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ORIENTATION
LC1817-1 (SB 333)
Tapes 05-06 - A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

JANUARY 17, 1995 - 1:00 P.M. - HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Sen . Paul Phillips, Chair
Sen. Shirley Gold
Sen. Tom Hartung
Sen. Cliff Trow
Sen. Greg Walden (excused between 2:00-2:40 pm)

Excused: Sen. Eugene Timms

Witnesses: Joe Gilliam, National Federation of Independent Businesses
Mike McCallum, Oregon Restaurant Assn.
Grover Simmons, Independent Adult Care Providers Assn.
and Columbia Adult Foster Home Assn.
Steve McCoid, Assn. of Oregon Food Industries
Richard Angstrom, Oregon Concrete & Aggregate Producers Assn.
Bill Perry, Oregon Farm Bureau
Tom Gallagher, Ball Janik Novack
Jane Meyer, Oregon Dental Assn.
Larry Harvey, Oregon Lodging Assn.
B.J. Smith, League of Oregon Cities
Bob Cantine, Association of Oregon Counties

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

TAPE 005 - SIDE A
003 Chair Phillips -calls the meeting to order at 1:03 pm
015 Chair Phillips -points out changes incorporated into 1995 Session
Rules for Committee on Government Finance and Tax Policy
-suggests adoption on a temporary basis until hearings are completed in
Senate Rules Committee (Exhibit A)
020 MOTION: ADOPTION ON TEMPORARY BASIS OF 1995 SESSION RULES, SENATE
COMMITTEE ON GOVERNMENT FINANCE AND TAX POLICY (Exhibit A)
-THERE BEING NO OBJECTION, THE CHAIR SO ORDERED

022 Chair Phillips -outlines responsibilities of committee members and staff regarding materials/information for meetings
038 Chair Phillips -comments on concept of fee increase legislation bill LC1817-1 (Exhibit B)
050 Chair Phillips MOTION: INTRODUCTION OF LC1817-1 AS A TEMPLATE FOR DISCUSSION AS A COMMITTEE BILL (Exhibit B)
-THERE BEING NO OBJECTION, THE CHAIR SO ORDERED
070 Richard Yates -staff summary of draft bill LC1817-1 Revenue Impact of

Proposed Legislation (Exhibit C)

123 Chair Phillips -asks staff when revenue impact cost estimate will be available
128 Yates -responds that timeline is inexact
130 Sen Trow -inquires about "enabling legislation" and clarification on whether budget document is considered as such
-discussion
148 Chair Phillips -Legislative Counsel to be consulted
170 James Scherzinger -comments on intent of draft that "probably a budget bill would not be enabling legislation" and authority of state agencies to increase fees under current law
177 Chair Phillips -fees set will go through legislative substantive committee
-discussion about fee rollbacks and effects on budgets
202 Chair Phillips -direction to staff for evaluation of effect on fee-setting process given several hypothetical dates
222 -no intent to rebate fees already paid
226 Sen Hartung -asks staff about percentage of state agencies that levy fees
228 Scherzinger -see data staff summary: Total State Revenue (Exhibit D)
-information on some specific fees not readily available, but must be gathered directly from agencies involved
295 Chair Phillips -opinion that monetary net effect of bill is not very significant, but it will improve identification and study of state agency fees
298 Scherzinger -concurrs that "process will be greatly enhanced by more information"
315- Sen Trow -asks status of boards and commodity commissions under bill
320 Sen Gold -concern about rationale/equity of exemptions and of proper definitions
-discussion and questions

TAPE 006 SIDE A

008 Sen Gold -inquires about rationale of rollback date
010 Chair Phillips -date in document is arbitrary and subject to revision after discussion
021 Sen Walden -commends Chair Phillips for bringing forth this bill
032 Sen Gold -agrees with Sen Walden and is "concerned that we do it right"
036 Chair Phillips -requests staff clarification of memorandum from Jon Yunker, Acting Director of Department of Administrative Services re: 1995-97 Governor's Recommended Budget Fee Changes (Exhibit E)
040 Scherzinger -staff clarification of Exhibit E by introduction of Budget Related Changes: Governor's 1995-97 Recommended Budget (Exhibit F) and State and Local Government Finances by Level of Government and State: 1991-92 (Exhibit G)
-comments about lack of current data on local fees

PUBLIC TESTIMONY ON FEES - LC1817-1

078 Joe Gilliam -National Federation of Independent Business
-submits written testimony in support of LC 1817 (Exhibit H)
099 -suggestions for improvement of bill
145 Mike McCallum -Oregon Restaurant Association
-supports LC 1817-1
-concerns about delegated authority to counties
175 Chair Phillips -requests Gilliam and McCallum submit written list of suggestions to committee
182 Grover Simmons -Independent Adult Care Provider Assn. and Columbia Adult Foster Home Assn.
-supports concepts of LC 1817-1
-concerns about delegated authority
-favors uniform state-wide rules

