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PUBLIC HEARINGS AND WORK SESSIONS: HB 3017A,
SB 296, SB 727A, HB 2474, HB 2203 & HB 2151
TAPES 112-113, A/B

SENATE COMMITTEE ON GOVERNMENT
FINANCE AND TAX POLICY

MAY 05, 1995 - 1:00 P.M. - HEARING ROOM A - STATE CAPITOL BUILDING

Members Present: Sen. Paul Phillips, Chair
Sen. Tom Hartung
Sen. Cliff Trow
Sen. Greg Walden

Excused: Sen. Shirley Gold, Vice Chair

Witnesses: Rep. John Schoon, House District #34
Randall Edwards, Oregon State Treasury
Sen. Brenda Brecke, Senate District #24
Debbie Lincoln, OCCS
Susan Schneider, City of Portland
Lana Tribbey, Oregon Dept. of Motor Vehicles
Julie Brandis, Associated Oregon Industries
Marcella Easley, Oregon Division of State Lands
Jim Manary, Oregon Department of Revenue
John DiLorenzo, Center to Protect Free Speech
David Fidanque, American Civil Liberties of Oregon
Dave Moss, Associated Oregon Industries

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

TAPE 112 SIDE A
005 Chair Phillips -calls the meeting to order at 1: 30 pm
HB 3017A PUBLIC HEARING
008 Rep. John Schoon -Oregon House District #34
-explains the purpose of HB 3017A which authorizes State Treasurer to
investigate and implement means and procedures to facilitate participation
by range of investors in Oregon Baccalaureate Bond program
-states that measure is "an effort to make the Baccalaureate Bond program

available to more people"

013 Randall Edwards -Oregon State Treasury, Executive Assistant to State
Treasurer Jim Hill

-provides additional details about creation of "mini-bonds"

-asks for committee support of measure

024 -questions and discussion

HB 3017A WORK SESSION

029 Chair Phillips -MOVES HB 3017A TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION HEARING NO OBJECTIONS TO THE MOTION, THE CHAIR SO ORDERS

031 Sen. Trow -will carry bill on the Senate floor

SB 296 PUBLIC HEARING

035 Sen. Brenda Brecke -Senate District #24

-introduces SB 296 which "removes a technical roadblock" and allows county
assessor and Department of Revenue to proceed with preparation of
assessment roll prior to receiving boundary changes of community college
district in final form

-states that bill has no fiscal impact and would allow annexing of Curry
County to Southwestern Oregon Community College

045 Debbie Lincoln -OCCS, Deputy Commissioner

-explains that amendment allows annexation to proceed "if and when the
appropriation necessary to keep basic school support fund whole is made"

050 Terry Drake -points out that original bill authorizes action was HB 2662

065 -questions and discussion

SB 296 WORK SESSION

075 Sen. Trow -MOVES PROPOSED (-1) AMENDMENTS TO SB 296 (Exhibit Z)

078 Chair Phillips -HEARING NO OBJECTION, THE CHAIR SO ORDERS

079 Sen. Trow -MOVES SB 296 AS AMENDED TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

Sen. Brecke -will carry the bill on the Senate floor

SB 727A PUBLIC HEARING

082 Susan Schneider -City of Portland, Office of Government Relations

088 -explains SB 727A which creates light motor vehicle trip permit and light

trailer trip permit

-describes problems in current system in areas of insurance, air quality,
and location of registered owner for law enforcement purposes

111 -questions and discussion about implementation date

116 Lana Tribbey -Oregon Department of Motor Vehicles

-distributes written testimony (Exhibit G)

-comments on issues contained in SB 727A and their effect on DMV work load

-estimates that revenue to highway fund should increase by approximately

\$400,000 in the 95-97 biennium and \$980,000 in the 97-99 biennium

137 -question regarding any known opposition to measure

SB 727A WORK SESSION

152 Sen. Walden -MOVES SB 727A TO THE SENATE FLOOR WITH A DO PASS

RECOMMENDATION

154 Chair Phillips -HEARING NO OBJECTION, THE CHAIR SO ORDERS

Sen. Hartung -will carry the bill on the Senate floor

HB 2474 PUBLIC HEARING

159 Julie Brandis -Associated Oregon Industries, Retail Council

-explains HB 2474 which removes certain record keeping requirements for
purposes of abandoned property law

192 -cites Supreme Court opinion (Deleware vs. New York) wherein unclaimed
property reverts to the state of the last known address of the owner of
that property

209 -points out "flaw...in the State's logic" about gift certificate
ownership

216 Marcella Easley -Division of State Lands, Trust Property Manager

-explains current law which governs unclaimed property (Texas vs. New
Jersey)

