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PUBLIC HEARINGS SB s 277, 323,  
327, 329, & 253  
WORK SESSION SB 253  
TAPES 027-028

SENATE COMMITTEE ON GOVERNMENT  
FINANCE AND TAX POLICY

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FEBRUARY 08, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

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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: Sen. Gene Derfler, Senate District 16  
Jerry Berger, Chemeketa Community College  
George Happ, City of Salem Public Library  
Diane Trenhaile, Yamhill County Resident  
Stan Kenyon, City of Monmouth  
Craig Smith, Chemeketa Community College  
B.J. Smith, League of Oregon Cities  
Bill Campbell  
Noel Klein, METRO  
Susan McLain, METRO  
Phil Peach, Oregon Lodging Association  
Jeanne Arana, Salem Resident  
Larry Harvey, Oregon Lodging Association  
Delyne Anderson, Execulodge Salem  
Genoa Ingram-Read, Oregon Association of Realtors  
Fred VanNatta, Oregon State Homebuilders Assn.  
Don Miner, Oregon Manufactured Housing Assn.  
Bill Cross, Building Owners & Managers Association  
Bob Cantine, Association of Oregon Counties  
Gordon Faber, City of HillSB oro/League of Oregon Cities  
Patricia Smith, Powell Vista/Mattie Younkin Manor

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

TAPE 027 SIDE A

005 Chair Phillips -calls the meeting to order at 1:15 pm

PUBLIC HEARING SB 277

017 Sen. Gene Derfler -gives background information about SB 277 which was introduced at the request of Chemeketa Community College  
-bill shifts some library services and how they are paid for  
-introduces letters in support of bill from City of Stayton (Exhibit A) and

Polk County (Exhibit B)

-states that he would be happy to carry bill on floor

040 Jerry Berger -Chemeketa Community College

-legislation affects regional library system within Marion, Polk and

Yamhill Counties

045 Chair Phillips -inquires about whether library system has properly consulted legal counsel

050 George Happ -City of Salem Public Library

-provides history of measure and gives history of the library system and how it operates

-submits written testimony in support of bill (Exhibit C)

074 Diane Trenhaile -testifies for continued support of library system

-from perspective of library user, explains scope of library services to public in rural Yamhill County

-discussion and questions about any opposition or adverse impact of this bill

140 Stan Kenyon -City of Monmouth

-states unanimous support from Monmouth City Council and thirteen City Managers in system for this legislative solution

-system is cost-effective, unique, and a model of inter-governmental cooperation

-believes this bill is best option to "solve the Measure 5 issue"

164 Craig Smith -Chemeketa Community College

-refers to packet containing support and informational data for bill (Exhibit D)

-in response to question from Chair Phillips, outlines bill drafting process followed with Dept. of Revenue, college legal counsel, and legislative counsel

195 -questions and discussion

264 B.J. Smith -League of Oregon Cities

-notes that tax coordination works at the local level, cites language in constitution and ORS 310 interpretation

-comments about classification and categorization

-questions and discussion

PUBLIC HEARING SB 323

399 Bill Campbell -testifies on own behalf

Campbell -with company partnership, works with many emerging growth technology companies throughout state of Oregon, Oregon Biotechnology

Association, American Electronics Assn. in Oregon, Software Assn. of Oregon, and other trade associations involved in emerging growth industries

-comments about "Oregon's severe and long term shortage of early stage capital"

-introduces Minutes of the Oregon Capital Formation Committee 1/10/95

(Exhibit G)

-points to problems in bill from apparent focus on investments by people who intend to be active in the business in which they plan to invest, and lack of a mechanism to allow pools of capital to form for the advantage of a capital gains roll-over that could then invest in emerging growth companies

-offers to work with staff on addressing technical issues of bill

063 -questions and discussion about rollover, lower capital gains rate, and targeted results

096 Chair Phillips -directs staff to work with Mr. Campbell to prepare bill amendments for committee consideration

PUBLIC HEARING SB 327

112 Noel Klein -METRO

-introduces written testimony in opposition to SB 327 and 329 (Exhibit H)

Susan McLain -METRO

-reads Exhibit H which concludes that "both SB 327 and 329 diminish the

number of financial tools METRO has available to carry out its responsibilities"

211 Phil Peach -Oregon Lodging Association  
-discusses sales tax in the lodging industry in "non-tax state"  
-presents history of transient lodging tax and cites city uses of tax that do not correlate to tourism  
-testifies in support of SB 327, especially for provision that grants fee to

those businesses who collect them

338 Chair Phillips -summarizes his understanding of the position of lodging industry

-questions and discussion  
350 Jeanne Arana -represents self as private citizen  
-introduces written remarks in support of SB 327 (Exhibit J)

434 Larry Harvey -Oregon Lodging Association

TAPE 27 SIDE B

012 Harvey -states opinion that bill is not a local control issue, but that bill is an attempt to give local governments more control  
-industry 's purpose is to sustain revenue brought to state by travel expenditure

