

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

PUBLIC HEARINGS: SB 696, HB 2329A & HB 2642A
WORK SESSIONS: SB 696, HB 2329A & HB 2642A
TAPES 118-119A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

MAY 11, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair
Sen. Tom Hartung
Sen. Cliff Trow

Excused: Sen. Greg Walden

Witnesses: Randall Edwards, Oregon State Treasury
Rep. Frank Shields, House District #16
Mary Bryant, Sen. Neil Bryant's Office and The Assistance
League of Bend
Ellen Lowe, Ecumenical Ministries of Oregon
Jodie Fisher, Tri-Met
Rollie WiSB rock, Oregon State Treasury
Jim Craven, American Electronics Association

Staff: James Scherzinger, Legislative Revenue Officer
Richard Yates, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Janice DeVito, Committee Assistant

TAPE 118 - SIDE A

005 Chair Phillips -calls the meeting to order at 1:10 pm as a subcommittee
SB 696 PUBLIC HEARING

012 Jim Scherzinger -presents staff overview of SB 696 which requires State
Treasurer to submit annual report to Governor and Legislative Assembly
concerning investment of specified state funds in manner benefiting economy

of Oregon

033 Randall Edwards -Oregon State Treasury
-explains purpose of measure which allows Treasurer to report investments
of trust funds
-refers to report distributed: Oregon Investments (Exhibit C)

-states that measure also allows use of 10% of the Education Endowment Fund for investment

060 Chair Phillips -calls recess in hearing (resumes at Tape118A.080)

HB 2329A PUBLIC HEARING

062 Rep. Frank Shields -House District #16

-explains legislation which was passed in 1991, "but they forgot to make it retroactive"

-discussion and questions about any other amendments or known opposition

079 Chair Phillips -calls recess in hearing

SB 696 PUBLIC HEARING RESUMES

090 Randall Edwards -continues rationale for 10% investment figure which might represent an original \$10 million

-refers to written testimony distributed (Exhibit E) and states support for

SB 696

118 Rollie WiSB rock -Oregon State Treasury

-presents proposed amendment to SB 696 which would provide policy direction (Exhibit D)

122 -discussion and questions about language in proposed amendment which refers to affordable housing and special preference (quorum established)

154 Jim Craven -American Electronics Association

-states support for and explains rationale behind proposed legislation

177 -clarifies for the record that the bill directs how 10% of the Education Trust Fund is invested - "we're not harming the trust fund or taking money away from education for something else"

-states desire that Oregon Investment Council give a preference to Oregon investment

-sees this measure and SB 323 (capital gains deferral) as key elements to help the Oregon economy

210 -questions and discussion to clarify that 10% figure in legislation refers only to the Education Trust Fund, and whether the Senate President concurs with measure

234 WiSB rock -explains that the amendment which requires policy development applies to all of the investments in the state of Oregon

272 Sen. Trow -asks whether bill is a vehicle for something much more important: the amendment

276 WiSB rock -explains purpose of the original bill and the need to clarify investment standards "it adds structure, and tightens up the process"

294 Sen Trow -sees the amendment as an important statement which "has substantially more meaning for the entirety of what you do" and would justify hearings, discussion, and testimony from the Investment Council

-questions and discussion about avoiding "social investing", criteria for standards and structure pertaining to investment in Oregon, and protection of quality of investment

396 Sen Trow -suggests clarification of wording in proposed amendment and cautions about placing managed funds in jeopardy

398 -discussion about development and clarification of policy and standards for the Oregon Investment Council

TAPE 119 SIDE A

019 Sen Trow -points out that it should be publicly clarified that the amendment applies to every fund managed by the Oregon Investment Council

030 Chair Phillips -calls for recess in the hearing and suggests modification of language in the amendment by proponents

HB 2642A WORK SESSION

040 Steve Meyer -presents staff overview of HB 2642A which grants retroactive tax exemption for property leased by one governmental entity to another or to exempt organization if property was denied exemption for failure to file claim

