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PUBLIC COMMENT RE: PREEMPTIONS
PUBLIC HEARING SB 328
TAPES 018-019, A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

JANUARY 31, 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 1:30-2:00 pm)
Sen. Eugene Timms (excused 1:00-2:00 pm)

Witnesses: Di Lyn Larsen-Hill, League of Oregon Cities
Larry Griffith, Baker City, Baker County, League of Oregon Cities
Tom Clifford, Legislative Counsel
Mike McCallum, Oregon Restaurant Assn.
Phil Lemmon, City of Eugene
Jim Torry, City of Eugene
Leonard Cooke, City of Eugene

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

TAPE 018 SIDE A
005 Chair Phillips -calls the meeting to order at 1:10 pm as a subcommittee
PUBLIC COMMENT ON GENERAL ISSUE OF PREEMPTIONS (SB 327-328-329)
(arrival of committee members to constitute quorum)
007 Di Lyn Larsen Hill -League of Oregon Cities, LaGrande
-presents written testimony in general opposition to preemption bills (Exhibit A)
077 Larry Baker -Baker City, Baker County Chamber of Commerce, League of Oregon Cities
-presents written testimony in opposition to preemption bills SB 327-328-329 (Exhibit B)
-comments specifically against SB 327, preemption of transient room tax
145 Sen Trow -question about possibility of 6-8 year moratorium on transient room tax increase
158 Hill -states that LaGrande "could use additional revenue"
160 Baker -states that freeze would "severely inhibit" Baker City's ability to make logical decisions
173 Chair Phillips -outlines committee work plan for the day,
-SB 323 public hearing and staff overview regarding capital gains scheduled for Thursday, 2/2/95
WORK SESSION ON SB 333
187 Jim Scherzinger -introduces letter from Ellingson Lumber Co. supporting freeze or reduction in administrative fees authorized by state government (Exhibit C)
-refers to Proposed (-7) Amendments to Senate Bill 333 prepared by legislative counsel (Exhibit D)
-presents staff outline of Changes to Original SB 333 (Exhibit E)
225 Richard Yates -reviews outline to show where (-7) amendments differ from original bill (Exhibit E)
-committee has not yet acted to adopt (-1) and (-3) amendments
261 -Section 1(2) Emergency Provisions
280 -questions and discussion
390 Tom Clifford -responds to Sen. Trow's question about whether 10% emergency fee increase granted by Governor would exceed statutory limit
TAPE 019 SIDE A
014 -discussion continues about need for flexibility in emergency provision process, whether there is a need for "range of fees", and process

for emergency provision during interim
087 Dick Yates -continues staff overview of Exhibit D, beginning page 2, paragraph (b), line 5
130 Chair Phillips -asks legislative counsel to compile a list of "other state agencies and institutions" as referred to on page 3, line 3 of Exhibit D

191 Scherzinger -introduces Senate Bill #333 Analysis (Exhibit F) prepared

by staff which lists agencies by defined categories either covered by or exempt from legislative review

223 -questions and discussion continue

280 Yates -continues staff overview of Exhibit D, page 4, section 2 which repeats language about fees that vary by individual fee payers

-questions and discussion

383 Yates -referring to page two of Exhibit E "Other Issues", states understanding that intent of committee is that Workers Compensation and Unemployment Insurance be exempt - language to be inserted in amendment

TAPE 018 SIDE B

022 Chair Phillips -introduces facsimile memorandum from Port of Portland which suggests language to exempt them from SB 333 (Exhibit G)

027 Scherzinger -introduces question of operating assessments to be addressed by DCBS and PUC

-introduces subject of delegated authority and whether there would be a cap

on those fees - to be discussed by DCBS and the Health Division

-refers to Responses to Questionnaire (Exhibit H), a compilation of revenue

impact to various state agencies

OTHER EXHIBITS: -Summary of Fees For Enforcement of Oregon State Building Codes (Exhibit I)

-Department of Consumer and Business Services Proposal to Exempt Certain Assessments and Charges from the provisions of SB 333 (Exhibit J)

CLOSE OF PUBLIC HEARING ON SB 333 AND OPENING OF PUBLIC HEARING ON SB 328

059 Steve Meyer -introduces Revenue Impact Statement to SB 328 (Exhibit K)

-introduces (-2) Amendments to SB 328 (Exhibit L)

074 Mike McCallum -Oregon Restaurant Assn.

-adds to comments of 1/26/95 that amendment drafted is appropriate to circumstances and should take care of issue brought before the committee by

ORA

094 Phil Lemmon -City of Eugene

Jim Torry -City Councilor, City of Eugene

Leonard Cooke -Chief of Police, City of Eugene

102 Torry asks that committee not proceed with SB 328 because it will eliminate option currently available to City of Eugene to raise funds for a

needed community program

112 Torry -differentiates between SB 328 and restaurant tax

174 -asks that citizens of Eugene be allowed to keep a portion of money generated by video poker to deal with related costs to the community

183 Leonard Cooke -Chief of Police, City of Eugene

-submits written testimony in opposition to SB 328 (Exhibit M)

290 -summarizes that Eugene has a clear need for additional resources and

asks committee to leave choice of revenue source to local communities

-questions and discussion

298 Chair Phillips -asks representatives from Eugene if they were aware that Lottery and Governor's office and others testified "in opposition to your proposed tax and in favor of this bill and approach?"

