

PUBLIC HEARING & WORK SESSION: HB 3140

WORK SESSION: HB 2048A

TAPES 229 A/B, 230 A

HOUSE REVENUE COMMITTEE

JUNE 19, 1997 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

MEMBERS PRESENT: Rep. Lee Beyer, Vice-Chair

Rep. Tony Corcoran (Arrived 9:07 a.m.)

Rep. Randall Edwards

Rep. Leslie Lewis (Arrived 10:14 a.m.)

Rep. Anitra Rasmussen

Rep. Lane Shetterly

Rep. Mark Simmons (Arrived 10:00 a.m.)

Rep. Ken Strobeck

MEMBERS EXCUSED: Rep. Tom Brian, Chair

WITNESSES PRESENT: Wayne Schumacher, Oregon Optometric Association

Jack Kane, Oregon Optometric Association

Ed Patterson, Oregon Association of Hospitals & Health Systems

Jeff Gilmour, Office of Rural Health

Brian DeLashmutt, Oregon Nurses Association

Linda Burglehaus, Department of Revenue

Noel Klein, Special Districts Assn.

STAFF PRESENT: Jim Scherzinger, Legislative Revenue Officer

Ed Waters, Economist

Barbara Guardino, Committee Assistant

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TAPE 229 SIDE A

008 Vice Chair Called meeting to order at 8:50 a.m. Opened public hearing and work session for
Beyer HB 3140.

PUBLIC HEARING AND WORK SESSION -- HB 3140

010 Ed Waters Gave overview of HB 3140: Extends rural area tax credit allowed for medical
practice to optometrists. Estimated 1997-99 revenue impact is \$176,000.

026 Jack Kane Introduced Wayne Schumacher.

029 Wayne Refer to written testimony "Oregon Optometric Association" verbatim (EXHIBIT A)
Schumacher in support of HB 3140.

074 All Rural practitioners are leaving because they can make more money elsewhere. Urged
committee to move HB 3140 to floor with do pass recommendation.

139 Rep. Questions and discussion concerning extent of rural eye care need.
Shetterly

148 Schumacher Asked, is health care in rural areas generally adequate.

160 All Problem is very serious. Tax credit has provided some help with physicians, not sure
about dentists. High degree of need for optometrists. Perhaps 22 optometrists would
be affected. Currently, rural areas are losing optometrists.

205 Rep. Questions and discussion.
Rasmussen

205 Rep. Recalling discussions of bill in past session, lawmakers were trying to prevent urban
practitioners from practicing in rural area one day a month in a rural community then
taking tax credit. That is why 60 % of income needs to be rural based.

- 252 Rep. Strobeck Asked, do optometrists have hospital admitting privileges?
- 255 Schumacher There are 24 optometrists in rural areas that have hospital privileges. Two would not qualify within rural health or frontier area.
- 285 Rep. Shetterly Summarized, would this limit qualification to those optometrists who are rural and who have admitting privileges?
- 290 Schumacher Intent is Optometric physicians should be qualified same as a physician in order to allow tax credit.
- 302 All Questions and discussion concerning who would qualify for tax credit.
- 339 Ed Patterson Testified in opposition to HB 3140. Reviewed history of rural hospital problem, beginning in 1987 when rural hospitals were defined. In 1989, new issue, the hospitals' lack of resources in recruiting physicians. M428 was adopted to attract rural physicians, with a \$5,000 tax credit. This has been successful. 1995, dentists were added. Oregon Association of Hospitals feared this would open flood gates. Criteria of rules in dental tax credit is that dentists would respond to hospital emergency care.
- HB 3140 has no connection to the original intent. Opposition is because bill potentially opens flood gates for future session.

TAPE 230 SIDE A

- 043 Brian DeLashmutt Expressed same concerns as Patterson: the basic premise of tax credits is for primary care providers in rural areas.
- 061 All Questions and discussion concerning who is a primary care provider.
- 087 Rep. Corcoran Asked, why did podiatrists get a tax credit, while optometrists were excluded?
- 093 DeLashmutt Politics.
- 096 Rep. Rasmussen As part of 1995 legislation, she was unhappy about this inclusion. Others overrode her.
- 105 Jeff Gilmour Was involved in legislation in 1989. Concurred with Patterson and DeLashmutt.
- 134 Patterson Seriously questions whether 22 or 24 optometrists have admitting privileges. Only physicians can admit patients. Probably they serve as consultants to physicians.
- 150 All Questions and discussion concerning criteria for tax credit.
- 214 Rep. Strobeck Referred to HB 3140, line 18, questioned meaning of language "even if not a member of the hospital medical staff ...".
- 288 Rep. Strobeck Closed public hearing and work session on HB 3140, recessed committee 9:35 a.m.
- 312 Rep. Strobeck Reconvened meeting at 10:00 a.m. Opened work session on HB 2048.

