

PUBLIC HEARING AND WORK SESSION

SB 333, HB 2205, HB 2274

TAPES 034-035, A/B

SENATE REVENUE COMMITTEE

February 7, 2001 — 8:30 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

Lizabeth Martin-Mahar, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Carol Phillips, Committee Assistant

Witnesses: Lynn Partin, Housing and Community Services Department

Bob May, CASA of Oregon

David Sparks, Deputy Administrator for Policy, Oregon OSHA

David Nebel, Oregon Law Center

Tim Bernasek, General Counsel of Oregon Farm

Bureau Federation

Debra Buchanan, Department of Revenue

John Phillips, Department of Revenue

TAPE 034, SIDE A

008 Chair Ferrioli Meeting called to order 8:35 a.m.

019 Paul Warner Stated that SB 333 removes the December 31, 2001 sunset date and makes permanent the Farm Worker Housing Lender's Tax Credit.

030 Ed Waters Gave background information on the Farm Worker Housing Lender's Tax Credit. A credit against corporation income taxes is allowed for commercial lending institutions financing construction or rehabilitation of farm worker housing projects. The credit currently equals 30 percent of the interest received on loans made to finance only the direct costs associated with construction or rehabilitating farm worker housing.

Questions and answers were interspersed.

OPENED PUBLIC HEARING ON SB 333

103 Lynn Partin Discussed Exhibit 6, written testimony in favor of the bill. There are two tax credits associated with the Farm Worker Housing Tax Credit program. The lender receives one, and the other goes to the investor or grower.

Questions and answers interspersed.

161 Bob May Discussed Exhibit 7, written testimony, in favor of the bill. Pointed out that lenders offer rates below prime to growers applying for loans to repair or improve farm worker housing.

Questions and answers interspersed.

232 David Sparks Discussed Exhibit 8, written testimony. Strongly recommends support of SB 333. Explained that the tax credit has a cap of \$3.3 million per year eligible costs; and of that \$3.3 million the recipients can take 30% for a tax credit. Feels that the program has definitely improved the quality and stock of housing in Oregon for farm workers, and it is important that the sunset be eliminated.

273 David Nebel Spoke in support of SB 333. He advised the committee that SB 333 is a high priority of the Housing Lobby Coalition, which is a broad-based group of lobbyists interested in supporting legislative efforts to promote low-income housing throughout Oregon.

300 Tim Bernasek Discussed Exhibit 9, written testimony in support of SB 333. Oregon Farm Bureau is working with Hood River Growers & Shippers Association on some amendments to SB 333 that will make the bill better. The amendments would extend the income tax credit and add a property tax credit component to the bill. A significant number of farm workers rely on on-farm housing during their time in Oregon and the U.S.

Extensive questions and answers followed.

TAPE 035, SIDE A

021 Partin Further commented that SB 333 is just about renewing the tax credit, i.e. allowing it to go on and not sunset.

Questions and answers followed.

047 Bernasek Said the Oregon Farm Bureau is working on amendments to this bill, and does not want to "sink" the income tax credit proposal. The message he gets from growers is they feel it is important to house farm workers, but times are tough right now and they would appreciate another vehicle to refurbish or provide more on-

farm housing.

060 Partin Referred to her written testimony that discusses the "Migrant Million". This money was designated for them in the 1999 session, but is not currently in the Governor's or Co-Chair's budget for 2001. The passage of SB 333 is all the more important if the "Migrant Million" is not funded.

074 Chair Ferrioli Assured members that he feels there is no danger of potential amendments sinking this bill. It is an excellent program that should be continued.

Comments and general discussion followed.

CLOSED PUBLIC HEARING ON SB 333

107 Waters Stated that HB 2284 authorizes the Department of Revenue to adopt rules allowing a credit against taxes imposed on the same item of income by Oregon and another state in certain circumstances where a credit for taxes paid in another state is not currently available.

