

**HOUSE COMMITTEE ON AGENCY PERFORMANCE & OPERATIONS**

**April 1, 1999 Hearing Room E**

**8:30 a.m. Tapes 45 - 46**

**MEMBERS PRESENT: Rep. Jane Lokan, Chair**

**Rep. Kathy Lowe, Vice-Chair**

**Rep. Dan Gardner**

**Rep. Tim Knopp**

**Rep. Jeff Kruse**

**Rep. Bob Montgomery**

**Rep. Kitty Piercy**

**MEMBER EXCUSED: Rep. Betsy Close**

**STAFF PRESENT: Pat Zwick, Administrator**

**Susan M. Pettey, Administrative Support**

**MEASURES HEARD: HB 2789 Public Hearing**

**HB 2604 Public Hearing**

**HB 2662 Public Hearing**

**HB 2662 Work Session**

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 45, A		
004	Chair Lokan	Opens meeting at 8:38 a.m., and opens public hearing on HB 2789.

**HB 2789 PUBLIC HEARING**

016	Pat Zwick	Committee Administrator. Summarizes provisions of HB 2789.
026	Rep. Mark Simmons	House District 58. Indicates HB 2789 was introduced on behalf of a constituent in Milton-Freewater. Describes changes made to current law. Suggests holding HB 2789 in committee pending constituent contact.
049	Chair Lokan	Defers HB 2789 for later action.
053	David Nebel	Oregon Law Center. Defers testimony.
055	Emily Cedarleaf	Defers testimony.
068	Chair Lokan	Closes public hearing on HB 2789, and opens public hearing on HB 2604.

**HB 2604 PUBLIC HEARING**

074	Zwick	Summarizes provisions of HB 2604.
106	Rep. Ryan Deckert	Representative, House District 8. Speaks in support of HB 2604. Submits and reads written testimony ( <b>EXHIBIT A</b> ). Indicates that enactment of HB 2604 would add Habitat for Humanity (HH) as a charity eligible to be included as a charitable checkoff on Oregon income tax return forms. Explains the Habitat for Humanity program ( <b>EXHIBIT B</b> ). Describes substandard living conditions of some Oregonians.
145	Rep. Deckert	Urges members to pass HB 2604.
162	Chair Lokan	Asks about funding sources for HH.
168	Rep. Deckert	Explains funding sources and eligibility requirements.
188	Rep. Kruse	Asks what organization would be removed from the checkoff list to add HH.
202	Rep. Deckert	Refers to SB 666. Explains that this bill promotes rotation of eligible charities on the checkoff list. Discusses the application screening process. Comments on the affordable housing needs of low-income working Oregonians.
231	Rep. Kruse	Speculates that consideration of HB 2604 may be premature.
244	Chair Lokan	Indicates that members can give consideration at this time.

255	Chair Lokan	Asks who holds the mortgage on the dwellings.
262	Rep. Deckert	Responds that mortgage holders vary.
271	Rep. Lowe	Asks if HH receives state or federal funding.
277	Rep. Deckert	Responds that state or federal money is provided indirectly, and provides examples.
292	Rep. Lowe	Asks what percentage of the HH budget is spent on administrative expense.
298	Rep. Deckert	Replies that he does not know.
311	Brent Warren	Community Reinvestment Manager, Key Bank. Explains funding sources for Habitat for Humanity. Comments that overhead is low because of volunteerism. Explains that HH owns the mortgages on the dwellings. Wants Oregon Housing & Community Services (OHCS) to buy the mortgages.
363	Rep. Gardner	Asks if SB 666 is in Revenue Committee.
376	Chair Lokan	Responds affirmatively.
412	Rep. Gardner	Commends the work of HH. Indicates that he volunteers his time as an electrician to HH.
423	Bob Repine	Director, Oregon Housing & Community Services Department (OHCS). Speaks in support of HB 2604. Favors buying HH mortgages to allow HH to finance the construction of more houses.
470	Repine	Describes an HH project in Tillamook.
<b><u>TAPE 46, A</u></b>		
064	Repine	Discusses the increase of affordable housing stock in Oregon. Supports a partnership with HH. Urges members to support HB 2604.
082	Norah Shapiro	Children's Trust Fund. Takes neutral position on HB 2604. Submits and summarizes written testimony ( <b>EXHIBIT C</b> ). Addresses competition among entities for the checkoff program.
121	Shapiro	Addresses \$160,000 received from the checkoff program for the Children's Trust Fund in the 98-99 fiscal year.

156	Shapiro	Expresses concerns about HB 2604. Refers to SB 665 and SB 666, and the potential to reduce revenues to the Children's Trust Fund.
181	Rep. Piercy	Asks if applicants are excluded by statute from being considered for inclusion in the checkoff program.
186	Shapiro	Discusses the current statutory requirements. Describes the establishment of the Charitable Checkoff Commission in 1989, to govern the inclusion of entities onto the tax checkoff program.
183	Rep. Piercy	Asks if this is similar to the commission that was established to make decisions on the Oregon Health Plan.
201	Shapiro	Responds affirmatively.
205	Rep. Montgomery	Asks why Ms. Shapiro is testifying.
208	Shapiro	Expresses concern about current pending legislation.
212	Rep. Piercy	Clarifies that Shapiro wants a process in place for decision making as to eligibility for the checkoff program.
220	Shapiro	Agrees with Rep. Piercy.
230	Rick Main	Economist, Department of Revenue. Submits and summarizes written testimony <b>(EXHIBIT D)</b> . Explains there is no space available on the checkoff form to include additional organizations. Indicates that any 501(3)(c) organization can apply.
285	Main	Explains requirements for organizations to be included in the checkoff program. Adds that 1994 is the last year the Commission selected organizations for inclusion in the checkoff program.
299	Chair Lokan	Asks if HH has applied.
302	Main	Answers no. Expounds on difficulties for organizations to be included in the checkoff program.
320	Chair Lokan	Asks if the Commission considers the length of time an organization is included in the checkoff program.
333	Main	Responds that currently, there is no time limitation.

