

PUBLIC HEARING AND WORK SESSION ON HB 3411A, HB 3748A,
AND HB 2049A
TAPES 231 - 232 A/B

SENATE REVENUE COMMITTEE

JULY 3, 1997 - 8:15 P.M. - HEARING ROOM B - STATE CAPITOL BUILDING

Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes

Sen. Verne Duncan

Sen. Tom Hartung

Sen. Randy Leonard

Testimony: Rollie Wisbrock, Chief of Staff, Oregon Treasury

Bob Cantine, Association of Oregon Counties

Ozzie Rose, Confederation of Oregon School Administrators

Staff: Brian Reeder, Economist

Richard Yates, Economist

Carol Phillips, Committee Assistant

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TAPE 231, SIDE A

005 Chair Baker Opened meeting at 8:30 p.m.

OPENED PUBLIC HEARING ON HB 3411

012 Steve Meyer Said this is the companion bill to SB 346 which submitted the \$150 million bond question to the voters. HB 3411 is the implementation language for that bill should the voters approve the bond measure. It would be funding K-12 education projects. It states its intent to pay debt service on the bonds after 1997-99 from Education Endowment earnings. Makes amendment to HB 3695 which would transfer 75% of Education Endowment Fund earnings from State Scholarship Commission to pay off bonds 7/30/99. Bond proceeds would be deposited in School Capital Construction, Maintenance, and Technology Fund and be distributed to school districts in 1998-99 using districts' proportion students to statewide total weighted students. Lottery process and funds to serve as backup to pay off bond if earnings not sufficient. Also talks about which bonds get first access to Lottery funds. Questions and discussion.

044 Rollie Wisbrock Said that the Oregon Treasury wrote the language in the bill and is comfortable with HB 3411 which has been reviewed by their attorneys and bond counsel.

CLOSED PUBLIC HEARING ON HB 3411

OPENED WORK SESSION ON HB 3411

MOVES HB 3411A TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

ROLL CALL VOTE: MOTION PASSES: 5 - 0 - 1

050 Sen. Bryant SENATORS VOTING AYE: DUNCAN, HARTUNG, LEONARD, BRYANT, BAKER.

SENATORS ABSENT: DUKES

Sen. Bryant will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON HB 3411

OPENED PUBLIC HEARING ON HB 2049

065 Brian Reeder Said this bill extends sunset date by two years on current assessor funding program and it is funded through two mechanisms. Increases revenue to the fund by approximately \$3 million over current levels, which are currently about \$12 million now, so would generate about \$15 million next year and the following year.

089 Reeder Exhibit G - (-A12) Amendments have to do with the additional four percentage points of interest on delinquent property taxes that would go into the assessor funding account. The bill as it is now would subtract from that additional revenue the distributions that currently go to counties and school districts from the unsegregated tax account. Starting in 7/1/99 the Amendment would shift funds from school district revenue to assessor funding account. Schools currently get about 45% of the money in the unsegregated tax account or approximately an additional \$3 million per year. Questions and discussion interspersed.

125 Bob Cantine Said he supports the (-A12) Amendments. The funds are distributed from the unsegregated tax account according to their budgets because the amount distributed would be based on their estimate of delinquent taxes and uncollected taxes in prior years. Said that the total cost of assessment taxation for the counties is about \$60 million a year.

152 Ozzie Rose Said he is opposed to HB 2049. This bill would begin in 1999, and the County School Fund contribution will be eliminated in 1999. Will be short \$150 million of bonds going into the 1999 session and asked for a delay on this issue until 1999.

163 Cantine Added this bill evolved from the original bill which would have increased and expanded the assessors' recording fees as a way to try to help with the funding of this program. Unable to get support to make that happen. If this is not good policy, maybe the whole concept should be abandoned. Added that there is a moratorium on local real estate transfer taxes during the term of this bill, which is a three-year period. There is one year left on the current program and two years it would be extended.

202 Sen. Bryant Asked if this Committee adopted this Amendment, would the House concur?

206 Cantine Responded that he did not know what the House intended to do on this bill. Questions and discussion.

CLOSED PUBLIC HEARING ON HB 2049

OPENED WORK SESSION ON HB 2049

258 Chair Baker Stated he is not inclined to move (-A12) Amendments.

MOVES HB 2049A TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

266 Chair Baker ROLL CALL VOTE: MOTION PASSES: 6 - 0 - 0

SENATORS VOTING AYE: DUKES, DUNCAN, HARTUNG, LEONARD,

BRYANT, BAKER.

Sen. Dukes will carry the bill on the Senate Floor.

CLOSED WORK SESSION ON HB 2049

OPENED PUBLIC HEARING ON HB 3748

290 Richard Yates Exhibit L - HB 3163D Compared with HB 3748 B. Discussed Exhibit H - Staff Measure Summary and what the bill does. Allows a 50% discount on increases weight-mile tax for vehicles traveling over 35,000 miles.

338 Yates Exhibit J - Revenue Impact Statement. Discussed items under headings: Revenue Package, Highway Revenue Allocation, Highway Revenue Distribution, Non-Highway Dedications, and Special Funds. Questions and discussion interspersed.

TAPE 232, SIDE A

044 Yates Exhibit Measure - (-B30) Amendments relating to page 29 of the bill regarding distribution of income tax revenues transferred into Transportation Reinvestment Account.

CLOSED PUBLIC HEARING ON HB 3748

OPENED WORK SESSION ON HB 3748

MOVES (-B30) AMENDMENTS TO HB 3748 BE ADOPTED. OBJECTION FROM SEN. DUKES.

065 Chair Baker ROLL CALL VOTE: MOTION PASSES: 5 - 1 - 0

SENATORS VOTING AYE: DUNCAN, HARTUNG, LEONARD, BRYANT, BAKER.

SENATOR VOTING NAY: DUKES

HAVING RECEIVED A MAJORITY VOTE, THE (-B30) AMENDMENTS TO HB 3748 ARE ADOPTED.

072 Chair Baker MOVES HB 3748B AS AMENDED TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

ROLL CALL VOTE: MOTION PASSES: 5 - 1 - 0

SENATORS VOTING AYE: DUNCAN, HARTUNG, LEONARD, BRYANT,

BAKER.

SENATOR VOTING NAY: DUKES

Sen. Baker will carry the bill on the Senate Floor.

080 Chair
Baker

Adjourned meeting at 9:05 p.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

- A. HB 3411A, Meyer, Staff Measure Summary, 1 page
- B. HB 3411A, Meyer, Revenue Impact Statement, 1 page
- C. HB 3411A, Meyer, Fiscal Impact Statement, 1 page
- D. HB2049A, Reeder, Staff Measure Summary, 1 page
- E. HB 2049A, Reeder, Revenue Impact Statement, 1 page
- F. HB 2049A, Reeder, Fiscal Impact Statement, 1 page
- G. HB 2049A, Reeder, (-A12) Amendments, (DJ/ps) 7/3/97, 1 page
- H. HB 3748B, Yates, Staff Measure Summary, 2 pages

I. HB 3748B, Yates, Fiscal Impact Statement, 2 pages

J. HB 3748B, Yates, Revenue Impact Statement, 4 pages

K. HB 3163D, Yates, Revenue Impact Statement for comparison with HB 3748B, 3 pages

L. HB 3748B, Yates, HB 3163D Compared to HB 3748B, 1 page

M. HB 3748B, Yates, (-B30) Amendments, (JR/ps) 7/3/97, 1 page