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WORK SESSIONS: SB S 687, 1093 & 101
PUBLIC HEARINGS: SB S 1093 & 101
TAPES 068A/B - 069A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

MARCH 28, 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
Sen. Eugene Timms (excused to Ways and Means)

Witnesses: Mike Scott, Power Rents and Oregon Equipment Rental Assn.
Craig Campbell, Association of Oregon Loggers
Greg McMurdoe, Oregon Department of Education
Karen Brazeau, Oregon Department of Education
Jim Green, Oregon School Boards Association
Brian Doherty, Western States Petroleum Association
Mike Grainey, Department of Energy

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

TAPE 068 SIDE A

005 Chair Phillips -calls the meeting to order at 1:08 pm
-announces that SB 816 work session will be rescheduled

SB 687 WORK SESSION

010 Chair Phillips -summarizes committee progress on this measure to date
-refers to Proposed (-4) Amendments (Exhibit B)

021 Steve Meyer -presents staff summary of measure and explains Proposed (-4)

Amendments (Exhibit B) which restores language initially removed and adding

new language defining conditions for lease/rental property

040 Mike Scott -Power Rents and Oregon Equipment Rental Association
-suggests inclusion of the word "or" at line 5 of the proposed (-4)

amendment

-questions and discussion
070 Meyer -describes fiscal impact of measure and refers to Exhibit I
distributed 3/16/95 by Oregon State Association of County Assessors

135 Craig Campbell -Association of Oregon Loggers
-explains Proposed (-1) and (-2) Amendments which were introduced 3/16/95
(Exhibits K & L respectively)

167 Chair Phillips -notes addition to line 5 before (B) insertion of the word

"or"

-MOVES FOR DISCUSSION PURPOSES PROPOSED (-4) AMENDMENTS (WITH CONCEPTUAL AMENDMENT) TO INCLUSION IN SB 687

169 Sen. Trow -objects to the motion

175 Sen. Gold -objects to the bill, but open for discussion of the amendment

180 Sen. Trow -asks for clarification of effect of amendments

183 Meyer -explains that the amendments add to the kind of property that is exempt from property tax

-discussion

197 Chair Phillips -closes work session (awaiting arrival of Sen. Timms)

SB 101 PUBLIC HEARING/WORK SESSION

220 Jim Scherzinger -presents staff overview of SB 101 which requires students

enrolled in Juvenile Corrections Education Program to be considered for purposes of allocation and distribution of State School Fund

265 -measure creates a permanent formula for funding the Juvenile Corrections Education Program out of the state school fund

-refers to Fiscal Analysis of Proposed Legislation (Exhibit F)

295 Greg McMurdoe -Oregon Department of Education, introduces Associate Superintendent for Special Education Karen Brazeau

-explains that measure provides ability to adjust funds for increases in juvenile system population as a result of Measure 11 and for potential impact of SB 1

328 -questions and discussion about possible alternatives

350 Karen Brazeau -Oregon Department of Education, Associate Superintendent for Special Education

-provides brief history of earlier legislative funding from the state school fund

-questions and discussion

382 Jim Green -Oregon School Boards Association

-states that OSB A and COSA are concerned about \$14.2 million shown in the Fiscal Analysis (Exhibit F)

-supports shift of funding from within the Dept. of Education of approximately \$13.7 million and referral of measure to Ways and Means

401 Scherzinger -provides clarification of language in SB 101 regarding impact

of the formula

TAPE 069 SIDE A

010 Sen. Gold -states rationale for asking that measure be referred to this committee

014 Scherzinger -comments further about formula's apparent effect on weighting and possibility of drafting amendment to achieve the desired intent

SB 687 WORK SESSION RESUMES

027 Chair Phillips -summarizes issues before the committee

-MOVES ADOPTION OF PROPOSED (-4) AMENDMENTS WITH CONCEPTUAL AMENDMENT TO

SB 687

040 Sen. Trow -"I would remind Sen. Timms (in case he hasn't seen it) of the fiscal impact of doing this"

-questions and discussion

052 Chair Phillips -ROLL CALL VOTE: MOTION PASSES 4-2

-SENATORS VOTING AYE: HARTUNG, TIMMS, WALDEN & PHILLIPS NAY: TROW & GOLD

075 Chair Phillips -summarizes intent of other proposed amendments (no action

taken)

-MOVES SB 687 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

076 Sen. Gold -states opposition to the bill and for the record that "we're not in a period of time when we can afford this...and I've yet to see a balance reached this session in how we've been spending money..."

085 Sen. Walden -states that reconnect will "raise \$40 million or so...I think we are balancing puts and takes"

097 Sen. Trow -comments on problems in the general fund this session "if we had some idea of the total amount of tax expenditures...we might feel more consistent"

-expresses concerns about responsibilities of committee to provide enough revenue to meet responsibilities

109 Sen. Hartung -states reasons for support of measure which include

elements of fairness and competition

12 Sen. Timms -agrees with Sen. Hartung in support of measure ".our revenues

are way up and it's because we need a decent business climate that we need to continue to do that"

132 Sen. Gold -comments that the Governor's original budget did not include any of the tax credits which are due to sunset and did not have an awareness of bills before this committee since session began
-"the balance sheet is still a problem..."

149 Chair Phillips -comments on history of development of tax policy and speaks to issues of consistency and fairness

-states role of the committee to look at "ways to stimulate the economy..."

170 Chair Phillips -ROLL CALL VOTE SB 687 : MEASURE PASSES 4-2

-SENATORS VOTING AYE: HARTUNG, TIMMS, WALDEN & PHILLIPS

-VOTING NAY: WALDEN & GOLD

(no carrier of the bill designated)

SB 1093 PUBLIC HEARING

175 Acting Chair Gold -convenes hearing while Chair Phillips is briefly excused

180 Brian Doherty -Western States Petroleum Association

-presents position in support of passage of SB 1093

-question about summary of measure

240 Scherzinger -presents staff clarification of effect of current statute enacted just last legislative session

-states understanding of Department of Energy position about overpayments

-explains that measure defines allocation of operating assessment

(Sen. Phillips returns to reassume duties as Chair)

283 Mike Grainey -Department of Energy

-provides additional clarification of SB 1093 and states no objection to the

measure

-questions and discussion regarding determination of overcharge, appeal

rights and process, need for consistency in policy for overpayment refunds

and penalties for late filing

TAPE 068 SIDE B

SB 1093 WORK SESSION

010 Sen. Trow -MOVES SB 1093 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

012 Chair Phillips -ROLL CALL VOTE: MOTION PASSES 5-0

-SENATORS VOTING AYE: HARTUNG, TROW, WALDEN, GOLD & PHILLIPS

EXCUSED:

TIMMS

Sen. Trow -will carry measure on the Senate floor

SB 101 WORK SESSION RESUMES

020 Jim Scherzinger -suggests considerations for amendment of subsection 2 of

section 3 to correct the mathematical formula

039 -also suggests clarification in subsection 1 of section 2

-questions and discussion about measure intent, prior flow of funding and

legislative policy

160 Chair Phillips -directs staff to draft additional proposed amendments

-adjourns meeting at 2:15 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 816, Meyer, Fiscal Impact Assessment, 3/14/95
- B. SB 687, Meyer, Proposed (-4) Amendments (BPS/dc) 3/24/95
- C. SB 687, Meyer, Fiscal Impact Assessment, 3/9/95
- D. SB 1093, Scherzinger, ORS 293.445 forward
- E. SB 1093, Scherzinger, Revenue Impact Analysis, 3/17/95
- F. SB 101, Scherzinger, Fiscal Analysis of Proposed Legislation, 3/22/95