345	Rep. Lowe	Asks if HH qualifies for the checkoff program.
349	Main	Answers yes.
355	Rep. Piercy	Asks about any Commission discussion regarding a time limitation that an organization can be included on the checkoff program.
357	Main	Responds that the Commission has discussed that issue, and as a result introduced SB 665 and SB 666.
370	Rep. Montgomery	Asks about contributors through the checkoff program.
385	Main	Explains the contribution list ( <b>EXHIBIT D, pg. 1</b> ).
392	Rep. Montgomery	Asks how many tax forms are returned in Oregon each year.
396	Main	Answers, 1.5 million.
398	Rep. Montgomery	Asks if this is an effort to end-run the process.
410	Chair Lokan	Answers no.
416	Rep. Piercy	Asks if some of the organizations on the checkoff program are included by statute.
433	Main	Explains the legislative history of the organizations on the checkoff program.
448	Rep. Piercy	Asks if all organizations have gone through the committee process.
455	Main	Answers no.
<b>TAPE 45, B</b>		
035	Donald L. Lamb	Board Chairman, St. Vincent dePaul Society. Commends HH for accomplishments. Addresses concerns regarding parity. Discusses competition between other nonprofits and St. Vincent dePaul Society.
076	Chair Lokan	Asks for checkoff program participant suggestions.
082	Lamb	Prefers nonprofit affordable housing be the designation, with eligible organizations funneling through the charitable contributions checkoff program.

		Speculates on fund distribution.
099	Carla Raspen	Executive Director, Alzheimer's Research Alliance. Clarifies that entities on the tax checkoff list by statute were there prior to the creation of the Checkoff Commission.
120	Rep. Lowe	Asks if any organizations have been added to the list since the creation of the Commission.
234	Raspen	Answers, not to her knowledge.
128	ChairLokan	Closes public hearing on HB 2604, and opens public hearing on HB 2662.
<b><u>HB 2662 PUBLIC HEARING</u></b>		
130	Zwick	Summarizes provisions of HB 2662. Explains effects of n1 amendments ( <b>EXHIBIT E</b> ). Informs members that hand-engrossed amendments to HB 2662-1 amendments will be presented.
164	Shawn Miller	Oregon Rental Association. Speaks in support of HB 2662. Indicates that building new government-assisted low-income housing could hurt the conventional rental housing market in areas where there is a high vacancy rate in the conventional market. Describes efforts to comply with public notice requirements regarding the development of low-income housing in communities.
196	Lynn Schoessler	Deputy Director, Oregon Housing and Community Services Department (OHCS D). Speaks in support of HB 2662. Submits and summarizes proposed amendments to HB 2662-1 amendments ( <b>EXHIBIT F</b> ). Discusses public notice requirements at the local level. Suggests OHCS D be allowed to provide public notice on projects being considered for funding only. Discusses the cost and trigger points of market studies.
221	Peter Grundfossen	Association of Housing Authorities. Supports HB 2662-1 amendment as conceptually amended ( <b>EXHIBIT F</b> ).
238	Rep. Lowe	Commends parties for working together to create solutions.
254	Schoessler	Explains that local interests should be notified of the project sponsor. Indicates that all questions marks on the n1 amendments as conceptually amended will be removed in the final version. Says that the fiscal impact of HB 2662 should be insignificant.
271	Rep. Close	Asks if HB 2662 could have prevented the situation in LaGrande.
277	Miller	Responds affirmatively. Explains that the intent is to improve communication.

282	Rep. Kruse	Indicates that the committee can move the ñ2 conceptual amendments.
310	Zwick	Explains that the -1 amendments can be conceptually amended in one motion, then adopted as conceptually amended.
315	Rep. Kruse	<b>MOTION: Moves to CONCEPTUALLY AMEND HB 2662-1 amendments, per amendments submitted by Lynn Schoessler (EXHIBIT F).</b>
		<b>VOTE: 7-0</b> <b>EXCUSED: 1 ñ Close</b>
	Chair Lokan	<b>Hearing no objection, declares the motion CARRIED.</b>
322	Rep. Kruse	<b>MOTION: Moves to ADOPT HB 2662-1 CONCEPTUAL AMENDMENTS dated 3/31/99.</b>
		<b>VOTE: 7-0</b> <b>EXCUSED: 1 - Close</b>
	Chair Lokan	<b>Hearing no objection, declares the motion CARRIED.</b>
337	Chair Lokan	Closes work session on HB 2662. Adjourns the meeting at 9:55 a.m.

Submitted By, Reviewed By,

Susan M. Pettey, Pat Zwick,

Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 2604, written testimony, Rep. Ryan Deckert, 1 p.**

**B ñ HB 2604, Habitat for Humanity Mission & History, Rep. Ryan Deckert, 3 pp.**

**C ñ HB 2604, written testimony, Norah Shapiro, 2 pp.**

**D ñ HB 2604, information regarding the Charitable Checkoff Program, Rick Main, 2 pp.**

**E ñ HB 2662, -1 amendments, staff, 2 pp.**

**F ñ HB 2662-2 hand-engrossed amendments, Lynn Schoessler, 2 pp.**