

HOUSE REVENUE COMMITTEE

APRIL 5, 1999 ñ 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. Jim Welsh

Rep. Max Williams

Rep. Bill Witt

Staff: Paul Warner, Legislative Revenue Officer

Lizbeth Martin-Mahar, Economist, Legislative Revenue Office

Ed Waters, Economist, Legislative Revenue Office

Barbara Guardino, Committee Assistant

Witnesses: Gwen Dayton, Oregon Health Care Association

Jim Carlson, Oregon Health Care Association

Lynn McNamara, League of Oregon Cities

Susan Browning, Oregon Dept. of Revenue

TAPE 118, SIDE A

003 Chair Strobeck Called meeting to order at 8:35 a.m. Opened public hearing on HB 2079.

PUBLIC HEARING ñ HB 2079

010 Lizbeth Martin-Mahar Gave brief review of HB 2079. See Revenue Impact of Proposed Legislation (**EXHIBIT 1**). Allows property tax exemption for long-term care facilities, which have an average residency rate of 70% or more who are eligible for Medicaid.

028 Jim Carlson Spoke in support of the measure. See written testimony, Essential Community Provider Property Tax Exemption (**EXHIBIT 2**). Interim committee looked at a number of issues

Directed membersí attention to ñ1 proposed amendments (**EXHIBIT 3**).

040 Gwen Dayton Provides property tax exemption for long-term care facilities that qualify as an essential community provider. That means average 70% residency is on Medicaid. Senior and Disabled Services decides whether a facility is considered an essential community provider, then files it with local property tax assessor as being exempt from property taxes.

054 Dayton Discussed 2079-1 amendments, local option. Property tax exemption would not have an effect in a county unless the county elected to adopt it.

Revenue impact is not based on ñ1 amendments. Discussed why bill is important/necessary. Medicaid reimbursement rates have not kept up with increasing long-term health care costs, particularly with increase in minimum wage.

Concern is providing access to care for Medicaid recipients, particularly in rural communities. People want to stay in the community where they live.

124 Dayton About 1/3 of nursing facilities would qualify for this credit. Assisted living facilities and residential care, qualifying figures are lower.

133 Rep. Merkley How many of these facilities have failed?

135 Carlson Seven nursing care facility failures in the last 12 months. Most have been in rural areas. Not aware of any failures for assisted living or residential care.

145 Chair Strobeck Asked Carlson to discuss recommendations from interim committee. Follow-up questions.

149 Carlson Interim Human Resources Committee had a long-term care sub-committee. They focused on two areas: Long-term care financing and financial viability. The vast majority of facilities lose money on Medicaid services.

191	Vice Chair Rasmussen	Questions concerning ñl amendments "governing body". Who makes decision for this exemption? Follow-up questions.
202	Dayton	Intent is that people would only have to go to one taxing district for approval. If that is not clear in amendments, language may need to be changed.
229	Martin-Mahar	Concerning language: Needs more clarity to say that the county has authority to make decision.
253	Dayton	Will work with legislative counsel to clarify this language. Language in amendments was taken directly out of low income housing statute for local options. That is why she is surprised at the stated concerns.
273	Carlson	Will seek to get consensus with cities and counties.
279	Rep. Rosenbaum	Even if this bill were in place, it wouldnít change the fact that wages are low and turnover is high.
288	Carlson	Oregon Health Care Associates (OHCA) is not opposed to increasing wages; wage increase just isnít viable. This bill is only one step. There will be another bill that addresses a wage package.
311	Lynn McNamara	League of Oregon Cities (LOC) testified against this bill originally because of impact on local government. Appreciates proponents working with LOC to come up with a viable bill. Comfortable with local option amendments.
354	Vice Chair Rasmussen	Closed public hearing on HB 2079. Opened work session on HJM 2.

WORK SESSION ñ HJM 2

375	Paul Warner	Reviewed, HJM 2 is a joint memorial to U.S. Congress. It calls on Congress to eliminate federal estate taxes and gift taxes.
389	Rep. Witt	Expressed support for the measure.

