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SB 333 - FEES (DISCUSSION)
DRAFT BILL INTRODUCTIONS,
LCs 1110, 2103, 2106, 2574, 2577

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

JANUARY 19, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair
Sen. Cliff Trow
Sen. Greg Walden (excused at 2:11 pm)

Excused: Sen. Tom Hartung
Sen. Eugene Timms

Witnesses: Lydia Taylor, DEQ
Rod Ingram, Oregon Fish and Wildlife
Gary Bruebaker, Deputy State Treasurer
Chuck Smith, Oregon State Treasury
Gary Carlson, Associated Oregon Industries
Robert Meinen, Oregon State Parks and Recreation
Lynn Schoessler, Housing and Community Services Dept.
Lincoln Cannon, Oregon Forest Industries Council
Steven Jakey, Dept. of Forestry
Phil Ward, Oregon Dept. of Agriculture
Jono Hildner, Oregon Health Division
Jeff Gilmore, Oregon Health Sciences Center

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

TAPE 009- SIDE A
007 Chair Phillips -calls the meeting to order at 1:12 pm as a subcommittee (quorum not yet present)
018 Dick Yates -gives brief staff review and purpose of SB 333 which essentially limits and rolls back fees to the level set by the 1993 legislature
-issues being addressed by committee include requiring enabling legislation for any fee increase and setting beginning date of legislation
045 Chair Phillips -announces first public hearing on SB 333 (quorum present)
PUBLIC HEARING ON SB 333
050 Lydia Taylor -Department of Environmental Quality (DEQ)
-submits written comments with attachments from Oregon DEQ (Exhibit A)
-describes procedures, examples, status of DEQ fee and permit process
121 Sen Trow -inquires about statute mandates on raising fees, and whether legislative body is advised in advance of fee increases
135 Taylor -explains that procedure varies
-questions and comments
226 Chair Phillips -asks about inherent value of public hearings process in the budget process
255 Taylor -advisory groups are given adequate time to consult constituents
-possible logistical problems of Senate Bill 333
330 -rollback effect would be addressed on individual basis, (example: on-site programs during building season may experience turnaround delays if existing fees are changed)
-questions and discussion about effects of legislation date
410 Chair Phillips -asks Smith to research how many fees would be involved if legislation date is effective 1/1/94
425 Rod Ingram -Department of Oregon Fish and Wildlife
-rollback in proposed legislation would have little effect on agency operation
-majority of agency fees are set by the legislature
-questions and discussion
TAPE 010 SIDE A