055 Mary Bryant -representing Sen. Neil Bryant and The Assistance League of Bend

-distributes written testimony in support of amendment to HB 2642A (Exhibit J)

-explains situation of The Assistance League of Bend which precipitates the

Proposed (-5) Amendment to HB 2642A (Exhibit I)

-state support for the measure and commends assistance of the Revenue

Department in drafting the amendment

108 -questions and discussion about impact on charities

123 Chair Phillips -MOVES PROPOSED (-5) AMENDMENT TO HB 2642A

HEARING NO OBJECTION, THE CHAIR SO ORDERS

126 Chair Phillips -MOVES AMENDED HB 2642A TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

Sen. Neil Bryant -will carry the measure on the Senate floor

HB 2329A PUBLIC HEARING

130 Chair Phillips -summarizes purpose of and testimony heard earlier in the
meeting on this measure

140 Ellen Lowe -Ecumenical Ministries of Oregon

-explains that HB 2329A completes a remedy that "we thought we had
accomplished in 1991" to clarify that ministers who are employees of
congregations are not self-employed and should not be required to pay the
self-employment tax

162 Jodie Fisher -Tri-Met

- "Amen"

-discussion about original intent of legislation and lack of opposition

WORK SESSION HB 2329A

Sen. Trow -MOVES HB 2329A TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

Chair Phillips -HEARING NO OBJECTION, THE CHAIR SO ORDERS

Sen. Trow -will carry the measure on the Senate floor

179 Chair Phillips -outlines meeting schedule for the following week

-discussion of 5/12/95 agenda and administrative business

SB 696 PUBLIC HEARING RECONVENES

287 Rollie WisB rock -Oregon State Treasury

-explains revised amendment language which has been approved by the Oregon
State Treasurer to address the reporting process: "The Oregon Investment
Council shall report to the Interim Committees of Government Finance and
Tax Policy and Trade and Economic Development upon development of such
policies."

-also suggests correction of editorial mistake on last line of the
amendment to add: "and emerging businesses"

345 Chair Phillips -MOVES ADOPTION OF TWO CONCEPTUAL AMENDMENTS TO SB 696 AS
STATED ABOVE BY MR. WISB ROCK

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

350 Sen Trow -requests that the Staff Measure Summary state that this
amendment to the bill "has wider consequences than the original bill... I
think everybody should be clear that we're giving you the authority to
develop policies that are substantially more than related to this
individual bill"

360 Sen Gold -cites ORS language which governs amendment

381 Sen Gold -asks that Staff Measure Summary include meaning of "prudent
rule"

-discussion

TAPE 118 SIDE B

006 Chair Phillips -MOVES AMENDED SB 696 TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

Sen. Lim -will carry the measure on the Senate floor

019 Chair Phillips -adjourns meeting at 2:07 pm.

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 696A, Scherzinger, Fiscal Analysis of Proposed Legislation
- B. SB 696A, Scherzinger, Staff Measure Summary - Senate Committee on Trade and Economic Development
- C. SB 696A, Edwards, Oregon Investments - Summary of Holdings and Notes to Summary and Schedules, 12/31/94, Mueller
- D. SB 696A, Edwards, Proposed Amendments to SB 696
- E. SB 696A, Edwards, testimony from Office of the State Treasurer, 5/11/95
- F. HB 2642A, Meyer, Staff Measure Summary - House Committee on State and School Finance
- G. HB 2642A, Meyer, Revenue Impact of Proposed Legislation, 4/3/95
- H. HB 2642A, Meyer, Fiscal Impact Analysis, 4/5/95
- I. HB 2642A, Meyer, Proposed (-5) Amendments to HB 2642A (BPS/hl) 5/4/95
- J. HB 2642A, Bryant, testimony to Amendment
- K. HB 2329A, Yates, Staff Measure Summary - House Committee on State and School Finance
- L. HB 2329A, Yates, Fiscal Analysis of Proposed Legislation, 4//26/95
- M. HB 2329A, Yates, Revenue Impact of Proposed Legislation, 5/10/95