

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.

SB 333 (FEES) INVITED TESTIMONY
WORK SESSION
TAPES 014-015, A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

JANUARY 25, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Shirley Gold, Vice Chair (excused arrival 2:04 pm)
Sen. Tom Hartung
Sen. Cliff Trow
Sen. Greg Walden (excused 2:00 pm)

Excused: Sen. Eugene Timms

Witnesses: Kingsley Click, Judicial Department
Karen DeLorenzo, Board of Accountancy
Chris Davie, SAIF Corporation
Frank Wallie, Dept. of Veterans Affairs
Bonnie Wilson, Board of Psychologists
Morella Larsen, Real Estate Commission
Gene OSB orne, Real Estate Commission
Terrie Heer, Oregon Oil Heat Commission
Theresa McHugh, Dept. of Administrative Services
Bob Cantine, Assn. of Oregon Counties
B.J. Smith, League of Oregon Cities

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

TAPE 014 - SIDE A

005 Chair Phillips -calls the meeting to order at 1: 04 pm
-refers members to staff summary of SB 333 Issues (Exhibit A) and written
testimony submitted as exhibits (see Exhibit List)

020 Richard Yates -announces representatives who will give invited
testimony

INVITED TESTIMONY

035 Kingsley Click -Judicial Department

070 -gives examples of some fee areas which might be affected by SB 333
-fees collected from civil area go into the general fund to a particular
county entity or to another state agency

116 -questions and discussion
155 Chair Phillips -having polled the committee, Chair clarifies that
judicial branch will not be included in legislation

(Chair is excused and Sen. Trow assumes duties of Acting Chair - no quorum
at this point)

INVITED TESTIMONY

178 Karen DeLorenzo -Board of Accountancy
-submits written testimony (Exhibit B)
-one direct financial impact might be on fee charged to sole practitioners
who are using plural names as a form of business
215 -expresses concern about limit to emergency increase of 10% in
eventuality of budget shortfall if Board should experience unexpected
litigation
-questions and discussion
345 -status of statutory fee levels
-reserve level is sufficient for at least the next two years

INVITED TESTIMONY

360 Chris Davie -SAIF Corporation
-distributes proposed amendment to SB 333 (Exhibit C)
-explains procedure for setting insurance rates
428 Acting Chair Trow -intention of Chair Phillips is that Worker's Comp.
will be excluded, and that committee would probably be favorably inclined
to proposed SAIF amendment

TAPE 015, SIDE B

INVITED TESTIMONY

012 Frank Wallie -Dept. of Veterans Affairs
-asks whether line 11 of the opposed amendments concerning bonded debt
would be reason to exclude Dept. of Veterans Affairs
-explains fees as status of mortgage lender which are essentially
"pass-throughs"

028 Acting Chair Trow -"I think that the committee intends to exclude
those bond fees from the purview of the bill"

INVITED TESTIMONY

048 Bonnie Wilson -Board of Psychologist Examiners
-Board closed office in 1983 as a result of fee being in statute and
inability of the Board to raise fees and revenue
-budget is under \$350,000 - one litigation case can literally "break my
Board"

-litigation is constant possibility
-opinion that putting fees back in statute would handicap small boards

090 -questions and discussion about how many fees charged, number of
psychologists licensed and use of emergency provisions

140 Jim Scherzinger -explains intent of SB 333 Section 2. (2) where
applicant pays a fee based on the cost of servicing that particular
application on a case-by-case basis

158 Scherzinger -example: real estate examination (fee to examine and
audit a realtor based on amount of audit time on that one inquiry)
-"a one-to-one assessment of cost"

INVITED TESTIMONY

172 Morella Larsen -Real Estate Commission
Gene OSB orne -Deputy Real Estate Commissioner
180 -explains difficulties with estimating cost of certain fees in advance