302 Sen Gold -takes exception to Chair Phillips' interpretation of earlier

testimony by the Lottery Commission "in terms of actual stated opposition to this bill"

-questions and discussion

341 Torry -at request of Sen. Gold, reiterates process followed by City of

Eugene to bring tax measure to the ballot for the purpose of generating

funds for a community policing program

398 -discussion continues

TAPE 019 SIDE B

013 Sen Trow -asks about number of police calls to establishments with video poker machines and also inquires about City of Eugene's belief in legality of tax which they imposed by ordinance

039 Torry -response about legality includes comment that city is "willing to go to court and find the answer to that question"

052 -questions and discussion

097 Torry -tax revenue under discussion is needed to meet public safety needs of the community

-believes city's decision is responsible and that source of revenue is reasonable

108 Sen. Walden -initiates question of whether Eugene considers ordinance to be a "gross receipts tax"

110 Torry -discussion of need for additional public safety service which coincides with economic growth

135 Sen. Gold -sees this particular bill as a governance issue and that it

is "not our business as the state legislature to interfere with a local community's initiative petition and a local vote on an item"

157 Chair Phillips -clarifies for the record that he just phoned Gary Weeks of the Oregon Lottery about his position on this bill

-Weeks reports to Chair Phillips that he talked to Steve Marks and Chris Dearth and John Kitzhaber and as of last Friday they did not support "these

kind of special taxes"

-states his view that this is a tax policy issue as to jeopardizing the revenue stream of the State

(Exhibit L) -entered for the public record: City of Salem, Oregon, written testimony regarding opposition to SB 328

CLOSE OF PUBLIC HEARING AND OPENING OF WORK SESSION - SB 328

170 Chair Phillips -reviews (-2) Proposed Amendments to SB 328 (Exhibit L)

180 Steve Meyer -notes changes made in lines 8-9 of bill

-Revenue Impact of Proposed Legislation SB 328 (Exhibit K)

191 Chair Phillips MOVES (-2) AMENDMENTS TO SB 328 BE ADOPTED

-questions and staff clarification

212 Sen. Gold -states opposition
 218 Sen. Trow -states opposition
 224 Chair Phillips -ROLL CALL VOTE ON MOTION FOR ADOPTION OF (-2)
 AMENDMENTS TO SB 328: MOTION PASSES 4-2
 AYE: SENATORS HARTUNG, TIMMS, WALDEN & PHILLIPS
 NAY: SENATORS TROW & GOLD
 235 Sen. Walden -MOVES SB 328 AS AMENDED BE SENT TO THE FLOOR WITH A DO
 PASS RECOMMENDATION
 241 Sen. Gold -states opposition for reason of setting "dangerous
 precedent"
 267 Sen. Trow -states opposition to preempting taxing authority of local
 governments
 288 -comments about effect of including video poker in lottery realm and
 additional costs involved to cities
 321 Sen. Walden -states support although some reluctance about overriding
 vote of local governments and voters
 -believes in need to protect contract with video poker operators
 342 Sen. Gold -expresses concern about interfering with how business
 conducts itself, but believes state constitution initiative and referral
 process supersedes this bill
 361 Sen. Timms -states reasons for support of this type of legislation
 385 Chair Phillips -states opposition from a tax policy standpoint
 394 Chair Phillips ROLL CALL VOTE: MOTION PASSED 4-2 (SEND SB 328 AS
 AMENDED TO FLOOR WITH DO PASS RECOMMENDATION)
 AYE: SENATORS HARTUNG, TIMMS, WALDEN & PHILLIPS
 NAY: SENATORS TROW & GOLD
 403 Chair Phillips -will carry bill in floor debate
 440 Chair Phillips -adjourns meeting at 3:03 pm

Janice DeVito
 Committee Assistant

Kimberly Taylor James
 Office Manager

Exhibits Summary:

A. PREEMPTION, Hill, letter from City of La Grande and League of Oregon
 Cities, 1/31/95
 B. PREEMPTION, Griffith, letter from City of Baker City, 1/31/95
 C. SB 333, Scherzinger, letter from Ellingson Lumber Co., 1/23/95
 D. SB 333, Scherzinger, Proposed (-7) Amendments to SB 333, 1/31/95, TC/hl
 E. SB 333, Scherzinger, Changes to Original SB 333 (-7) Amendments
 F. SB 333, Scherzinger, State of Oregon Senate Bill #333 Analysis
 G. SB 333, Phillips, Willis facsimile from Port of Portland, 1/31/95
 H. SB 333, Scherzinger, Responses to Questionnaire
 I. SB 333, Collins, Summary of Fees For Enforcement of Oregon State
 Building Codes
 J. SB 333, Elliott, Department of Consumer and Business Services Proposal
 to Exempt Certain Assessments and Charges From the Provisions of SB 333
 K. SB 328, Meyer, Revenue Impact of Proposed Legislation, 1/27/95
 L. SB 328, Meyer, Proposed (-2) Amendments to SB 328, 1/30/95, JB/hl
 M. SB 328, Cooke, Testimony re: SB 328, 1/31/95
 N. PREEMPTION, Stutzman, City of Salem letter, 1/31/95