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SB 333 (FEES)
INVITED TESTIMONY AND WORK SESSION
TAPES 011-012 A/B, and TAPE 013 A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

JANUARY 24, 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
 Sen. Greg Walden (excused 1:30 pm)

Excused: Sen. Eugene Timms

Witnesses: John Charles, Oregon Environmental Council
 Theresa McHugh, Dept. of Administrative Services
 David Myton, Teacher Standards and Practices

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

TAPE 011 - SIDE A

005 Chair Phillips -calls the meeting to order at 1:04 pm
 -announces SB 333 work session plan for the day and intent to begin
discussion of LC1110 (capital gains) on 1/31/95
 -directs staff to invite Gary Weeks of State Lottery to give testimony on
1/26/95 about lottery preemption bill
INVITED TESTIMONY
045 John Charles -Oregon Environmental Council
 -submits copy of Survey of Residential Rates of Municipal Water Systems in
Oregon with conceptual outline included (Exhibit A)
110 -concludes that targeted user fees are preferable to general taxes, and
suggests policy direction
112 -questions and discussion
126 Charles -agrees with lines 26-27 of SB 333 which states that fees shall

be created or authorized and assessed based on actual cost of service
provided..."have people pay exactly for what they're getting"
INVITED TESTIMONY

140 Theresa McHugh -Dept. of Administrative Services
McHugh -generally, has no concerns or problems with SB 333 concepts

-important that fees be tied to budget and program expectations, believes
in emergency provision and the need to be cautious about unintended
consequences

183 -questions and discussion

235 Sen Gold -expresses concern about retrospective effects of bill rather

than prospective effect, and effect of review process

-discussion continues

INVITED TESTIMONY

340 David Myton -Oregon Teacher Standards and Practices Commission

-distributes written memorandum with proposed amendment (Exhibit B)

-requests exemption of TSPC from provisions of SB 333

422 -passage of SB 333 without requested amendment will have a "devastating"
effect on TSPC programs

TAPE 012, SIDE A

008 Myton -expresses concern with effect on TSPC 1995-97 budget proposal

-discussion and questions

096 Myton -reduction of fees would impact delivery of service

110 Chair Phillips -clarifies discussion between Sen. Trow and Mr. Myton

that legislative review and approval will be needed for initiated fees

-key is how language is amended to express "approve"

150 Chair Phillips -asks staff for update on progress to date on bill
amendments

175 Richard Yates -introduces staff summary of SB 333 Issues (Exhibit C)

outlining material to be presented today and action taken so far concerning

amendments

-Proposed (-2) Amendments to Senate Bill 333 (Exhibit D)

-Commodity Commission List (Exhibit E)

-List of Licensing Boards (Exhibit F)

-Statutory Authorization for Fees, State Board of Higher Education (Exhibit

G)

-Higher Education Fees Established by Rule (Exhibit H)

-ORS Fee Types and Examples (Exhibit I.)

-Delegation to Local Entities by State Agency (Exhibit J)

-Report on Fees and Civil Penalties (Exhibit K)

-1993 ORS Fees, Office of Legislative Counsel (Exhibit L)

230 Tom Clifford -Legislative Counsel

-explains Proposed (-2) Amendments to Senate Bill 333 (Exhibit D)

-work session questions and discussion of lines 1-10 of Proposed Amendments

(Exhibit D)

TAPE 011, SIDE B

020 Clifford -work session questions and discussion continue

057 Chair Phillips -direction to Legislative Counsel about clarifying
language in the proposed legislation regarding effective date (line 10 of
Exhibit D)

156 Clifford -discussion continues at line 11 of Exhibit D regarding
exemption for the purpose of servicing bonded debt

170 -lines 13-15 of Exhibit D regarding rescinding fee increases

185 -lines 16-17 of Exhibit D regarding frequency of emergency procedure
that Governor may apply

192 -lines 18-23 of Exhibit D regarding fee approval by Legislative Assembly

286 Sen Hartung -opinion that "new management practices" are needed for
improvement of government

298 Sen Gold -questions process of Governor approval and subsequent
authorization by the following Legislative Assembly ("delayed reaction")

325 Clifford -continues on Line 24 of Exhibit D

330 Chair Phillips -refers to letter dated 1/24/95 from Oregon Health
Sciences University suggesting specific language for proposed legislation
(Exhibit M)

-fees which are health related to be exempted by specific language)

-discussion and questions

TAPE 012, SIDE B

008 Clifford -continues with page two of Exhibit D, regarding definition of "State Agency" beginning on line 8
027 Chair Phillips -recaps direction to Legislative Counsel/staff and issues still to be addressed by committee
058 -discussion and questions
117 Chair Phillips -directs discussion to Exhibit C, Section 1(3)
Exemptions regarding commodity commissions
120 Sen Hartung -questions how directors of commodity commissions are elected/appointed
137 Chair Phillips -initiates discussion of licensing boards
155 Yates -refers to Exhibits E and F regarding commodity commissions and licensing boards
-discussion and questions about differences between commodity commissions and licensing boards
269 Yates -describes Exhibit G, State Board of Education Statutory Authorization for Fees
320 Chair Phillips -asks staff/Counsel to review language in Exhibit M regarding exclusion for the Oregon State System of Higher Education tuition and student fees
335 -discussion of additional exemptions and status of judicial and legislative branches
370 Clifford -states need for full definition of "fee"
-need to use extreme care in clarifying language which establishes policy
460 -general discussion continues
TAPE 013, SIDE A
075 Chair Phillips -final comments to staff/Counsel and meeting adjourns
2:58 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

A. SB 333, Charles, Survey of Residential Rates of Municipal Water Systems in Oregon (10/94) with Conceptual Outline
B. SB 333, Myton, Memorandum 1/24/95
C. SB 333, Yates, SB 333 Issues
D. SB 333, Clifford, Proposed Amendments (SB 333-2) 1/24/95
E. SB 333, Yates, Commodity Commission List 1993-94
F. SB 333, Yates, Chapter 182 State Administrative Agencies and Table of Titles and Chapters Volume 11, 1993 Edition
G. SB 333, Yates, State Board of Higher Education Statutory Authorization for Fees
H. SB 333, Yates, Padilla Memorandum re: Higher education fees (established by rule), 1/24/95
I. SB 333, Yates, Ramsey Memorandum re: ORS fee types and examples, 1/23/95
J. SB 333, Yates, Padilla Memorandum re: Delegation to local entities by state agencies, 1/23/95
K. SB 333, Yates, Report on Fees and Civil Penalties from Office of Legislative Counsel
L. SB 333, Yates, 1993 ORS Fees, from Office of Legislative Counsel
M. SB 333, Phillips, Oregon State System of Higher Education (Kerans) Testimony, 1/24/95