

WORK SESSION ON SB 1215 TAPES 216 - 217 A

SENATE REVENUE COMMITTEE

JUNE 23, 1997 - 1:00 P.M. - HEARING ROOM B - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Joan Dukes

Sen. Tom Hartung

Sen. Randy Leonard

Members Excused: Sen. Neil Bryant, Vice Chair

Sen. Verne Duncan

Invited Testimony: Gary Conkling, Port of Portland

Allen Willis, Port of Portland

Gary Hanson, Multnomah County

Gussie McRoberts, Mayor of Gresham

Staff: Jim Scherzinger, Legislative Revenue officer

Carol Phillips, Committee Assistant

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005 Chair Baker Opened meeting at 1:25 p.m.

OPENED WORK SESSION ON SB 1215

- 023 Chair Baker Opening remarks about the Gresham Amendment and previous testimony from Multnomah County and Metro. Wanted to give the Port of Portland a chance to state their case on the subject. Questions and discussion.
- 040 Gary Conkling Said the Port of Portland would have presented testimony on 6/20/97 but did not have sufficient data at the time. The Gresham Amendment would affect the Port by about \$250,000 or 5% of overall levy collected.
- 051 Allen Willis Continued that as a percentage of the Port's total budget, the amount they collect from the Tri County area is only 1% - 2%. But the anticipated "hit" from the Gresham Amendment would be about \$250,000. Although to some that may not be a significant amount, nonetheless it would have a detrimental impact.
- 067 Scherzinger Exhibit A - List of Senate Amendments to SB 1215. Discussed contents of list and their disposition to date. Questions and discussion interspersed.
- 080 Chair Baker Asked regarding SB 1215 (-11) Amendments if there was any objection to striking language page 3 lines 6 and 7 which states "the appeal shall take precedence over all other business on the docket."
- 094 Scherzinger Added that if the intention was to maintain direct review, the State Court Administrator wanted to come in and talk about standards for that.
- 098 Chair Baker Proposed striking the language on lines 6 and 7 saying "the appeal shall take precedence over all other business on the docket." Hearing no objection, the Chair so ordered.
- 104 Chair Baker MOVES (-11) AMENDMENTS TO SB 1215 AS AMENDED BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 112 Scherzinger Exhibit B - (-1) Amendments. These cover mostly technical changes to wording. Discussion and questions.
- 141 Chair Baker MOVES (-1) AMENDMENTS TO SB 1215 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.
- 142 Scherzinger Discussed other Amendments on the list and their disposition to date.
- 152 Scherzinger Exhibit C - (-8) Amendments. These relate to the shift restriction at the end of SB 1215 and reflect something that is in Measure 50 but was omitted from the bill

regarding ad valorem taxes.

160 Chair Baker MOVES (-8) AMENDMENTS TO SB 1215 BE ADOPTED. HEARING NO OBJECTION, THE CHAIR SO ORDERED.

163 Scherzinger Continued discussing disposition of Amendments on Exhibit A.

170 Scherzinger Discussed Exhibit D - Memorandum from Lake Oswego City Attorney regarding consolidation with River Grove.

183 Scherzinger Continued discussion of Exhibit A Amendments. Questions and discussion interspersed.

195 Chair Baker Stated that there appeared to be much more time needed to discuss the outstanding Amendments and that, rather than come back at 5:00 p.m. today, the Senate Revenue Committee would come back at 8:00 a.m. 6/24/97 to allow Legislative Counsel more time to prepare the Amendments.

200 Scherzinger Continued with discussion of outstanding Amendments.

240 Gary Hanson Agreed that Gresham has a problem with the number of law officers they can put on the street. However, moving that loss totally to Multnomah County would be devastating to Multnomah County financially. Would prefer to see Gresham's financial loss spread statewide. The Association of Oregon Counties, however, opposes that action. Multnomah County opposes a local county solution. Believes Gresham and Multnomah County should work together in the future to provide best public safety program they can taking into consideration Gresham's loss of levy. Should be left to Gresham and Multnomah County to work out and not spread the cost statewide.

281 Sen. Leonard Stated that both Measure 47 and Measure 50 say that public safety shall take top priority in communities and asked Hanson for his response to that statement.

301 Hanson Responded that if Multnomah County has to shift money from their balanced budget to help Gresham, there will be an adverse effect on public safety. Questions and discussion interspersed.

373 Gussie McRoberts Agreed with Sen. Leonard in that the main focus should be public safety.

378 Chair Baker Asked Mayor McRoberts would happen if the legislature gave Gresham the \$1.8 million relief they seek from the failed levy, then go out for a separate levy and add to their tax base at that point? Would that not be double dipping?

- 382 McRoberts Disagreed with that statement. Said Gresham is so far behind that even if they did double dip they would still be double behind.
- 386 Chair Baker Stated that Gresham was using a pre-Measure 47 mentality, while everyone else in the state is in the same boat and has to change their thinking. Spoke about money in the sheriff's budget which contains \$10 million for schools, and pointed out that is not the use of money for public safety.
- 410 Hanson Said that the \$10 million McRoberts referred to was in previous year's budget. The budget they passed last week had a \$23 million reduction in expenditures.
- 422 McRoberts Spoke about Gresham under compression with Measure 5 and how much more in taxes citizens paid compared with Portland citizens.

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- 010 Chair Baker Stated that all the anomalies under Measure 47 are viewed with concern because it is similar to Measure 5 which pitted schools against municipal services. Measure 47 does the same thing, but now it is municipal services versus municipal services.
- 018 Scherzinger Added that one other issue which came up last week was the County Trust Forest Lands and the effect of Measure 50 rates on the distribution of that revenue. The effect is not as large as it might appear at first. One county does not appear to be following the formula anyway, so it won't have much effect. Jewell has such a low tax rate anyway that the rate will not be cut by Measure 50. Questions and discussion interspersed.
- 066 Scherzinger Added that the lower rate will have an effect on the school funding formula as it relates to the Northwest ESD. The calculation may need to be clarified when using the Measure 50 rates. Questions and discussion interspersed.
- 092 Chair Baker Adjourned meeting at 2:02 p.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

A. SB 1215, Scherzinger, List of Senate Amendments to SB 1215, 1 page

B. SB 1215, Scherzinger, (-1) Amendments, (DJ/ps) 6/10/97, 1 page

C. SB 1215, Scherzinger, (-8) Amendments, (DJ/ps) 6/18/97, 1 page

D. SB 1215, Condit, Memorandum dated 6/20/97, 2 pages