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WORK SESSIONS SB S 684, 101 & HB 2275A
TAPES 103A & 104A

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

APRIL 27, 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 (excused 1:00 - 1:55 pm)
 Sen. Cliff Trow
 Sen. Greg Walden (excused 1:36 - 2:15 pm)

Excused: Sen. Eugene Timms

Witnesses: Mike Byrnes, on behalf of Senator Lenn Hannon
 Senator Jeannette Hamby, District 5

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

TAPE 103 - SIDE A

005 Chair Phillips -calls the meeting to order at 1:20 pm
 -advises of agenda changes for the day
 -introduces student guests for Take Your Daughters To Work Day: Brittany
Baird of Taft High School in Lincoln City and Jasmine Myers of Sprague High
School in Salem
SB 684 WORK SESSION
042 Steve Meyer -presents staff summary of SB 684 which creates special
property tax assessment for historic property
 -distributes and explains Proposed (-2) Amendments (Exhibit A) and Proposed
(-3) Amendments (Exhibit B)
095 -questions and discussion about fiscal impact of proposed legislation
105 Mike Byrnes -on behalf of Senator Lenn Hannon
 -explains that bill is "designed to fix and also address several issues in
relation to historic properties"
130 -states that tax credit is a fiscally responsible way to use public
dollars

135 -supports seismic component of bill which is "critical for the public
safety in the state of Oregon"
151 -discussion of how the income tax credit is calculated as well as
allowable upper limit of tax credits
187 Chair Phillips -reviews history of SB 684 from its inception last
legislative session
-discussion of impact to property owners if measure is not passed, whether
property tax relief is available to owners of historic property, effect of
SB 588, property tax relief incentives for national registry versus locally
designated properties, and attempts to make the system fair and equitable
247 Sen Trow -questions a negative impact of the measure on the general fund
264 -states opposition to measure: "we just need every dollar we can to fund
schools and programs for kids and all those things"
271 Chair Phillips -proposes removal of "income tax portion of this bill" and
expresses concern about explanation of the tax shift
285 Byrnes -explains difference in standards between national registry and
locally designated properties
-speaks about tax credit process versus tax assessment
322 -does not believe that fiscal impact from this measure will be much
greater than the current program, but believes that this legislation will
be more fair for all property owners throughout the state
-discussion about inclusion of multi-family historic structures, rationale
for 20% incentive figure, and other legislation concerning the national
registry process
375 Chair Phillips -expresses personal reservations about SB 684, especially
about the income tax credit
-discussion about possible referral to Ways and Means, and whether there is
support for this measure from local governments
TAPE 104 SIDE A
006 Sen Gold -expresses reservations about SB 684: "My problem is not the
project, but money - it's as simple as that. I feel badly about that,
because I value the historic properties concept."
012 Byrnes -poses the possibility of changes to the measure which might suit
the needs of local governments and property owners
022 Chair Phillips -makes suggestions to Mr. Byrnes about parameters and
issues to be addressed prior to rescheduling of SB 684 at next week's
committee work session
INTRODUCTION
041 Chair Phillips -introduces and welcomes to the committee, student guest
Bryn Hildebrand - niece of John Marshall, Oregon School Boards Association
HB 2275A & SB 101 WORK SESSION
053 Chair Phillips -announces that HB 2275A will be rescheduled toward the end
of next week
062 Terry Drake -explains that language of amendments is being drafted and
computer runs are available upon committee member request
074 Chair Phillips -instructs staff to prepare information about six option
items for committee review
079 Sen. Jeannette Hamby -Senate District 5
-speaks conceptually "in an effort to put our ESDs on a more market-driven
path versus where they currently are today"
-cites conversations with superintendents of larger school district about
concept of fee for service operation by education service districts
112 -relates opinions of superintendents about cost-effectiveness of
proposal
-discussion of current state support to ESDs of approximately \$128 million,
how Sen. Hamby's concept relates to HB 2275A, and whether cost effectiveness
and ESD service delivery have been analyzed
117 Drake -will supply committee members with recent and pertinent study on
Oregon Association of Educational Service Districts prepared by Moore
Breithaupt & Chastain, Inc. (11/10/94)
-questions and discussion about current role of ESDs and ability to
function in a "pass-through" capacity, why a change in law may be needed,

and a fundamental policy issue relating to jurisdiction

261 Chair Phillips -expresses reservations about Sen. Hamby's concept in the
absence of economic and financial distribution data
-urges caution by committee members

275 Sen Trow -states that this may be a useful concept, but that "it ought
to be in a bill all of its own" pursuant to study and "a lot of testimony"

285 Chair Phillips -direction to staff
-adjourns meeting at 2:15 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

- A. SB 684, Meyer, Proposed (-2) Amendments to SB 684 (BPS/dj/hk) 4/13/95
- B. SB 684, Meyer, Proposed (-3) Amendments to SB 684 (BPS/dj/lg) 4/14/95
- C. SB 1062, Meyer, Oregon Tax Court: Simplot and Johnson cases