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PUBLIC HEARINGS SB S 487, 718 & 1067  
TAPES 074-A/B AND 075-A

SENATE COMMITTEE ON GOVERNMENT  
FINANCE AND TAX POLICY

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APRIL 04, 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

Excused: Sen. Eugene Timms  
Sen. Greg Walden

Witnesses: Gordon Smith, Oregon State Senate President from District 29  
Stephen Donnell, Blue Mountain Translation District  
Jim Manary, Oregon Department of Revenue  
Mark Noakes, Linn County Assessor and Tax Collector  
Bill Dwyer, Oregon State Senator District 21  
Judie Miller, Oregon Outreach Coalition  
Barbara Mulcahey, Adult and Family Services  
Laura Lemos, McMinnville, OR  
Michael Carrigan, Oregon Peace Works  
Sara Fleming, Oregon Hunger Relief Task Force  
Bob Castagna, Oregon Catholic Conference  
Jeannie Berg-Rempel, Jobs With Justice, Salem

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

TAPE 074 - SIDE A

005 Chair Phillips -calls the meeting to order at 1:09 pm as a subcommittee  
SB 1067 PUBLIC HEARING

010 Gordon Smith -Oregon State Senate President from District 29  
-introduces constituents from the LaGrande area: Harlow A. Speckhart and  
Stephen Donnell, representing Blue Mountain Translator District  
-comments on Measure 5 effect on the Blue Mountain Translator District and  
recommends favorable committee action on SB 1067

021 Stephen Donnell -represents Blue Mountain Translation District

-presents testimony in support of SB 1067 (Exhibit A) with accompanying list of benefited communities served by Blue Mountain Translator District (Exhibit B)

-states that currently with no effective way to collect delinquent fees, 50% of fees are not being paid to District

-refers to Oregon Map to illustrate District area which serves approximately 146-150,000 people

-without assistance in collecting delinquent fees, the District may need to cease operation within the next 1-1/2 years

065 -questions and discussion about other entities that might be affected by legislation

074 -presents concept of "friendly amendment" and states support from Department of Revenue, Union County Assessor, and County Assessors

096 Jim Manary -Oregon Department of Revenue (quorum established)

Manary -explains situation prior to Measure 5 which allowed a number of entities to use the tax roll for billing and collection of fees for services

-presents concepts: 1) collection service will only be for delinquent accounts, and 2) a district wanting to use the roll will pay a fee for the service

126 Chair Phillips -questions about when amendment could be available to committee and costs of administration

136 Mark Noakes -Linn County Assessor and Tax Collector, Albany

-represents the Association of County Assessors and Tax Collectors

-states that assessors will be meeting tomorrow, and should have a better understanding of bill within a few days

-generally, tax collectors are concerned about "snowball effect" of this type of action and would like to it to be narrowly defined

161 Chair Phillips -asks parties involved to coordinate work on amendments prior to April 11

-declares possible conflict of interest because he owns property in the subject area

SB 718 PUBLIC HEARING (SOME TESTIMONY ALSO REFERS TO SB 487)

185 Sen. Gold -Oregon State Senator District 7, Portland

-presents measure description, referring to Revenue Impact of Proposed Legislation (Exhibit D)

-measure creates a refundable earned income credit equal to 25% of the federal earned income credit

276 -points out that SB 718 affects taxpayers in Oregon with incomes under \$30,000 per year - representing the majority of Oregon taxpayers

-explains rationale for the federal earned income credit and advises that "at least seven states have followed suit"

-"from my perspective, state credits are good policy..for the same reason that it's been good policy at the federal level"

296 -introduces Judy Miller of Oregon Outreach Coalition

316 Sen. Bill Dwyer -Oregon State Senator District 21, Springfield

-presents policy and position stated in SB 487, which is similar in concept to SB 718

-"we have two approaches to welfare: if we expect people to work and not live in poverty, then government has to recognize their ability to pay what the costs are associated with living and try to make adjustments"

364 -states that earned income credit provides an incentive to work

370 -questions and discussion

375 Chair Phillips -notes for record, desire of Representatives Wooten and Brown to testify on SB 718 (see written testimony from Representative Brown as Exhibit K)

380 Judie Miller -Oregon Outreach Coalition

-refers to distributed testimony in support of earned income tax credit (Exhibit F)

