

These minutes paraphrase and/or summarize statements made during this meeting. Text enclosed in quotation marks reports the speakers exact words. For complete context of proceedings, please refer to the tape recording.

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Public Hearing HB : 2179,

Tapes 20

House Committee on  
State and School Finance  
January 25, 1994 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

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JANUARY 25, 1994 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

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Members Present: Rep. John Schoon, Chair (8:45 am excused late arrival)  
Rep. Ron Adams  
Rep. Lee Beyer (8:40 am, excused late arrival)  
Rep. Tim Josi (8:34 late arrival) (excused 10:30 am arrival)  
Rep. Tony Federici, Vice Chair  
Rep. Jane Lokan  
Rep. Anitra Rasmussen  
Rep. Ken Strobeck  
Rep. Jim Welsh

Witnesses Present: Jim Manary, Revenue Department  
John Young, Washington County ESD  
Jim Maxwell, Lane County ESD

Staff: James Scherzinger, Legislative Revenue Officer  
Steve Bender, Legislative Revenue Office  
Terry Drake, Legislative Revenue Office  
Rhonda Wehler, Committee Assistant

TAPE 20 SIDE A

013 Vice Chair Federici -calls the meeting to order at 8:30 am and conducts administrative business  
019 Ozzie Rose -reviews Exhibit A, Oregon Growth in Employment and Wages  
080 All -questions and discussion  
091 Jim Scherzinger -explains difference between four and three year phase-ins  
211 All -questions and discussion  
250 Scherzinger -clarifies legislature covering only revenue, what is done with it is up to individual districts  
276 All -questions and discussion  
308 Scherzinger -responds Portland flat funded for 1994, had small amount of growth and received nothing for inflation  
354 Chair Schoon -asks if figures have cumulative effect  
362 Jim Scherzinger -explains three differences: more \$ going out to schools

in equal steps with three year phase-in  
one less year  
- higher student funding level of \$ available for growth

TAPE 21 SIDE A

023 All -questions and discussion  
076 Jim Scherzinger -explains appropriations vs. revenues  
-adds inflation is not addressed for Portland in 4 year plan  
-with 4 Year Plan, everyone would receive less  
139 All -questions and discussion  
160 Terry Drake -empasizes that figures in both plans are estimates only  
273 All -questions and discussion  
319 Jim Scherzinger -notes when Governor's budget has less \$ first year and more in second compared to Revenue's projection  
340

TAPE 20 SIDE B

013 Chair Schoon -recesses meeting at 9:29 am  
042 Chair Schoon -reconvenes meeting at 10:04 am  
HB 2197  
044 Steve Bender -delineates purpose to change inconsistencies of tax laws; housekeeping measures  
081 -refers to exhibit B, Revenue Impact of Proposed Legislation

133 Jim Manary -explains Department of Revenue's role  
 estate tax -clarifies HB 2197 is income tax on deceased's earnings, not

243 Vice Chair Federici -reviews provisions regarding what is subject to an audit  
 267 Manary -concerns with the distribution of the estate  
 -explains income tax release  
 -relays gain in streamlining for Department of Revenue

366 Vice Chair Federici -moves to accept HB 2197  
 372 ROLL CALL VOTE: MOTION PASSED 8-0 (ABSENT: REP. JOSI)  
 384 Chair Schoon -asks Representative Adams to carry vote to floor  
 HB 2200

393 Steve Bender -explains amendments  
 -all incomes from enrolled tribal members on Indian lands are exempt  
 (exhibit C, Letter from Attorney General)  
 -language change in section 17

TAPE 22 SIDE B

032 Steve Bender -defines Indian tribal lands  
 -clarifies amendment changes law to comply with federal requirements  
 -stresses no revenue impact  
 -questions and discussion

052 All  
 HB 2200-1

081 Steve Bender -points out amendment at request of Legislative Counsel as  
 housekeeping measure  
 099 -amends existing statute to read as it did in the voter's pamphlet  
 -repeals sections of Measure 9 to correct language

123 Jim Manary -explains Exhibit F, Affected Credits or Subtractions on HB  
 2200

210 Vice Chair Federici -moves to accept rulings on HB 2200-1  
 231 All -questions and discussion  
 253 Rep. Adams -moves for recess at 10:45 am  
 255 Chair Schoon NOTED FOR THE RECORD THE CONSENSUS OF MEMBERS PRESENT  
 257 Chair Schoon -reconvenes meeting  
 259 Ted Reutlinger -clarifies changes to Measure 9 could be challenged, but  
 not likely  
 301 Measure 9 amended only challenge filed in Marion Cty. Circuit Court  
 323 Vice Chair Federici -requests withdrawal of motion  
 335 Rep Beyer motion made to table prior motion no objections

HB B 2202

351 Steve Bender -explains Exhibit F

TAPE 22 SIDE A

012 Menary -explains Sections 1-3 file a form to say whatever is withheld is  
 the tax liability  
 -to make things easier for tax payers with uncomplicated issues  
 -explains Section 4, eliminates requirement from employers for

034 individual employee W-2s

059 All -questions and discussions  
 077 Vice Chair Federici -notes clerical error in Exhibit H  
 107 All -questions and answers  
 113 Manary -explains that 40S is very simple form compiled for ease in filing  
 132 Rep Lokan -what form does employer use  
 147 manary -employer puts withholding in trust, then files with return with  
 revenue

164 Vice Chair Federici moves  
 179 Rep Strobeck -moves amendment to place period after word "return" Section

2, line 8n no objections, motion passed  
 Original motion passed  
 HB 2277

234 Terry Drake -explains background change in organizational structure for  
 ESDs

293 Young -what does a tax/ replacement \$ do for school  
 -for every \$1 in Washington County, \$3 is Regenerated  
 -summarizes history of equalization

333 Jim Maxwell -ESD's seen as providing specialized services to disabled students  
 -ESD's became major provider of technology for rural districts  
 -current admw approach to equity doesn't take into account small districts,

using Marcola as example

TAPE 23 SIDE A

009 -offerings at Marcola High School can't provide everything large schools

do so they are cooperating with larger schools

020 Young -all districts benefit  
 030 Chair Schoon -excuses Republicans for caucus  
 033 Young -encourages committee to look at  
 041 Chair Schoon -adjourns meeting at 11:30 am