035 Gary Bruebaker -Deputy State Treasurer
 -submits written testimony (Exhibit B)
 -SB 333 could have significant negative implications on State Treasury investment administration
 -respectively requests that SB 333 be amended to exempt Treasury investment administration as noted
 055 Chuck Smith -Debt Management Division, Oregon State Treasury
 -submits written testimony (Exhibit C)
 075 -proposed changes to agency revenues should consider potential impact on bonded debt service payment
 080 Sen Trow -asks whether a suggested amendment has been prepared
 -questions and discussion
 154 Gary Carlson -Associated Oregon Industries
 -comments in support of SB 333 concept
 201 Sen Gold -agrees with need for fee legislation, and is concerned about resolution of mechanics and details
 240 Robert Meinen -Oregon State Parks and Recreation
 -submits written memorandum (Exhibit D)
 -believes that SB 333 could have a major detrimental financial impact on agency operations
 265 -explanation of variable fee concept
 284 -asks exemption of Oregon State Parks and Recreation from provisions of SB 333
 -questions and discussion
 363 Meinen -1995-97 agency budget does not anticipate fee increases and is responsive to the public need
 381 Lynn Schoessler -Housing and Community Services Dept.
 -states time problems with "delivering product" under proposed legislation
 -expresses concern about effect on programs not yet in existence
 -questions and discussion
 TAPE 009 SIDE B
 026 Schoessler -second concern is effect of legislation on mortgages, and suggests provision which identifies fee
 053 Chair Phillips -asks staff to work with Legislative Counsel to address concerns of Housing and Community Services Dept. and Oregon State Treasury Dept.
 060 2:10 PM RECESS ON HEARING OF SENATE BILL 333
 068 Chair Phillips -presents draft bills for consideration of the committee
 LC1110 at the request of Associated Oregon Industries (Exhibit E)
 LC2103 at the request of Oregon Lodging Association (Exhibit F)
 LC2106 at the request of Oregon Restaurant Association (Exhibit G)
 LC2574 introduced by Chair Phillips (Exhibit H)
 LC2577 at the request of Associated Oregon Industries (Exhibit I)
 087 Sen. Walden MOVES THAT THE ABOVE FIVE DRAFTS BE INTRODUCED AS COMMITTEE BILLS.
 095 Chair Phillips THERE BEING NO OBJECTION THE CHAIR SO ORDERED HEARING ON SENATE BILL 333 RESUMES.
 092 Lincoln Cannon -Oregon Forest Industries Council
 Steven Jakey -Dept. of Forestry
 -ask for specific exclusions of Commodity Councils of the Oregon Forest Resources Institute, and Oregon Forest Land Protection Fund (the emergency fire fund fee)
 -questions and discussion
 180 Phil Ward -Oregon Dept. of Agriculture
 -overview of wide array of fees and fee scales/legislative caps
 -legislation is required when cap is reached
 -many categories are currently close to the cap
 255 -disadvantages and impact noted
 310 -concurs with exemption of commodity commissions
 328 Sen Gold -asks how commodity commissions differ from other fee driven boards and commissions
 343 Ward -commodity commissions initiate self-assessment to accomplish specific purposes
 -questions and discussion
 396 Chair Phillips -requests Ward supply complete list of commodity commissions
 SUBMITTED FOR THE WRITTEN RECORD: Memorandum from Hanneman and Associates (Exhibit J)
 TAPE 010 SIDE B
 018 Jono Hildner -Oregon Health Division
 -relates perspective of "county employee functioning in state job"
 -describes fee setting situation
 059 -concerns about setting fees for two year period and need for flexibility of E-Board
 -addresses question of delegation of functions to counties
 093 -exception in the 1993 session when legislation directed increase of fees in vital statistics to provide revenue for Children and Families Commission
 107 Sen Trow -possibility of giving Governor more flexibility to ask for an increase when it is necessary to implement a new tax on a temporary basis
 125 -questions and discussion
 175 Chair Phillips -committee will be cautious about directing fee setting at different levels of government
 200 Jeff Gilmore -Oregon Health Sciences Center
 -requests exemption and agrees with philosophy of bill
 -questions and discussion
 290 Dick Yates -presents example of memorandum from Fiscal Office to Fiscal Impact Coordinators (Exhibit K) distributed 1/19/95
 345 Chair Phillips -adjourns at 2:58 pm

Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 333, Taylor, Oregon Department of Environmental Quality Testimony Before the Senate Revenue Committee
- B. SB 333, Bruebaker, Deputy State Treasurer Testimony on Senate Bill 333, 1/19/95
- C. SB 333, Smith, Director Debt Management Division Testimony o Senate Bill

333, 1/19/95

- D. SB 333, Meinen, Oregon Parks and Recreation Dept. Memorandum, 1/19/95

DRAFT BILLS:

- E. LC1110 at request of Associated Oregon Industries
- F. LC2103 at the request of Oregon Lodging Association
- G. LC2106 at the request of Oregon Restaurant Association
- H. LC2574 introduced by Chair Phillips
- I. LC2577 at the request of Associated Oregon Industries
- J. SB 333, Hannemen and Sims, Hanneman & Associates written testimony in support of SB 333, 1/19/95
- K. SB 333, Yates, Special Fiscal Impact Request (sample document)