

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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Bill # and Hearing Type

House Committee on
State and School Finance
January 26, 1994 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

JANUARY 26, 1994 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer (8:33 am late arrival)
Rep. Tim Josi
Rep. Tony Federici, Vice Chair
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Members Excused:

Witnesses Present: Johnathan Hill, Lake County ESD
Bob Muir, Department of Justice Chief Tax Counsel, Attorney General's

Office Jim Manary, Department of Revenue

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

TAPE 16 SIDE A

004 Chair Schoon calls the meeting to order at 8:30 am and conducts
administrative business
HB 2277

025 John Hill -explains that ESD does not have control of own money
-summarizes Exhibit A, Lake Staff Development Center
-ESD will sell training to other agencies
-leveraging, take tax \$, use it for other things

085 All -questions and discussion
-administrative costs, mandated services
-\$ from sale of services goes into fund

128 Hill -explains sources of income: resolutions and grants

140 All -questions and discussion

143 Hill -advantages of centralizing administration and using a consortium to

receive grants

166 Rep Rasmussen -success rate of receiving grants better with consolidation

175 Hill -introduces Tom and Marguerite Wright, in audience

-resolution process way to ensure high level of efficiency for \$

being spent

195 All -questions and discussion

234 Hill -working to provide technology link with WAN, but most advanced

technology is not available in his county

276 Hill -districts have contained most control

district office -cost of running a small school is at the school, not at the

HB 2276

310 -explains Exhibit B, page 2 (Sparsity and Isolation in Remote Schools)

378 -discusses Exhibit B, page 5, amends mileage requirement for remote

schools

TAPE 25 SIDE A

008 Hill -create enough flexibility in regulations to maintain cost

efficiency

025 -documents facts in chart (Exhibit B, page 7)

079 -explains definition of small school (Exhibit B, page 9)

-issue at secondary level is not number of teachers, but number of
credentials
171 All -responsibility of legislature is to respond where the real costs are
Public Hearing HB 2198 -questions and discussion
206 Steve Bender -explains provisions, Section 1, recognition of warrant
having effect of judgments in other states
265 -Sections 2-6 expands authority of DOR to issue liens on unpaid taxes
-Section 7 increase in second tier interest rate on charges that are past
due (Exhibit D) no applicable date mentioned in bill
-Impact Statement (Exhibit C)
353 Bob Muir-tax warrants as judgments offers no assurance of uniformity in
states due to different judges in each state
418 Jim Manary -warrants issued only after tax payer has had hearing rights
and chance to contest full liability
TAPE 24 SIDE B
037 -liability with business, haven't paid, if assets are found, file with
Sec. of State, lien before they refinance current law allows that for with
holding tax, not other tax
055 -removes withholding so it can refer to all taxes that haven't been paid
Line 4, Subsection 1 and 2
082 Steve Bender -clarifies Sections 2 and 3 apply to income taxes, Section 4

timber taxes, Section 6, cigarette taxes
106 Manary -interest rate lower if taxpayer pays within 60 days
-second tier based on short rate, unsecured borrowing, if taxpayer doesn't
pay within 60 days, they have to pay the 2nd tier rate, making rate
comparable to credit card interest
170 All -questions and discussion
Rep Strobeck benchmark to tie with market that fluctuates for unsecured
consumer rate
191 Manary -replies that DOR researched typical loan with banking
institutions to acquire percentage
217 Chair Schoon -clarifies not credit card rate, but loan rate
243 Rep Welsh -is increasing problem
248 Manary -not an undue problem, but a compliance issue
Public Hearin HB 2199
290 Dick Yates -introduces the elimination of the cigarette tax stamp
-the distributor would then file a return with the DOR instead of buying
the stamps.
377 Susan Browning -clarifies the cost savings by eliminating the stamps and
the discount to the distributors.
Tape 25 Side B
-refer to DOR handout
-discribes relationship with the distributors and compliance issues.
066 Rep. Adams -concern with compliance
Susan Browning -responds with the research on other states and have had no
problems with compliance
104 Rep Josi-has there been abuse noted with other states
Susan Browning -most states with this program have not had any problems
(mentions specific states)
140 All questions and discussion
155 Rep. Adams -what is rate
160 Susan Browning -responds with rate and sales tax info from the north
western states
190 Rep Beyer -question regarding smuggling
199 Susan Browning -possible problem in the eastern states
214 All -questions and discussion
-fiscal burden on retailer
273 Nrowning-didn't feel it was a concern, only 58 distributors
287 Rep Welsh -Section 2, may require them to keep records, concern for mom
and pop store
300 Browning -responds affirmatively, would require an audit trail
312 Manary -DOR routinely uses may instead of shall, covered under
administrative rule
328 -questions and discussion
TAPE 26 SIDE A
013 Dick Yates -tax reduces number of users over long run
027 Rep Strobeck -clarifies additional revenue of 1.4-1.5%
032 Browning -1.2 million estimated revenue in 1997
036 Manary -expresses cooperation with Indian reservations, essence of bill
is compliance issue--having fixed tax
087 Vice Chair Federici -recesses meeting
088 Chair Schoon -reconvenes meeting at 10:40 am
089 Jim Scherzinger -explains equalization options for school funding
(Exhibit K)
095 Ozzie Rose -no official number yet from Dept. of Ed.
133 Jim Scherzinger -further explanation base line is Governor's recommended
budget
-difference in options is added appropriation to base line to reach some
goal
-Portland frozen at its level
-Portland pulling out desegregation and police program on line ??????
-4th year not giving inflation to anyone, almost flat funding, only student
growth, which is unrealistic
210 Rep Beyer -questions and discussion
230 Jim Scherzinger -continues explanation, final option is lower target with
same optins
-setting low enough frozen target, the goal can be reached in a shorter
number of years without additional money
378 Chair Schoon -adjourns meeting at 11:00 am