

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

JULY 1, 2001 — 4:00 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 (4:27 arrived)

Representative Bill Witt (4:27 arrived)

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Olivia Clark, Governor's Office

Dexter Johnson, Legislative Counsel

John Ledger, Associated Oregon Industries

Jim Craven, American Electronic Association

TAPE 216, SIDE A

004 Chair Shetterly Meeting called to order at 4:20 p.m.

OPENED WORK SESSION ON SB 764 A-ENG.

008 Ed Waters Described the (-A24) amendments and distributed a fiscal impact statement. (Exhibits 1-3)

064 Waters Described the (-A25) and (-A26) amendments. (Exhibit 4)

082 Rep. Bates Questions and discussion regarding the Revenue impact statement for the (-A24) amendments, (Page 3, Exhibit 1)

109 Vice Chair Carlson Questions and discussion regarding how to read the "Estimated Revenue Impact", (Page 3, Exhibit 1).

LRO Staff Distributed a chart showing the "Elements of SB 764 with Negotiated Amendments" from John Ledger. (Exhibit 6)

141 Olivia Clark The (-A25) and (-A26) amendments address an issue that was not resolved by the work group, (Exhibits 4-5)

The intent of the (-A25) amendments is to make sure that the tax credit is not used at a facility that has been compelled by law to install the pollution control device, (Exhibit 4).

171 Chair Shetterly Questions and discussion regarding whether §11 of the (-A25) amendments, (Exhibit 4), are in addition to or in lieu of §11 of the (-A24) amendments, (Exhibit 3).

175 Clark Noted that the (-A25) amendments, (Exhibit 4), are narrower than the (-A26) amendments, (Exhibit 5), with the removal of the consent decree provision.

178 Dexter Johnson Described the (-A25) amendments, which attempt to prohibit certification of those facilities for which either an administrative agency or a court has ordered that a pollution control device be constructed or installed to comply with an existing requirement, (Exhibit

4).

The (-A26) amendments would restrict certification of facilities that are constructed or installed pursuant to a settlement agreement arrived at between the industry and the regulating agency, (Exhibit 5).

206 John Ledger Spoke in opposition to the (-A25) and the (-A26) amendments, (Exhibits 4-5) and in support of the (-A24) amendments, (Exhibit 3).

306 Rep. Witt Questions and discussion regarding Ledger's concerns with the (-A25) and (-A26) amendments, (Exhibits 4-5) and questioned if the same concern would extend to the (-A24) amendments, paragraph 12, (Page 4, Lines 9-18, Exhibit 3).

347 Vice Chair
Carlson Questions and discussion regarding clarification of Ledger's testimony regarding forwarding of documents.

357 Rep. Bates Questions and discussion regarding clarification of whether the (-A25) and (-A26) were part of the discussion in the work group, (Exhibits 4-5).

393 Chair Shetterly Recessed the meeting at 4:46 p.m. to respond to a Call of the House; reconvened at 5:07 p.m.

413 Clark Discussed the policy question that the (-A25) and (-A26) amendments are meant to address. (Exhibits 4-5).

TAPE 217, SIDE A

013 Vice Chair
Carlson Questions and discussion regarding at what point in time would the enforcement order become effective with the (-A25) and (-A26) amendments, (Exhibits 4-5).

026 Jim Craven Spoke to concern about the "effective date" in §12 of the (-A25) and the (-A26) amendments, (Exhibits 4-5).

054 Johnson Noted that this would apply to those businesses that are currently constructing, pursuant to a court order or agency order, a pollution control facility.

Questions and discussion regarding remedies to address Craven's concern.

080 Chair Shetterly Noted his concern on adoption of the (-A25) and

(-A26) amendments without knowledge of how this would apply. (Exhibits 4-5)

096 Vice Chair Kafoury Questions and discussion regarding the intent of the (-A25) and (-A26) amendments directed at the Confined Animal Feeding Operations (CAFO) issue. (Exhibits 4-5)

Chair Shetterly Recessed the meeting at 5:15 p.m. to respond to a Call of the House; reconvened at 5:27 p.m.

107 Rep. Witt **MOTION: MOVED LC (-A24) AMENDMENTS DATED 06/30/2001 TO SB 764 A-ENG. BE ADOPTED.**

113 Rep. Witt Spoke in support of the motion.

120 Rep. Bates Spoke in support of the motion.

139 Chair Shetterly Spoke in support of the motion.

151 Chair Shetterly **HEARING NO OBJECTION, THE CHAIR SO ORDERED.**

160 Rep. Beck **MOTION: MOVED LC (-A25) AMENDMENTS DATED 07/01/2001 TO SB 764 A-ENG. BE ADOPTED.**

165 Rep. Witt Spoke in opposition to the motion.

179 Rep. Bates Spoke in opposition to the motion.

187 Rep. Beck Spoke in support of the motion.

196 **ROLL CALL VOTE: MOTION FAILED 1-8-0**

REPRESENTATIVES VOTING AYE: Beck

REPRESENTATIVES VOTING NAY: Bates, Brown, Hass, Williams, Witt, Carlson, Kafoury, Chair Shetterly

209 Rep. Witt **MOTION: MOVED SB 764 A-ENG. TO THE HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.**

213 Rep. Beck Spoke in opposition to the motion.

236 Rep. Witt Spoke in support of the motion.

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

REPRESENTATIVES VOTING AYE: Bates, Brown, Hass, Williams, Witt, Carlson,

Kafoury, Chair Shetterly

REPRESENTATIVES VOTING NAY: Beck

Chair Shetterly will carry the bill.

267 Chair Shetterly Meeting adjourned at 5:39 p.m.

Submitted by, Reviewed by,

Joan Green Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 764, Explanation of proposed amendments, Waters, 3 pages
2. SB 764, (-A24) Fiscal Impact statement, LRO Staff, 2 pages
3. SB 764, (-A24) amendment, (DJ/ps) 06/30/01, Chair Shetterly, 10 pages
4. SB 764, (-A25) amendment, (DJ/ps) 07/01/01, Clark, 1 page
5. SB 764, (-A26) amendment, (DJ/ps) 07/01/01, Clark, 1 page
6. SB 764, Handout describing elements of amendments, Ledger, 2 pages