WORK SESSION -- HB 2048A

Reviewed changes to local budget law portion of HB 2048A. Department of Revenue worked with Oregon Municipal Finance Officers Association

to review these sections.

314 Linda
Burglehaus

Section 326: Requires assessor provide notice to districts by March 1 of assessed value for upcoming year. Recommended deletion.

Section 328: Outlines how would use information from assessors' office. Recommended deletion of Subsections 6-9.

371 Burglehaus

Section 339 (page 145) Line 43: Recommended add "with the approval of the Department of Revenue" ...

Resumed review of green outline (Refer to minutes for June 12, "HB 2048 - Measure 50 Implementing Draft," Exhibit U). Will discuss:

457 Jim
Scherzinger

New Districts, Mergers and Divisions; Shift Restriction Language; and
Urban Renewal

TAPE 229 SIDE B

New Districts, Mergers and Divisions:

042 Scherzinger Section 340: Under M50, specific provisions set permanent rates on formation, mergers, consolidations and divisions of districts. Only a district that has not previously levied a tax or is new can vote to establish new permanent rate. Requires double majority vote.

In event of merger or consolidation, total property taxes collected can not exceed rate from if no merger occurred. If a district divides, two rates must be established so that total taxes collected cannot be greater than under combined rate.

Statutes change merger/consolidation law to conform with M50. Changes:

074 Scherzinger

Section 356 (page 157): Deals with consolidation and formation of new city. Bringing in un-incorporated areas. Page 158, line 11 calculation of permanent rate is unclear.

115 Scherzinger

Section 358: Also deals with consolidation, written as if establishing new rate by double majority election. Needs change to set limit but no double majority requirement.

155 Scherzinger

Noted, section dealing with annexation, consolidation and merger needs technical amendments. This is least reviewed part of bill.

Shift Restrictions:

185 Scherzinger

Section 455, pages 215 - 219: Drafter picked up M47 language and made changes to conform with M50.

Section 456: Definition of "fee, tax assessment or other charge" is same as in M47.

Definition of local taxing district differs from M47.

204 Scherzinger Subsection 5: Definitions of shift; affirmative action; government product or service; etc.

Definition of initial limitation period - fiscal year is first year of measure.

Definition of property tax reduction.

Section 457: Lays out purpose

Section 458: Classification scheme of funding mechanism

240 Scherzinger Section 459 - 61: Process for adoption

Section 462: Shift is allowed if property tax is reduced

Provision to be added: Exemption if less than 10 % of operating funds come from ad valorem taxes.

316 Scherzinger **Urban renewal** (page 442): Will continue with this at later date.

River Grove is operating with no property tax, is considering consolidating with Lake Oswego. This puts Lake Oswego in disadvantaged situation, Lake Oswego proposed language to allow River Grove residents to vote to approve taxes. Taxes derived from

354 Noel Klein newly approved rate would combine with taxes of Lake Oswego. They would set a final rate upon merger.

416 Rep. Strobeck Closed work session for HB 2048. Adjourned meeting at 10:30 a.m.

Submitted by, Reviewed by,

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Barbara Guardino Kim James

Committee Assistant Revenue Office Manager

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EXHIBIT SUMMARY:

- A. HB 3140, Schumacher, Oregon Optometric Association testimony of Wayne Schumacher, 3 pp.
- B. HB 3140, Edwards, HB 3140: Expands rural medical practice credit to include rural optometrists, 1 p.
- C. HB 3140, Edwards, OSHU: June 18 Statement on HB 3140, Karen Whitaker, 1 p.
- D. HB 2048, Scherzinger, Urban Renewal charts, 5 pp.
- E. HB 2048, Scherzinger, Example Urban Renewal Calculation, 1 p.