

PUBLIC HEARING: SB 464, SB 597

PUBLIC HEARING AND WORK SESSION: SB 595, SB 596

TAPES 049 - 050 A

SENATE REVENUE COMMITTEE

MARCH 2, 1999 - 3:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Senator Randy Miller, Chair

Senator Thomas Wilde, Vice Chair

Senator Lee Beyer

Senator Tom Hartung

Senator Charles Starr

Staff: Paul Warner, Legislative Revenue Officer

Ed Waters, Economist, Legislative Revenue Office

Richard Yates, Economist, Legislative Revenue Office

Joan Green, Committee Assistant

Witnesses: Vickie Totten, Oregon Community College Association

Donald Lamb, Oregon Catholic Conference

Gary Conkling, Oregon Winegrowers Association

Jim Bernau, Willamette Valley Vineyards

Ivan Wells, Oregon Winegrowers Association

Invited Testimony: Jesse Lyon, Davis, Wright, Tremaine

Lynn McNamara, League of Oregon Cities

TAPE 049, SIDE A

005 Chair Miller Meeting called to order at 3:07 p.m.

OPENED PUBLIC HEARING ON SB 464

018 Ed Waters Described SB 464; which would create an income tax credit for corporate and personal income taxpayers for contributions in support of public schools.

036 Chair Miller Spoke in support of the measure. Discussed the revenue impact statement, which is significant. (Exhibit 1)

083 Sen. Starr Questioned where the numbers came from for the revenue impact statement, (Exhibit 1).

098 Waters Advised how the figures were calculated.

109 Discussion and questions regarding who the recipients would be. The Chair indicated that he is willing to expand the scope from the current language.

137 Sen. Beyer Was it the Chair's intent to focus primarily at the secondary school level or be broader than that?

139 Chair Miller "It is my intent to be as broad as the State can reasonably afford."

157 Sen. Hartung Requested staff research how many education foundations are registered in Oregon.

180 Vickie Totten The Oregon Community College Association would request that the bill be amended to include community colleges. The Association is not as interested in having donations to the Community College Support Fund, which is the parallel to the School Fund.

206 Donald Lamb Requested the bill be amended to broaden the scope of those who could be eligible for the tax credit.

236 Chair Miller Requested input from the Committee in what additions/reductions might be made to the bill, if there is an interest in the concept.

246 Sen. Beyer Supported the concept and broadening the language to include community colleges. Discussed several issues the Committee might want to consider:

- Would contributions made directly to a school district want to be included for credits?
- Construction of the language in lines 11-13 of the bill might be broader than intended.

270 Sen. Hartung Supported the concept and asked how this differs from current statute?

278 Chair Miller The difference is a tax credit instead of a deduction.

294 Sen. Starr Supported the concept. Could a lesser tax credit be given; for example a \$500 tax credit for a \$1,000 contribution?

302 Discussion and questions regarding alternatives and requested the staff crunch some numbers to bring back for the Committee's consideration.

341 Chair Miller Recessed until 3:30 p.m.

Reconvened at 3:30 p.m.

OPENED PUBLIC HEARING ON SB 595

353 Richard Yates Described SB 595, which deals with personal property taxation. (Exhibit 2)

TAPE 050, SIDE A

008 Gary Conkling Presented testimony in support of measure. (Exhibit 3)

Also spoke to SB 596 and SB 597. (Exhibit 3)

121	Jim Bernau	Spoke in support of the bill. Also spoke to SB 596 and SB 597.
180	Ivan Wells	Spoke in support of the measure. Also spoke to SB 596 and SB 597.
200	Yates	Referenced the staff measure summary and penalty and interest column of the chart prepared for SB 596, (Exhibit 4). Was the bill drafted to address the rapid increase in penalties and interest in the past few years?
209	Wells	No.

PUBLIC HEARING ON SB 596

226	Richard Yates	Distributed staff measure summary, (Exhibit 4) and fiscal impact statement. (Exhibit 5)
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PUBLIC HEARING ON SB 597

228	Richard Yates	Distributed staff measure summary. (Exhibit 6)
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WORK SESSION ON SB 596

244	Vice Chair Wilde	Referenced §2 lines 28-29 of the bill, why is interest and penalties limited in this way?
265	Jesse Lyon	The language would allow the Oregon Liquor Control Commission (OLCC) to collect on any outstanding cases; referenced all of §2.
292	Chair Miller	Requested if the OLCC wanted to testify on bill. OLCC responded that they are neutral
308	Sen. Beyer	MOTION: MOVED SB 596 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION.

314 VOTE ROLL CALL VOTE: MOTION PASSES 5-0-0
SENATORS VOTING AYE: Beyer, Hartung, Starr, Wilde, Chair Miller
Sen. Hartung will carry the bill.

WORK SESSION ON SB 595

335 Chair Miller Do local jurisdictions have concerns regarding this measure?

352 Lynn McNamara Cities have a concern about any exemption that reduces the amount of revenue for local government.

370 Chair Miller Does the League of Oregon Cities have an official position on the bill?

375 McNamara The League has not voted on it, but the general position is that if the legislature enacts exemptions they be refunded for local government.

368 Larry Bohnsack Spoke to concern of concentration of wineries within certain counties and the impact it could have on those counties.

408 Yates The distribution is not uniform across counties; the impact to certain counties could be great. The counties primarily affected are Clackamas, Yamhill and Lane counties, and to a certain extent Polk County.

428 Chair Miller Would request bill be rescheduled and the counties that are disproportionately affected could be contacted to respond to the bill.

446 Chair Miller Meeting adjourned at 4:04 p.m.

Submitted by, Reviewed by,

Joan Green Kim T. James

Committee Assistant Revenue Office Manager

Exhibit Summary:

1. SB 464, Waters, Revenue impact statement, 1 page
2. SB 595, Yates, Staff measure summary and fiscal impact statement, 2 pages
3. *SB 595, Conkling, Written testimony, 2 pages
4. SB 596, Yates, Staff measure summary, 2 pages
5. SB 596, LRO Staff, fiscal impact statement, 1 page
6. SB 597, Yates, Staff measure summary, 1 page