

HOUSE COMMITTEE ON HUMAN RESOURCES

March 19, 1997 Hearing Room H-170

1:00 P.M. Tapes 52-53

MEMBERS PRESENT:

Rep. Patricia Milne, Chair

Rep. Jackie Taylor, Vice-Chair

Rep. Richard Devlin

Rep. Jeff Kruse

Rep. Kitty Piercy

Rep. Steve Harper

MEMBER EXCUSED: Rep. Jane Lokan

STAFF PRESENT:

Cara Filsinger, Administrator

Diane M. Quinones, Administrative Support

MEASURE/ISSUES HEARD:

HB 2408 WORK SESSION

HB 2779 WORK SESSION

HB 3024 WORK SESSION

HB 3091 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 54, A		
001	Chair Milne	Calls the meeting to order at 1:05 p.m.
002	Chair Milne	Opens a work session on HB 2408.
HB 2408		

<u>WORK SESSION</u>		
005	Cara Filsinger	Committee Administrator, refers the committee to the -1 amendments for HB 2408 and points out that Rep. Lehman's office supports the amendments and is available in the room to answer questions.
023	Rep. Kruse	MOTION: Moves to ADOPT HB 2408-1 amendments dated 03/11/97. (EXHIBIT A)
		VOTE: 6-0 EXCUSED: 1 - Lokan
025	Chair Milne	Hearing no objection, declares the motion CARRIED.
028	Rep. Kruse	MOTION: Moves HB 2408 to the floor with a DO PASS AS AMENDED recommendation.
030		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lokan
037	Chair Milne	The motion CARRIES. REP. LEHMAN will lead discussion on the floor.
039	Chair Milne	Closes the work session on HB 2408.
040	Chair Milne	Opens a work session on HB 2779.
<u>HB 2779 WORK SESSION</u>		
040	Filsinger	Refers the committee to the fiscal impact statement attached to the staff measure summary.
047	Rep. Devlin	MOTION: Moves HB 2779 to the floor with a DO PASS recommendation.
049		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lokan
055	Chair Milne	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
056	Chair Milne	Closes the work session on HB 2779.
057	Chair Milne	Opens a work session on HB 3024.
<u>HB 3024 WORK</u>		

<u>SESSION</u>		
057	Filsinger	Reminds the committee of the public hearing for HB 3024 on March 14, 1997.
062	Rep. Piercy	MOTION: Moves HB 3024 to the floor with a DO PASS recommendation.
064		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lokan
069	Chair Milne	The motion CARRIES. REP. PIERCY will lead discussion on the floor.
070	Chair Milne	Closes the work session on HB 3024.
071	Chair Milne	Opens a work session on HB 3091.
<u>HB 3091</u> <u>WORK</u> <u>SESSION</u>		
071	Cara Filsinger	Committee Administrator, informs the committee that the legislative fiscal office has not returned an impact statement. She can check with the fiscal office if it pleases the Chair to recess for a few minutes.
073	Chair Milne	Puts the committee at ease.
073	Chair Milne	Calls the meeting back to order.
074	Peter Grundfossen	Represents, Association of Oregon Housing Authorities. * Oregon Housing Authority (OHA) wants the authority to construct housing facilities that have commercial facilities within them. * (OHA) is only interested in constructing the commercial facilities and leasing them out, they do not want to operate the businesses. * Mr. Grundfossen wants to go on record for saying that the OHA wants to construct the commercial facility and make it available for commercial operators.
132	Rep. Devlin	Asks for clarification around tax laws for public organizations that have properties and lease portions of these properties to private commercial ventures.
145	Grundfossen	* The OHA has controlling sections in ORS 456.225 indicating that all Housing Authorities are exempt. * The law continues to state that Housing Authorities may, in contract, make payments to local governments in lieu of taxes.

		<p>* The OHA is exempt for the reason that it is trying to create housing at the lowest rate possible for very poor people.</p> <p>* The average income for Housing Authorities across the state is \$8,000.00 per year.</p>
163	Rep. Devlin	Asks if the portions of properties that are being used for outside commercial purposes will also be tax exempt.
169	Grundfossen	This scenario has not been tested in the courts to his knowledge.
171	Rep. Harper	Voices concerns with the local government revenue impact.
179	Grundfossen	<p>* This is an issue that has not been pursued.</p> <p>* The OHA is working closely with local governments to develop good low income housing.</p> <p>* Local Governments understand that OHA facilities are exempt from taxation.</p> <p>* There are payments in lieu of taxes in almost every OHA facility.</p> <p>* Negotiations are conducted between OHA and local governments.</p>
217	Rep. Harper	<p>* Voices concern about the government subsidization of the leased space that will be sold for less and the person "across the street" will have to pay property taxes.</p> <p>* This removes a "level playing field."</p>
230	Grundfossen	All of these tax issues are taken into consideration when negotiations are conducted between local governments and the OHA.
238	Rep. Harper	<p>* Comments that PILT is not property tax.</p> <p>* Wants to find where property tax is applicable.</p>
250	Chair Milne	Asks if the agreements are one time agreements in perpetuity or are they renegotiable.
255	Grundfossen	There is nothing in current law that would restrain the local governments from revisiting contracts as often as they needed.
279	Rep. Piercy	Asks if there have been discussions with local governments around this issue.
280	Grundfossen	<p>* He has not been approached.</p> <p>* He has not sought out the League of Cities or Association of Counties.</p> <p>* The issues being addressed by the board have not been "issues" before today.</p>
		* States for the record that he supports this bill.

312	Rep. Devlin	* He's concerned that the language used in the revenue statement will cause considerable discussion on the House floor and may cause the bill to be pulled back.
340	Rep. Harper	Requests information regarding: * if facilities are exempt * how the League of cities and various business organizations feel about OHA exemptions Wants to go on record stating that he supports this bill and would like to get more information before passing it out of committee.
360	Rep. Kruse	Asks if the city has the authority to cancel contracts as they see fit.
368	Grundfossen	* The OHA works on a cooperative basis with local governments. * No, the city can't just alter a contract unilaterally. * A city can deny building permits at the first instance.
TAPE 53, A		
001	Grundfossen	Continues answering Rep. Kruse's question.
030	Rep. Harper	Asks about an agreement on an amendment that addresses PILT that is equal to property tax for the commercial aspect only.
035	Grundfossen	* The OHA's tax legislation is in another section of the law. * Voices concerns that an amendment could disrupt the good relations that exist between the OHA and local governments. * This bill was created to give the OHA the authority to "build" commercial facilities. * The OHA already owns existing facilities. * There is no new ground being broken with this bill.
075	Rep, Taylor	Asks if the entrepreneurs coming to a low income OHA commercial facility would have a more difficult start up period.
080	Grundfossen	That is the risk of the entrepreneur.
085	Chair Milne	The committee will hold on to HB 3091 while information is being generated and a new revenue statement can be requested.
088	Chair Milne	Closes the work session on HB 3091.
089	Chair Milne	Adjourns the meeting at 1:47 p.m.

Submitted By, Reviewed By,

Diane M. Quinones, Lori A. Long,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 2408, -1 amendments dated 03/11/97, Filsinger, 1 p.