301 -questions and discussion
 316 Steve McCoid -Association of Oregon Food Industries
 -supports concepts of LC1817-1
 -agrees with exemptions and implementation date
 -suggests legislative review of all increases
 385 Chair Phillips -clarifies that bill is designed to bring fee changes
 before legislative substantive committee for public input
 379 Richard Angstrom -Oregon Concrete and Aggregate Producers Assn.
 -support of LC1817-1
 -bill should not impact fees covered by statute or otherwise approved by
 legislature
 -opinion that 10% fee increase is too much
 TAPE 005 SIDE B
 028 Sen Trow -question s to staff regarding exemption of certain student
 fees
 033 Yates -will study specific applications
 043 Sen Gold -requests definition of "emergency"
 052 Bill Perry -Oregon Farm Bureau Federation
 -supports concepts of LC1817-1
 -suggestions for changes in statute regarding notification
 -discussion
 096 Tom Gallagher -Ball Janik Novack, representing large manufacturing
 operations, petroleum companies, aluminum companies, etc.
 -generally supports direction of legislation
 -reasons for fee debate before legislature
 -equity of fee allocation
 142 -suggestions about clarification of enabling legislation
 164 -questions and discussion
 193 Chair Phillips -point is to set specific rates/fee schedules rather
 than "not to exceed" limits which erode public confidence in the process
 -discussion
 246 Jane Myers -Oregon Dental Assn.
 -supports general direction of draft
 270 Larry Harvey -Oregon Lodging Assn.
 -supports concept of draft
 -problems with dual inspection assessments
 -unique problem with recreational vehicle parks
 325 B.J. Smith -League of Oregon Cities
 -response to questions on how fee and charge system operates on local
 government level
 -differences between city and state government procedures
 364 Chair Phillips -ANNOUNCES LC1817-1 HAS BEEN ASSIGNED NUMBER: SB 333
 375 Smith -testimony continues
 TAPE 006 SIDE B
 018 Smith - continues overall framework of fee determination in cities
 025 -fees for services that don't benefit general public
 -service generally provided for measurable factors
 053 -loan payment agreements to cities may specify user rates
 069 -fees as alternate to general taxation for the public good
 080 -city fees procedures differ from those of state government
 -questions and discussion
 117 Bob Cantine -Association of Oregon Counties
 -comments on process for adoption of fees in counties
 -categories of fees in counties
 -questions and discussion
 202 Chair Phillips -asks Smith and Cantine to promptly submit suggestions
 for language addressing issue of public hearings process to incorporate
 into state legislation
 -intent to respond to concerns about fee increases at the local level
 228 Smith -testimony continues
 -questions and comments
 253 Sen Gold -opinion that main objective is "increasing credibility of
 government at every level" and the opportunity of citizens to be heard
 -discussion continues
 END OF TESTIMONY, SENATE BILL 333 (FORMERLY LC1817-1)
 325 Chair Phillips -summarizes issues to be addressed by committee
 page one:

definition of enabling legislation
debate about date of implementation and fiscal implications
Governor's authorization limits
issue of 10%

page two:

what is exempted under student fees
lines 12-15, whether "fee" is correct term, also address issue of
delegation of authority
line 16, definition of "agency"
public involvement, dealing with other levels of government
no new fees under general authority requirement of state agencies
386 Sen Gold -need to include rationale for commodity commission
exemption, as well as other membership type organizations
-page 2, lines 3-4 - may be other similar situations
440 Chair Phillips -direction to staff
-assignment of bill to committee may be delayed.
483 Chair Phillips -adjourns meeting at 2:54 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. Orientation, Phillips, Senate Committee on Government Finance and Tax Policy 1995 Session Rules
- B. Draft LC 1817-1, 1/17/95 (TC/lg)
- C. LC1817-1, Yates, Revenue Impact of Proposed Legislation
- D. LC1817-1, Scherzinger, Total State Revenue
- E. LC1817-1, Scherzinger, Yunker memorandum re: 1995-97 Governor's Recommended Budget Fee Changes, 1/5/95
- F. LC1817-1, Scherzinger, Budget Related Fee Changes: Governor's 1995-97 Recommended Budget Fee Changes
- G. LC1817-1, Scherzinger, State and Local Government Finances by Level of Government and State: 1991-92
- H. LC1817-1, Gilliam, Testimony of Joe Gilliam, NFIB/Oregon