

PUBLIC HEARING: HB 2139

PUBLIC HEARING & WORK SESSION:

HB 2112, HB 2126, HB 2127, HB 2128

TAPES 043 - 044 A

HOUSE REVENUE COMMITTEE

FEBRUARY 11, 1999 ã 8:30 A.M. - HEARING ROOM A - STATE CAPITOL
BUILDING

Members Present: Rep. Ken Strobeck, Chair

Rep. Anitra Rasmussen, Vice Chair

Rep. Deborah Kafoury

Rep. Jeff Merkley

Rep. Diane Rosenbaum

Rep. Lane Shetterly

Rep. Max Williams

Rep. Bill Witt

Members Absent: Rep. Welsh

Staff: Paul Warner, Legislative Revenue Officer

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Frank McNamara, Confederation of Oregon School Administrators

Jim Manary, Department of Revenue

Norm Miller, Department of Revenue

TAPE 043, SIDE A

012 Chair Strobeck Meeting called to order at 8:37 a.m.

OPENED PUBLIC HEARING ON HB 2139

022 Frank McNamara Presented testimony in support of measure. (Exhibit 1)

OPENED WORK SESSION ON HB 2112

074 Richard Yates Earlier discussion was imposing forest products harvest tax rates for funding research at Oregon State University. Discussed amendment, (Exhibit 2) and revenue impact statement. (Exhibit 3)T

097 Vice Chair Rasmussen MOTION: MOVED (-1) AMENDMENTS TO HB 2112 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

100 Vice Chair Rasmussen MOTION: MOVED HB 2112, AS AMENDED, TO THE HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION.

103 VOTE
ROLL CALL VOTE: MOTION PASSES 9-0-0

REPRESENTATIVES VOTING AYE: Kafoury, Merkley, Rosenbaum, Shetterly, Welsh, Williams, Witt, Vice Chair Rasmussen, Chair Strobeck

Rep. Welsh will carry the bill.

110 Yates Reminded Rep. Welsh that this will require a 60% vote.

OPENED PUBLIC HEARING ON 2126

119 Richard Yates HB 2126 is a bill brought forward by the Department of Revenue to simplify the method by which the Eastern and Western Oregon privilege taxes, which the department collects, are distributed back to the district.

128 Jim Manary Spoke in support of the measure.

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| 198 | Rep. Shetterly | You don't have the impact yet? |
| 201 | Manary | A run has just been completed, but the districts have not been met with yet. Continued with testimony. |
| 225 | Norm Miller | Referred to a question posed Tuesday, which was with other changes coming down the road is this appropriate; will it be used? The answer is yes and explained answer. |
| 254 | Vice Chair Rasmussen | Will there be a reporting impact on the harvesters? |
| 257 | Miller | There will be no impact on the harvesters themselves. |
| 264 | | Discussion and questions regarding the formula for distributing timber taxes and the distribution of offsets. |

OPENED PUBLIC HEARING ON HB 2127

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| 339 | Richard Yates | Reviewed bill section by section, noting changes made by the (-1) amendments. (Exhibit 4) |
| 379 | Chair Strobeck | The 1993 language did not delete this section? |
| 370 | Yates | It continued effectively for 1993-94, 1994-95 and 1995-96 before it was fully phased out. It had to remain on the books for that time, plus any adjustments. |
| 397 | Yates | Continued with section by section review of bill, beginning with B2. |
| 407 | Chair Strobeck | What is meant by reforestation? |
| 411 | Yates | Discussed the history behind the program. One of the requirements was that you reforest land to qualify for the program. |

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| 015 | Yates | Continued with section by section review of bill, beginning with §4. Referenced ORS 321.352. (Exhibit 5) There is no revenue impact. |
| 050 | Jim Manary | Spoke in support of the measure. Referenced the (-1) amendment, (Exhibit 4) that applies to page 4, lines 5-9 of the bill; this is a precautionary movement because when a move is made from the old program, by law they are put into the designated program. |
| 062 | | Discussion and questions interspersed. |

OPENED WORK SESSION ON 2127

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| 078 | Rep. Welsh | MOTION: MOVED (-1) AMENDMENTS TO (MEASURE) BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED. |
| 082 | Rep. Welsh | MOTION: MOVED HB 2127, AS AMENDED, TO THE HOUSE FLOOR WITH A DO PASS AS AMENDED RECOMMENDATION. |
| 085 | VOTE | <p>ROLL CALL VOTE: MOTION PASSES 9-0-0</p> <p>REPRESENTATIVES VOTING AYE: Kafoury, Merkley, Rosenbaum, Shetterly, Welsh, Williams, Witt, Vice Chair Rasmussen, Chair Strobeck</p> <p>Rep. Welsh will carry the bill.</p> |

OPENED PUBLIC HEARING ON HB 2128

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| 096 | Richard Yates | Reviewed the purpose of the bill. |
| 120 | Jim Manary | Spoke in support of the measure. |
| 172 | Rep. Shetterly | Referenced line 13 of the bill, what other tax payer identification numbers are there? |
| 174 | Norm Miller | There is a 6-digit account number unique to the timber industry; the bill would add that number as confidential. |
| 181 | Rep. Shetterly | Does it matter that the bill does not authorize sharing of information with territories as well as provinces in Canada? |

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| 187 | Miller | Are primary interest is with the Province of British Columbia. |
| 192 | Chair Strobeck | Does Washington and other states have similar inspectors that come to Oregon to look for the same thing? |
| 200 | Miller | There are people who come from out of state to visit Oregon mills. Discussed why the interest has increased since 1989 when the law first passed. |
| 215 | Chair Strobeck | How do you know the log is cut in Oregon? |
| 219 | Miller | The records will provide subtle differences, but sometimes it is questionable. The bill would allow in the terms of an audit to compare Oregon returns with information provided in Washington or other states. |
| 234 | Chair Strobeck | The basic purpose of the bill is to be sure Oregon gets information and reciprocity is a ticket to that? |
| 239 | Miller | Concurred. |

OPENED WORK SESSION ON 2128

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| 243 | Rep. Welsh | MOTION: MOVED HB 2128 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION. |
| 247 | VOTE | <p>ROLL CALL VOTE: MOTION PASSES 9-0-0</p> <p>REPRESENTATIVES VOTING AYE: Kafoury, Merkley, Rosenbaum, Shetterly, Welsh, Williams, Witt, Vice Chair Rasmussen, Chair Strobeck</p> <p>Rep. Witt will carry the bill.</p> |
| 260 | Chair Strobeck | Meeting adjourned at 9:22 a.m. |

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2139, Frank McNamara, Written testimony, 1 page
2. HB 2112, (-1) amendments, (DJ/ps) 02/10/99, 1 page
3. HB 2112, Yates, HB 2112-1 Revenue impact statement, 1 page
4. HB 2127, (-1) amendments, (DJ/ps) 02/09/99, 1 page
5. HB 2127, Yates, ORS 321-352, 1 page