412	Rep. Witt	MOTION: MOVED HJM 2 TO THE HOUSE FLOOR WITH A DO PASS RECOMMENDATION.
419	VOTE	ROLL CALL VOTE: MOTION PASSES 6-1-2 REPRESENTATIVES VOTING AYE: KAFOURY, MERKLEY, WELSH, WILLIAMS, WITT, VICE CHAIR RASMUSSEN REPRESENTATIVES VOTING NO: ROSENBAUM REPRESENTATIVES EXCUSED: SHETTERLY, CHAIR STROBECK CARRIER WILL BE ASSIGNED LATER. SEE TAPE 119-A, METER # 163 FOR REP. SHETTERLY'S VOTE AND FOR FINAL VOTE COUNT.
445	Vice Chair Rasmussen	Closed work session on HJM 2. Opened public hearing on HB 2753.
476	Paul Warner	Reviewed HB 2753-3 amendments. See Local Option Property Tax Limits (EXHIBIT 5) . Business income tax.

TAPE 119, SIDE A

PUBLIC HEARING ñ HB 2753

001	Rep. Rosenbaum	Business income tax that was levied by Multnomah County, was that a local option on corporate income tax?
014	Warner	Portland's business income tax structure is already in place. That includes Multnomah County.
021	Rep. Witt	If this can be done at county or city level, why can't it be done at school district level?
025	Warner	It is possible, just more difficult. More questions and discussion.
049	Rep. Rosenbaum	Would like to hear testimony before committee votes on this measure. This is a significant change.
059	Warner	There will be some amendments on this bill.

065 Vice Chair Rasmussen Closed public hearing on HB 2753. Opened public hearing on HB 2135.

PUBLIC HEARING n HB 2135

074 Ed Waters HB 2135 has been heard and referred back for amendments. Bill exempts disclosure of certain identifying information for public employees using pseudonyms for safety reasons; also allows disclosure of confidential information to law enforcement agencies and to U.S. Postal Inspection Service.

090 Susan Browning Discussed HB 2135-3 amendments (**EXHIBIT 6**).

Discussed page 6 of bill, disclosure information to law enforcement and postal inspection service. These amendments make three changes:

1. Restrict provisions to mail theft and counterfeit items
2. Limited date that can be disclosed (line 6)
3. Requires Dept. of Revenue to make written agreement before disclosure

-3 amendments also make minor wording changes. Dept. of Revenue urged support for HB 2135.

128 Browning Directed members' attention to testimony by Robert McDonald, Postal Inspection Service, expressing support for HB 2135 (**EXHIBIT 7**).

158 Vice Chair Rasmussen Closed public hearing on HB 2135.

REQUESTED UNANIMOUS CONSENT TO REOPEN WORK SESSION ON HJM 2 TO ALLOW REP. SHETTERLY TO CAST HIS VOTE. HEARING NO OBJECTIONS, CHAIR SO ORDERED.

163 Rep. Shetterly **VOTED AYE ON HJM 2.**

MEASURE PASSES. FINAL VOTE: 8-0-1

166 Vice Chair Rasmussen Adjourned meeting at 9:35 a.m.

Submitted by, Reviewed by,

Barbara J. Guardino Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. HB 2079, Martin-Mahar, Revenue Impact of Proposed Legislation, 2 pp.
2. HB 2079, Carlson, Oregon Health Care Association (OHCA), 1 p.
3. HB 2079, Carlson/Dayton, Proposed Amendments to House Bill 2079 (HB 2079-1), 1 p.
4. HJM 2, Schellenberg, Oregon Farm Bureau, Testimony Before the House Revenue Committee Regarding HJM 2, 1 p.
5. HB 2753, Warner, Local Option Property Tax Limits, 6 pp.
6. HB 2135, Browning, Proposed Amendments to House Bill 2135 (HB 2135-3), 2 pp.
7. HB 2135, Browning, Letter to Susan Browning from United States Postal Inspection Service, 2 pp.