TAPE 075 SIDE A

051 -discussion and questions

065 Bill Resnick -Portland Jobs with Justice

-states strong support for refundable EITC and exempting the federal EITC

from taxes at the highest feasible level  
-testimony includes comment on economic trends, "official" vs. "real"  
unemployment, wage decline for many Oregon workers, and poverty levels  
-speaks about limitations of earned income tax credit  
128 Barbara Mulcahey -Adult and Family Services, Retention Specialist in  
cooperation with the Mt. Hood Community College Steps to Success Program  
-presents testimony in support of SB 487 (Exhibit G)  
179 Laura Lemos - McMinnville, OR  
-relates personal experience as head of household with five children and  
recipient of federal earned income tax credit  
-explains financial and work opportunity ramifications of going back to  
work rather than staying on welfare  
-describes emotional stigma of having to accept help from Adult and Family  
Services  
242 Michael Carrigan -Oregon Peace Works Executive Director  
-comments on written testimony submitted in support of both SB 718 & SB 487  
(Exhibit H)  
266 Lemos -in response to question from Chair Phillips, explains the process  
of working with employer to arrange monthly federal earned income credit  
which is included in her paycheck  
-states that she receives \$84/month, which "means the difference between  
making it and not making it a lot of times"  
291 Sara Fleming -Oregon Hunger Relief Task Force  
-summarizes testimony submitted by Rachel Bristol Little of the Oregon Food  
Bank in support of a state refundable earned income tax credit and also in  
support of exempting the federal earned income tax credit from being taxed  
in Oregon (Exhibit I)  
-distributes written testimony from Oregon Hunger Relief Task Force in  
support of SB 718 (Exhibit J)  
355 Bob Castagna -Oregon Catholic Conference  
-states that Ecumenical Industries of Oregon, Lutheran Office on Public  
Policy, and Oregon Catholic Conference have been requesters of this  
legislation in former sessions  
-speaks in support of policy that will begin a state earned income tax  
credit  
-comments on fiscal/revenue impact and concept of elimination of state  
income tax obligation for those below the federal poverty level  
420 -questions and discussion  
480 Castagna -"because you're involved in welfare reform this session, I  
think this should be considered a significant piece of the puzzle"  
490 Chair Phillips -notes testimony received from AFL-CIO in support of SB 718  
and SB 487 (Exhibit L)  
TAPE 074 SIDE B  
SB 487 PUBLIC HEARING  
044 Jeannie Berg-Rempel -Jobs with Justice, Salem  
-speaks in support of "earned income tax credit as an important aspect of a  
living wage agenda that is aimed at lifting workers out of poverty"  
-cites example of how federal EITC moves people toward greater  
self-sufficiency  
075 -points out effectiveness of EITC in addressing the issue of women in  
poverty  
-states position of Jobs with Justice that "the greater percentage we can  
have for an earned income tax credit the better"  
095 Chair Phillips -suggests that a package be prepared prior to referral for  
Ways and Means consideration  
-asks staff to prepare varying percentage and credit options for fiscal and  
policy consideration  
-adjourns meeting at 2:12 pm

Janice DeVito  
Committee Assistant

Kimberly Taylor James  
Office Manager

Exhibits Summary:

- A. SB 1067, Donnell, testimony regarding Blue Mountain Translator District, 3/27/95
- B. SB 1067, Donnell, Blue Mountain Translator District list of benefited communities
- C. SB 1067, Meyer, Revenue Impact of Proposed Legislation, 4/3/95
- D. SB 718, Bender, Revenue Impact of Proposed Legislation, 4/2/95
- E. SB 718, Bender, 1994 Earned Income Credit Table
- F. SB 718, Miller, testimony of Oregon Outreach Coalition, 4/4/95
- G. SB 487, Mulcahy, testimony regarding Earned Income Tax Credit
- H. SB 718 and SB 487, Carrigan, testimony of Oregon PeaceWorks, 4/4/95
- I. SB 718 and SB 487, Fleming, testimony of Oregon Food Bank, 4/4/95
- J. SB 718, Fleming, testimony of Oregon Hunger Relief Task Force
- K. SB 718, Brown, testimony of State Representative District 13
- L. SB 718 and SB 487, Klare, testimony of Oregon AFL-CIO, 4/4/95
- M. SB 487, Bender, Revenue Impact of Proposed Legislation, 4/2/95