-refers to proposed amendment described in written testimony from Division
of State Lands (Exhibit L)

302 -discussion of amendments proposed by Division of State Lands, validity
of estimate of percentage of gift certificates purchased in Oregon, and
explanation of current ORS

367 Chair Phillips -states consensus of committee that measure should not be

amended

HB 2474 WORK SESSION

395 Chair Phillips -MOVES HB 2474 TO THE SENATE FLOOR WITH A DO PASS
RECOMMENDATION

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

(carrier of bill not designated)

TAPE 113 SIDE A

HB 2203 PUBLIC HEARING

005 Steve Bender -presents staff overview of HB 2203 which deals with the
apportionment of multi-state income

-refers to information sheet showing three-factor formula (Exhibit M)

035 -continues at Section 2, page 2, of HB 2203

061 -explains Revenue Impact of Proposed Legislation (Exhibit O)

066 Jim Manary -Oregon Department of Revenue

-comments on interpretation of multi-state compact by Department of Revenue

-explains policy question regarding investment income

094 -questions and discussion about any known opposition to measure

HB 2203 WORK SESSION

104 Chair Phillips -MOVES HB 2203 TO THE SENATE FLOOR WITH A DO PASS
RECOMMENDATION

-discussion

-HEARING NO OBJECTION, THE CHAIR SO ORDERS

(carrier of bill not designated)

HB 2151 PUBLIC HEARING

(Sen. Walden assumes duties as committee Chair)

118 Sen. Trow -questions why bill is being heard in this committee

122 Sen. Paul Phillips -Senate District #4

-testifies in support of HB 2151

-cites case filed in U.S. Supreme Court against Ballot Measure 9 and

litigant case against Measure 6

142 -presents opinion of government finance policy and need by public for
participation, disclosure, and controls on spending

163 -explains plan to "go beyond where 6 and 9 went" in development of
comprehensive amendments to HB 2151

-describes rationale for each section of Proposed (-4) Amendments to HB 2151

(Exhibit Y) which have the effect of entirely replacing the former HB 2151

through enactment of the Oregon Fair Campaign Act

290 -"I truly believe that Oregon's reputation for openness, integrity, its
elections process, campaigning...needs to be validated and with the
challenges of 6 and 9 I don't think we can afford to leave ourselves
vulnerable. I think that we needed to go forth and I pulled in what I
thought was the statutes that needed to be changed and went far beyond what

anybody has suggested in the past."

(Sen. Phillips reassumes duties as Chair)

293 John DiLorenzo, Jr. -Center to Protect Free Speech, Inc. and
representative of plaintiffs in VanNatta vs. Keisling

-urges modification of HB 2151 to "cure what I believe to be grave
constitutional problems attendant in Ballot Measure 9"

330 -distributes written testimony in support of Proposed Amendments to

HB 2151 (Exhibit U) and Amended Complaint now in federal litigation:

VanNatta vs. Keisling (Exhibit V)

-comments on complexity and probable unconstitutionality of Measure 9

367 -refers to concerns in pages 2 through 4 of written testimony (Exhibit
U)

420 -explains drawbacks of campaign contributions of \$100 or less

TAPE 112 SIDE B

024 DiLorenzo -comments on voluntary expenditure limits

052 -states reasons for support for Proposed (-4) Amendments (Exhibit Y)

075 David Fidanque American Civil Liberties Union of Oregon

-states ACLU position in opposition to constitutional problems with Ballot
Measure 9 regarding expenditure limits

-distributes and comments on written testimony from ACLU Oregon (Exhibit W)

about constitutionality of campaign finance limits imposed by the voters in

Ballot Measure 9

270 Chair Phillips -explains why severability clause on unconstitutionality has been included in Proposed (-4) Amendments and rationale to "go way beyond what 6 and 9 do cumulatively - set very strict parameters in statute..."

295 -discussion about earlier ACLU long term position on campaign financing and involvement in 1976 ballot measure

339 Dave Moss -Associated Oregon Industries

-distributes and reads written testimony in support of Proposed Amendments to HB 2151 (Exhibit X)

TAPE 113 SIDE B

HB 2151 WORK SESSION

025 Sen. Trow -asks whether Secretary of State was notified or informed of Proposed (-4) Amendments

030 Chair Phillips -states that the only office contacted specifically was the Governor's office

-in response to question from Senator Trow, states that no representatives are present from Governor's staff

039 Sen. Walden -states preference that issue of tax credit be dealt with outside of the Proposed (-4) Amendments

042 Sen. Walden -MOVES ADOPTION OF THE PROPOSED (-4) AMENDMENTS TO HB 2151

052 Sen. Trow -objects to moving the bill because "it seems to me that before

we do much with this bill, that we ought to have a chance to let the affected parties view it, discuss it, talk about, give us their ideas about

it, before we move on it"

