; and gave a
description of the key parts of the (-A4)
amendments. (Exhibits 1-3)

Chair Shetterly Left at 1:24 p.m., passed gavel to Vice Chair
Carlson.

085 Mike Burton Presented testimony in support of measure.
(Exhibit 4)

Spoke to the (-A4) amendments, and noted that
could support the concept, but without knowing
the details cannot take a position on the
amendments, (Exhibit 2).

155 Michelle Deister Spoke in support of the A-Eng. measure; does
not believe the (-A4) amendments would impact
cities, (Exhibit 2).

171 John Phillips Spoke to the measure; no position taken;
reserved comments on the (-A4) amendments,
(Exhibit 2).

183 Vice Chair Questioned if there is a Revenue Impact for the
Carlson A-Eng. measure or with the (-A4) amendments,
(Exhibit 2).

200 Martin-Mahar There is no revenue impact with the A-Eng.
measure; the (-A4) amendments would have a
State revenue impact, (Exhibit 2).

- 190 Rep. Bates Questioned if the (-A4) amendments, which affect only tribal taxes would somehow affect State taxes?
- 200 Martin-Mahar The businesses that go into the reservation are the ones getting the tax credit for the amount of tax paid to the Indian tribes.
- 212 Rep. Hass Historically do businesses stay after the exemption expires?
- 213 Burton Noted that most businesses stay well beyond the exemption; referenced testimony and a listing of the activity in Enterprise Zones for the 2000 tax year, (Pages 5-6, Exhibit 4).
- 274 Rep. Beck Questions and discussion regarding the referenced chart of the activity in Enterprise Zones for the 2000 tax year, (Pages 5-6, Exhibit 4).
- 316 Rep. Beck Questions and discussion regarding what is the property tax currently exempted as a result of this program.
- 311 Rep. Beck Do school districts have a say in whether these properties are exempted from the school tax?
- 317 Burton "The Department of Revenue adopted rules that requires any jurisdictions applying for zone status to conference with all taxing districts within the zone."
- 322 Vice Chair Carlson Requested a listing of the 17 exempted businesses in Salem that, (Page 6, Exhibit 4).
- 338 Olney Patt Spoke in support of the measure, as amended by the (-A4) amendments, (Exhibit 2).
- 404 Charles Jackson Spoke in support of the measure, as amended by the (-A4) amendments, (Exhibit 2, 5).

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- 035 Jackson Continued with testimony in support of the measure, as amended by the (-A4) amendments, (Exhibit 2, 5??).
- 062 Michael Mason Spoke in support of the measure, as amended by the (-A4) amendments, (Exhibit 2).
- 085 Rep. Witt Questioned if this credit against Oregon income taxes would apply to all kinds of taxes assessed by the tribes?

089	Jim Noteboon	Explained how the proposal was structured to be a like tax.
097	Rep. Witt	Questions and discussion regarding where that appears in the (-A4) amendments, (Exhibit 2).
131	Rep. Witt	Continued with questions and discussion regarding the types of taxes levied by tribes on businesses.
151	Rep. Witt	Continued with questions and discussion regarding: Whether tribes impose property taxes on property within the tribal territory. Do they have the authority to impose property taxes on property within the tribal territory? Can a county or the State impose a property tax on property within the tribal territory?
161	Rep. Witt	The intent is to allow for any tax that can be imposed by tribal law that any corresponding county or State tax could be credited, correct?
168	Noteboon	Concurred, noted that the taxing system would remain the same.
	Vice Chair Carlson	Left at 2:04 p.m., passed gavel to Vice Chair Kafoury.
201	Rep. Bates	Questions and discussion regarding if a Company would pay property taxes to the State or county if they located on the Warm Springs Reservation.
218	Noteboon	Described when a company located on the Reservation would pay property taxes and when they would not. Clarified intent of the (-A4) amendments, (Exhibit 2).
281	Rep. Witt	Do the (-A4) amendments include all of the tribes that need to be included, (Exhibit 2)?
290	Noteboon	That is a policy question for the legislature; spoke to impediments of businesses locating on the Reservations.
314	Rep. Hass	Questions and discussion regarding what sort of facilities/businesses could qualify for the exemption
345	Rep. Brown	Questions and discussion regarding whether the

(-A4) amendments require payment of the prevailing wage or hiring locals.

384 Rep. Beck Questions and discussion regarding whether alternative solutions have been explored.

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022 Roger Martin Spoke in support of the measure, as amended by the (-A4) amendments, (Exhibit 2).

OPENED WORK SESSION ON HB 2206

095 Lizbeth Martin- Provided a description of the measure and discussed the background and distributed a Staff Measure Summary from the House Committee on Agriculture and Forestry and a Fiscal statement. (Exhibits 6-7)
Mahar

113 John Phillips Presented testimony in support of measure. (Exhibit 8)

141 Chair Shetterly **MOTION: MOVED HB 2206 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.**

144 **ROLL CALL VOTE: MOTION PASSED 8-0-1**

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

REPRESENTATIVES EXCUSED: Carlson

Chair Shetterly will carry the bill.

149 Vice Chair Meeting adjourned at 2:27 p.m.
Kafoury

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2131, Section by section review of (-A4) amendments, Martin-Mahar, 4 pages

2. HB 2131, (-A4) amendment, (DJ/ps) 04/30/01, Warm Springs Indian Tribe, 7 pages
3. HB 2131, House Committee on Smart Growth and Commerce Staff Measure Summary, LRO Staff, 2 pages
4. HB 2131, Testimony, Burton, 44 pages
5. HB 2131, Testimony, Jackson, 3 pages
6. HB 2206, Staff Measure Summary, Martin-Mahar, 1 page
7. HB 2206, House Committee on Agriculture and Forestry, Revenue and Fiscal statements, LRO Staff, 2 pages
8. HB 2206, Testimony, Phillips, 4 pages