

WORK SESSION ON SB 715 TAPE 153 A

**SENATE REVENUE COMMITTEE**

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**MAY 16, 1997 - 9:00 A.M. - HEARING ROOM B - STATE CAPITOL BUILDING**

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Members Present: Sen. Ken Baker, Chair

Sen. Neil Bryant, Vice Chair

Sen. Joan Dukes

Sen. Verne Duncan

Sen. Tom Hartung

Sen. Randy Leonard

Staff: Steve Meyer, Economist

Carol Phillips, Committee Assistant

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**TAPE 153, SIDE A**

005 Chair Baker Opened meeting at 9:15 a.m.

OPENED WORK SESSION ON SB 715

029 Steve Meyer

Exhibit A - (-3) Amendments. The Amendment allows Columbia 5j school district to split into two districts and also deals with the Northwest Regional education service district ("ESD") state timber revenue distribution. Language in Section 1 distributes state timber money based on 1995-96 rates in effect prior to merger of two education service districts. Before the merger one district was getting \$1.17 per thousand of timber revenue, but after the merger the tax rate was 30 cents per \$1,000 over all four counties in the ESD. In the 1996-97 school year all the money went to the school districts where it was shared

statewide by formula and not to the ESD at all. This Amendment restores funds to the ESD and includes a requirement that the ESD distribute the funds to school districts in Clatsop, Columbia, and Tillamook Counties and school districts in Washington County with an Average Daily Membership (weighted) of less than 2,500.

052 Meyer The language at top of page 8 indicates those funds are not counted as local revenues as far as the statewide formula goes. The districts get to keep the money in order to buy ESD services which they were previously getting directly from the ESD prior to the merger.

066 Sen.  
Hartung Asked if this affects the Northwest ESD only or other ESDs as well.

068 Meyer Answered that it does not have much impact on other ESDs. Because of 1996-97 being an interim year affected by the merger tax rates, moneys that went to school districts in the ESD for that year were counted in the formula, therefore being shared statewide. Now with the moneys going back to the ESD and districts within the ESD, it would not be shared statewide. This Amendment goes back to what the procedure was prior to the merger, when an intermediate year disrupted the process.

084 Sen.  
Dukes Stated this might have impact on other parts of the state, but it should be minimal. This affects county forest trust lands, about 85% of which are located within Clatsop, Columbia, and Tillamook Counties. Not aware of any other ESD which had the same drastic reduction in tax rate that the Northwest ESD did.

098 Meyer Added that depending on what happens with Measure 50 this issue may have to be revisited because rates will drastically change from what they have been for this distribution process.

102 Sen.  
Dukes Stated that this Amendment addresses moneys the ESDs were getting in the past, based on a taxpayer-approved tax base in each of the counties and that the moneys will be distributed based on the rate that was established as a result of the voter-approved tax rate. This Amendment affects only Clatsop and Tillamook but not Columbia and Washington Counties.

129 Chair  
Baker Said he feels the ESDs should be equalized within the next two years and would expect that within the next two legislative sessions there will be a comprehensive way of funding them. Questions and discussion interspersed.

150 Sen.  
Dukes MOVES (-3) AMENDMENTS TO SB 715 BE ADOPTED.

HEARING NO OBJECTION, THE CHAIR SO ORDERED.

MOVES SB 715 AS AMENDED TO THE SENATE FLOOR WITH DO PASS RECOMMENDATION.

ROLL CALL VOTE: MOTION PASSES: 6 - 0 - 0

153 Sen.  
Dukes SENATORS VOTING AYE: DUKES, DUNCAN, HARTUNG, LEONARD, BRYANT,  
BAKER.

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

170 Chair  
Baker Adjourned meeting at 9:27 a.m.

Carol Phillips

Committee Assistant

Kim James

Office Manager

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Exhibit Summary:

A. SB 715, Meyer, (-3) Amendments (CH/ps) 5/15/97, 11 pages