057 Chair Phillips -ROLL CALL VOTE ON THE (-4) AMENDMENTS

-MOTION PASSES 3-1

-SENATORS VOTING AYE: HARTUNG, WALDEN & PHILLIPS

NAY: TROW

EXCUSED: GOLD

059 Sen. Walden -MOVES CONCEPTUAL REFERENCES TO REPEAL OF THE TAX CREDIT IN HB 2151 BE STRICKEN FROM THE AMENDED BILL (TO LEAVE TAX CREDITS AS THEY EXIST IN STATUTE TODAY- 5/5/95)

065 Chair Phillips -HEARING NO OBJECTION, THE CHAIR SO ORDERS

067 Chair Phillips -MOVES AMENDED VERSION OF HB 2151 TO THE SENATE FLOOR WITH A DO PASS RECOMMENDATION

069 -discussion

070 Sen. Trow -objects to "high-handed tactics...what we see here is not democracy as we like to see it, not allowing people to be involved to study

the issues, to vote on the issues, to know what's in the measure"

-states that he, caucus, affected parties, and Secretary of State have not previously seen the bill "

-gives opinion that "to vote this out without us not having a good chance to know what it is, is simply a travesty on this process"

080 Chair Phillips -states position on measure "everybody who wants a free and open political process will benefit if this measure happens to pas. I will be certainly making presentations to my caucus hoping that they vote for it and I would relish the opportunity to present it to a Senate Democrat caucus as well as the House caucuses if this is fortunate enough to gather the support on this side"

104 Chair Phillips -ROLL CALL VOTE MOTION PASSES 3-1

SENATORS VOTING AYE: HARTUNG, WALDEN & PHILLIPS

NAY: TROW

EXCUSED: GOLD

Chair Phillips -will carry the measure on the Senate floor

-adjourns committee at 3:10 pm

Janice DeVito
Committee Assistant

Kimberly Taylor James
Office Manager

Exhibits Summary:

A. HB 3017A, Scherzinger, Staff Measure Summary - House Committee on State

and School Finance

- B. HB 3017A, Scherzinger, Revenue Impact Analysis, 4/11/95
- C. HB 3017A, Scherzinger, Fiscal Impact Assessment, 4/12/95
- D. SB 727A, Scherzinger, Staff Measure Summary - Senate Committee on Transportation
- E. SB 727A, Scherzinger, Fiscal Analysis of Proposed Legislation, 4/24/95
- F. SB 727A, Scherzinger, Revenue Impact Analysis, 3/3/95
- G. SB 727A, Tribbey, memorandum from Oregon Department of Transportation, DMV

Services, 5/5/95

- H. SB 727A, Kafoury, testimony from City of Portland, 5/5/95
- I. HB 2474, Scherzinger, Staff Measure Summary - House Committee on Commerce/Business Subcommittee
- J. HB 2474, Scherzinger, Fiscal Analysis of Proposed Legislation, 4/6/95
- K. HB 2474, Scherzinger, Revenue Impact Analysis, 1/30/95
- L. HB 2474, Gustafson, testimony from Division of State Lands
- M. HB 2203, Bender, Apportionment of the Business Income of Multistate Businesses, 4/4/95
- N. HB 2203, Bender, Staff Measure Summary - House Committee on State and School Finance
- O. HB 2203, Bender, Revenue Impact of Proposed Legislation, 4/25/95
- P. HB 2203, Bender, Fiscal Impact Assessment, 1/18/95
- Q. HB 2203, Manary, States' Treatment of Intangible Sales & One-Time Asset Sales, 5/95
- R. HB 2151, Scherzinger, Staff Measure Summary - House Committee on Legislative Rules
- S. HB 2151, Scherzinger, Revenue Impact Analysis, 1/10/95
- T. HB 2151, Scherzinger, Fiscal Impact Analysis, 1/18/95
- U. HB 2151, DiLorenzo, testimony from The Center to Protect Free Speech, Inc., 5/5/95
- V. HB 2151, DiLorenzo, Amended Complaint for Declaratory and Injunctive Relief, Case No. CV94-1541-JO
- W. HB 2151, Fidanque, testimony from American Civil Liberties Union of Oregon
- X. HB 2151, Moss, testimony from Associated Oregon Industries, 5/4/95
- Y. HB 2151, Scherzinger, Proposed (-4) Amendments to HB 2151 (TR/as/dc) 5/4/95
- Z. SB 296, Drake, Proposed (-1) Amendments to SB 296 (CH/h1) 5/1/95