OPENED PUBLIC HEARING ON HB 2274

124 Debra Buchanan Explained details of HB 2274, which have four main points:

1. The Department is authorized to adopt rules allowing a credit against taxes imposed by Oregon and another state on the same item of income.
2. Restates requirement that taxpayers file reports of federal or other audit changes.
3. Restates Department's ability to issue a notice of deficiency or refund based on those reports.
4. Provides that a refund claim may be filed if a taxpayer files an original federal or other state return, or is assessed additional tax for failure to file the return, and Oregon tax is changed as a result of

the assessment.

CLOSED PUBLIC HEARING ON HB 2274

OPENED WORK SESSION ON HB 2274

250 Sen. L. Beyer MOTION:

MOVES HB 2274 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION.

252 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0 — 0

Sen. L. Beyer will carry the bill on the Senate
Floor.

CLOSED WORK SESSION ON HB 2274

274 Lizbeth Martin-
Mahar Explained that HB 2205 permits new
exceptions when property tax accounts, with
adjudicated real market values, can be
increased. One of the following events must
have occurred on the property during the 5-year
adjudication period: Rezoning and a change of
use consistent with the zone change or
subdividing or partitioning. HB 2205 applies to
changes in real market value made on or after
the effective date of the bill.

OPENED PUBLIC HEARING ON HB 2205

332 John Phillips Discussed Exhibit 18, written testimony. Stated
that the adjudication statute (old law) and
Measure 50 (constitutional) both set base
taxable value on property. They do that in
different ways that are not in "sync". Under the
current system two properties with like changes
are treated in two different ways, and it affects
their taxable value in two different ways. This
is an equity issue.

Further discussion, and questions and answers
followed.

TAPE 034, SIDE B

025 Phillips Continuation of comments, with questions and answers interspersed.

CLOSED PUBLIC HEARING ON HB 2205

177 Chair Ferrioli General discussion regarding HB 2205.

OPENED WORK SESSION ON HB 2205

224 Sen. L. Beyer MOTION:

MOVES HB 2205 TO THE SENATE FLOOR
WITH A DO PASS RECOMMENDATION

227 Chair Ferrioli ORDER:

HEARING NO OBJECTION, MOTION
PASSES: 7 — 0 — 0

Sen. Corcoran will carry the bill on the Senate
Floor.

233 Chair Ferrioli Adjourned meeting at 9:55 a.m.

Submitted by, Reviewed by,

Carol Phillips Kim Taylor James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 333, Waters, Revenue Impact Statement, 1 pp.
2. SB 333, Waters, Farm Worker Housing Lender's Credit, 2 pp.
3. SB 333, Waters, 317.147 Farmworker Housing Loans, 2 pp.
4. SB 333, Waters, Fiscal Impact Statement, 1 pp.
5. SB 333, Waters, Revenue Impact Statement, 1 pp.
6. SB 333, Partin, written testimony dated February 7, 2001, 2 pp.
7. SB 333, May, written testimony dated February 7, 2001, 1 pp.

8. SB 333, Sparks, written testimony dated February 7, 2001, 6 pp.
9. SB 333, Bernasek, written testimony dated February 7, 2001, 2 pp.
10. SB 333, Bernasek, newspaper article dated February 7, 2001, 2 pp.
11. HB 2274, Waters, Staff Measure Summary, 1 pp.
12. HB 2274, Waters, Fiscal Impact Statement, 1 pp.
13. HB 2274, Waters, Revenue Impact Statement, 1 pp.
14. HB 2274, Buchanan, HB 2274 summary, 2 pp.
15. HB 2205, Martin-Mahar, Staff Measure Summary, 1 pp.
16. HB 2205, Martin-Mahar, Revenue Impact Statement, 1 pp.
17. HB 2205, Fiscal Impact Statement, 1 pp.
18. HB 2205, Phillips, written testimony dated February 7, 2001, 1 pp.