036 Delynne Anderson -Execulodge Hotel, Salem  
-speaks in support of SB 327 and reinvestment of room tax revenue in tourism

PUBLIC HEARING SB 329

055 Genoa Ingram-Read -Oregon Association of Realtors  
Ingram-Read -presents written testimony in support of SB 329 (Exhibit K)  
-gives background information, describes inequities of real estate transfer

tax, and cites other statutory precedents limiting the activity of local government in the interest of affordable housing

151 Fred VanNatta -Affordable Housing Advocate for Oregon State Homebuilders Assn.

-support (-2) Amendments to SB 329 (Exhibit L)  
180 Don Minor -Oregon Manufactured Housing Association  
-supports legislation, particularly (-2) amendments  
-questions and discussion

230 Bill Cross -Building Owners and Managers Association  
-presents written testimony in support of SB 329 with (-2) Amendments (Exhibit M)  
-questions and discussion

280 Chair Phillips -draws committee's attention to key points of the (-2) Amendments (Exhibit L)

290 Bob Cantine -Association of Oregon Counties  
-speaks in opposition to SB 329  
-local problems need to be addressed locally through community debate instead of being decided on the legislative level  
-cites details of real estate transfer tax in Washington County and questions significance of real estate transfer tax  
-assessment and taxation program "was clearly meant to be an on-going program"

394 B.J. Smith -League of Oregon Cities  
-submits written testimony in opposition to SB 329 (Exhibit N)

TAPE 028 SIDE B

Smith application of real estate transfer taxes in other states  
073 -states opinion that bill "removes right to decide from the local arena"

089 Gordon Faber -Hillsboro Mayor  
-states that as it is currently constituted, real estate transfer tax has not been a problem in Washington County  
-expresses concern about preemption and believes legislature needs to trust

local government to use real estate transfer tax wisely as a means of meeting future needs

120 -questions and discussion about local control, concurrent legislation, and importance of "layering" issue

202 Smith -comments on sophistication of local government concerning tax coordination

PUBLIC HEARING SB 253

237 Patricia Smith -Powell Vista/Mattie Younkin Manor  
-speaks in support of SB 253

253 Steve Meyer -explains purpose of bill which allows forgiveness of 1993 taxes assessed against certain nonprofit homes for elderly for which exemption from property tax would have been allowed if application had been

filed on time

-Revenue Impact of Proposed Legislation (Exhibit O)  
-Fiscal Analysis of Proposed Legislation (Exhibit P)

315 -questions and discussion

WORK SESSION SB 253

340 -MOTION BY SEN. TROW TO MOVE SB 253 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

360 Chair Phillips -ROLL CALL VOTE: MOTION PASSED 4-0, MEMBERS VOTING AYE: SENATORS HARTUNG, TROW, GOLD & PHILLIPS. (EXCUSED: TIMMS & WALDEN)

374 Chair Phillips -assigns bill to Sen. Trow to carry on floor  
-comments briefly on meeting schedule for following day  
-adjourns meeting at 3:04 pm

Janice DeVito  
Committee Assistant

Kimberly Taylor James  
Office Manager

Exhibits Summary:

- A. SB 277, Derfler, City of Stayton testimony, 1/18/95
- B. SB 277, Derfler, Polk County testimony, 1/26/95
- C. SB 277, Happ, Salem Public Library testimony, 1/8/95
- D. SB 277, Smith, information packet Cooperative Regional Library Service
- E. SB 277, Meyer, Fiscal Analysis of Proposed Legislation 2/8/95, Fusak
- F. SB 277, Meyer, Revenue Impact of Proposed Legislation, 2/6/95
- G. SB 277, Campbell, Minutes of the Oregon Capital Formation Committee, 1/10/95
- H. SB 327 and SB 329, Klein & McLain, Metro testimony
- I. SB 327, Johnson, City of Garibaldi testimony, 2/1/95
- J. SB 327, Arana, personal testimony, 2/8/95
- K. SB 329, Ingram-Read, Oregon Assn. of Realtors testimony 1/31/95
- L. SB 329, Meyer, Proposed (-2) Amendments to SB 329, 1/27/95, BPS/hl
- M. SB 329, Cross, Building Owners and Managers Association testimony, 2/7/95
- N. SB 329, Smith, League of Oregon Cities testimony, 2/8/95
- O. SB 253, Meyer, Revenue Impact of Proposed Legislation 2/1/95
- P. SB 253, Meyer, Fiscal Analysis of Proposed Legislation, 2/3/95, Fusak
- Q. SB 206, Manary, Proposed Amendments to SB 206
- R. SB 206, Meyer, Revenue Impact of Proposed Legislation, 2/1/95
- S. SB 206, Meyer, Fiscal Analysis of Proposed Legislation, 2/7/95, Fusak
- T. SB 206, Meyer, Senior Citizens Property Tax Deferral, 1/9/95
- U. SB 327, Meyer, Transient Lodging Tax by Jurisdiction 1993-94, LRO