

**ORGANIZATIONAL/
INFORMATIONAL MEETING
TAPES 001 — 002 A/B**

SENATE REVENUE COMMITTEE

January 10, 2001 — 8:00 A.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Ted Ferrioli, Chair

Senator Lee Beyer, Vice Chair

Senator Susan Castillo

Senator Tony Corcoran

Senator Gary George

Senator John Minnis

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Legislative Revenue Office

Steve Meyer, Legislative Revenue Office

Ed Waters, Legislative Revenue Office

Richard Yates, Legislative Revenue Office

Kim Taylor James, Legislative Revenue Office

Carol Phillips, Committee Assistant

TAPE 001, SIDE A

009 Chair Ferrioli Called meeting to order at 8:05 a.m. The Chair introduced himself and outlined what would be

covered in today's meeting. The Chair also outlined what the role of the Senate Revenue Committee will be in the 2001 Legislative Session. Mr. Paul Warner was then introduced.

- 019 Paul Warner Welcomed the members of the Senate Revenue Committee back to the capitol. Spoke about similarities between Senate Revenue and the Ways and Means Committee process, and that the same Legislative Revenue Office staff also handles the House Revenue Committee. That creates some continuity in bill and measure analysis. Mr. Warner then introduced all the LRO staff.
- 053 Chair Ferrioli Stated that he would be making appointments with each member of the Senate Revenue Committee to discuss their committee objectives and expectations with the hope of making this a much more "activist committee" than has been the case in the past two sessions. He acknowledged Vice Chair Beyer's long-standing work with revenue committees.
- 063 Chair Ferrioli Mentioned one other "housekeeping" matter. Because three members have to commute from Eugene/Springfield, Vice Chair Beyer asked if Senate Revenue could begin at 8:30 a.m. instead of 8:00 a.m. for the first two months or so. Hearing no objection, Chair Ferrioli stated that beginning January 11, 2001, Senate Revenue Committee would meet at 8:30 a.m. until further notice.
- 085 Warner Introduced the Legislative Revenue Office economists and outlined their areas of expertise. (Exhibit 2 — Staff Specialties.)
- 121 Chair Ferrioli Stated there were some orders of business to be attended to. First was Adoption of Committee Rules. Exhibit 1 — Proposed Sample Committee Rules. Motion to adopt proposed rules. Hearing no objection, proposed rules

were adopted.

- 138 Chair Ferrioli Discussed Planning Calendar for Committee Members & Staff. Stated this was a valuable tool for members to keep up with committee work. Exhibit 3.
- 142 Warner Discussed the Week at a Glance planning schedule. Also referred to Committee Member's Planning Calendars and Bill Files. Exhibit 4.
- 155 Warner Oregon Public Finance: Basic Facts. In past years it was called the "Basic Tax packet". Said it should serve as a good reference document for committee members. Exhibit 5.
- 195 Chair Ferrioli Stated he had reviewed an advance copy of a document the other committee members recently received and that there was information that would direct them to options as a legislative body. Spoke about what issues may possibly be brought before the Senate Revenue Committee during the 2001 session.
- 235 Warner Personal Income Tax — General Provisions. Discussed ORS 316.003 in detail, which describes goals of the tax system. Exhibit 6.
- 295 Warner Began discussion of Revenue Committee Background for 2001 — Legislative Session. Discussed each slide in detail. Discussed Slide 2 — Tax System Goals. Exhibit 7.
- 390 Warner Began discussion of Slide 3 — Oregon's Economic Performance in the 1990's. Stated that the 1990's were good for Oregon overall, but that 1998 to 1999 was not good. Job growth is well below 1%. Oregon's economy is one of the poorer performing in the country compared with the rest of the states.

460 Warner Announced that House Revenue has invited Senate Revenue to join them for their meeting Friday, January 12 at 1:30 p.m. Several prominent private sector economists will be on hand to give their economic forecast opinions.

TAPE 002, SIDE A

027 Warner Discussed Slide 4 — Government Growth in Oregon.

051 Warner Discussed Slide 5 — Oregon Income and Property Taxes. Further discussion with questions and answers interspersed.

260 Warner Discussed Slide 6 -- Growth in School Operating Revenue.

283 Warner Discussed Slide 7 — Oregon's State & Local Revenue System. Questions and answers interspersed.

401 Warner Discussed Slide 8 — Oregon's General Revenue Mix. Questions and answers interspersed.

TAPE 001, SIDE B

025 Warner Continuation of Slide 8 discussion.

050 Warner Discussed Slide 9 - State Tax Collections by Source. Oregon is more dependent on its personal income tax than any other state is dependent on any other tax source. When the economy does turn bad, the personal income source would be volatile.

088 Warner Discussed Slide 10 - Changing Composition of AGI. Questions and answers interspersed.

151 Warner Discussed Slide 11 - General Fund Revenue Sources and Slide 12 - All Funds Revenue Sources, with questions and answers interspersed.

295 Warner Discussed Slide 13 - General Fund Revenue Outlook, interspersed with questions and answers.

375 Warner Discussed Slide 14 - Legacy of Oregon's Property Tax Initiatives, interspersed with questions and answers.

TAPE 002, SIDE B

010 Warner Continuations of Slide 14 discussion.

042 Warner Discussed Slide 15 - Characteristics of Oregon's Revenue System, interspersed with questions and answers.

070 Chair Ferrioli Stated that hearing these taxation facts was enlightening. Reiterated Senate Revenue Committee start time will be changed to 8:30 a.m., beginning tomorrow, until further notice.

098 Chair Ferrioli Meeting adjourned at 10:31 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. Ferrioli, Proposed Sample Committee Rules, 2 pp.
2. Warner, Staff Specialties, 1 pp.
3. Ferrioli, Planning Calendar for Committee Members & Staff, 1 pp.
4. Warner, Committee Members Planning Calendars & Bill Files, 1 pp.
5. Warner, Oregon Public Finance: Basic Facts, 72 pp.
6. Warner, Personal Income Tax: General Provisions ORS 316.003, 1 pp.
7. Warner, Revenue Committee Background for 2001 Legislative Session 1 pp.