220 -questions and discussion

334 OSB orne -describes number /types of fees charged by Real Estate
Commission

-questions and discussion

TAPE 014, SIDE B

020 Larsen -explains licensees and types of business transacted (which are
determined by type of product sold)

(Chair Phillips returns to preside over meeting)

045 Scherzinger -summarizes testimony just received within framework of
SB 333 Issues (Exhibit A)

-comments on fiscal impact statement requests returned by state agencies

073 Sen Trow -initiates discussion of whether fees based on direct costs

qualify for exemption

-discussion

108 Scherzinger -"agency is imposing a fee to operate its own programs" as

opposed to imposing a fee which goes into the general fund

135 Chair Phillips -consensus that Liquor Commission charges would not be considered as fees

-questions and discussion

INVITED TESTIMONY

160 Terrie Heer -Oregon Oil Heat Commission

-explains how legislated assessment is used to benefit industry

-offer furnace rebate program, promote use of oil heat in general, have cleanup program, and promote energy conservation

-Governor appoints commission

-established as public benefit corporation (modeled after SAIF)

199 Richard Yates -Supreme Court opinion that in certain cases, SAIF could

be considered a state agency

208 Heer -Oregon Oil Heat Commission will lose approximately \$1.4 million in funding under proposed legislation

-questions and discussion

265 Chair Phillips -asks staff/Council to review definition of public benefit corporation and which agencies fall under those references, and make a recommendation about renting properties (example: Division of State

Lands grazing fees with revenues going to common school fund)

300 -questions and discussion

INVITED TESTIMONY

340 Frank Wallie -Dept. of Veterans Affairs

-expresses concern about funding sources for such programs as affordable housing

420 -need more fee flexibility for affordable housing program funding

-questions and discussion about authority of Ways and Means and E-Board, and fee definition within budget process

TAPE 015, SIDE B

046 Chair Phillips -offers two options in addressing opportunities: 1) exempt from fee category for affordable housing programs 2) could include new monies available for the betterment of the state of Oregon by Governor's authority on a temporary basis

-discussion of possible problems and solutions concerning debt obligation

085 Chair Phillips -"don't want to shut the doors on opportunities"

INVITED TESTIMONY

091 Theresa McHugh -Dept. of Administrative Services

describes how fees and issues are being evaluated and will submit a report

by 1/31/95

-department is generally supportive of concept of SB 333

130 -questions and discussion

148 Chair Phillips -directs staff to provide proposed amendments to agencies by tomorrow so legislation can be acted upon by 1/31/95

165 Scherzinger -introduces subject of treatment of local governments under legislation with regard to public hearings and delegation of authority

INVITED TESTIMONY

185 Bob Cantine -Association of Oregon Counties

255 Chair Phillips -requests that Mr. Cantine discuss proposed amendment with Legislative Counsel

260 B.J. Smith League of Oregon Cities

-has been in touch with Tom Clifford about development of language to assure local public meeting input processes are sufficient

280 Chair Phillips -asks for proposed written amendments on delegation of fees to be submitted by all agencies

-directs staff to consult with Legislative Counsel

325 -questions and discussion about 10% limitation

370 Chair Phillips -mentions issues to be discussed at 1/26/95 meeting

400 Chair Phillips -adjourns meeting at 2:53 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 333, Yates, SB 333 Issues
- B. SB 333, DeLorenzo, State Board of Accountancy Testimony on SB 333,
1/25/95
- C. SB 333, Davie, SAIF Corporation Proposed Amendment
- D. SB 333, Jacky, Oregon Dept. of Forestry RE: SENATE BILL 333, 1/24/95
- E. SB 333, Taylor, Dept. of Environmental Quality Re: Senate Bill 333,
1/24/95
- F. SB 333, Bartel, Portland Metropolitan Area Local Government Boundary
Commission, Testimony on Senate Bill 333, 1/23/95
- G. SB 333, Ingram, Department of Fish and Wildlife, corr. 1/23/95