

Work Session HB 2200, 2199, 2198, 2275
Tapes 27-28 A & B
HOUSE STATE AND SCHOOL FINANCE
COMMITTEE
JANUARY 27, 1995 8:30 AM HEARING ROOM A STATE
CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer
Rep. Tim Josi (excused at 10:10 am)
Rep. Tony Federici, Vice Chair (8:40 am unexcused late

arrival)

Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: rlm Manaly, Department of Revenue
Susan Browning, Department of Revenue

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

TAPE 27 SIDE A

007 Chair Schoon calls the meeting to order at 8:30 am

WORK SESSION HB 2200-2

020 Steve Bender -explains Legislative Counsel's research indicating no
litigation vs.

Measure 9

-explains Exhibit A, Proposed Amendments to HB 2200

-deletes language not consistent with Measure 9

-explains content of Exhibit B, legal counsel from Barbara Seymour

061 -delineates purpose not to remove political contributions, but to avoid
conflicts with Measure 9

079 Rep Strobeck -MOVES TO ADOPT AMENDMENTS TO HB 2200-2

082 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERED

105 Steve Bender -summarizes bill

130 Rep Strobeck -MOVES TO ADOPT HB 2200 AS AMENDED

ROLL CALL VOTE: MOTION PASSES 9-0, MEMBERS VOTING

AYE: REPS.: ADAMS, BEYER, JOSI, LOKAN, RASMUSSEN,

STROBECK, WELSH, FEDERICI, SCHOON

137 Chair Schoon -asks Rep Strobeck to carry bill in House Door debate

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WORK SESSION HB 2199

147 Chair Schoon "calls stand at ease at 8:45 am

192 Vice Chair Federici -reconvenes at 8:50 am

197 Dick Yates ~explains Revenue Impact of HB 2199 (Exhibit C)

-reviews that bill eliminates use of cigarette stamps and requires new
bookkeeping procedures for distributors

220 All -questions and discussion about potential response of retailers

265 rlm Manary -explains retailers already get invoices from distributors

-presumes no additional work load for them

-under current stamp system, retailers check for stamps

-additional work merely an accounting record

-minimal audit with small retailer, most audit with big volume
distributors

303 All -questions and discussion

352 Susan Browning -addresses reduction of bootlegging and smuggling due to

stamps on

packs of neighboring states

377 Rep Josi "expresses concern for work load of small retailers

387 Browning-relays random sample of retailers also expressed concern for

required

record keeping

TAPE 28 SIDE

A

013 All "questions and discussion

043 Browning-refers to Exhibit D, Response to Questions Raised by Committee

-comments Washington has active enforcement program for cigarette
laws

-HB 2199 has penalty program similar to surrounding states
 084 Rep Beyer -remarks efficiency discussion seems trite compared to \$
 savings
 098 growing -relays neither Washington nor California likes the proposal
 115 -discussion
 133 Vice Chair Federici -closes work session
 WORK SESSION HB 2198
 189 Steve Bender -summarizes bill increases rate on income tax deficiencies
 if not paid
 237 Manary -emphasizes bill not introduced to raise revenue, but to keep 2nd
 tier
 276 Rep Josi -adds it discourages public from using IRS as lending
 institution
 282 All -questions and discussion
 306 Rep Adams -MOTION TO DELETE SECTION 7, LEAVE INTEREST RATE
 THE SAME
 309 Chair Schoon -speaks in favor of motion
 318 Rep Rasmussen -reviews that problem does not exist for taxpayers using
 IRS as credit
 331 Manary -expresses increased interest is economic incentive to pay back
 taxes
 358 -agrees most taxpayers are not trying avoid paying taxes, consumer
 credit and counselors are provided,
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393 Rep Adams -clarifies he is not in favor of dropping the rate, just not
 increasing it
 TAPE 27 SIDE B
 001 ROLL CALL VOTE: MOTION PASSED 8-1, MEMBERS VOTING
 AYE: REPS.: ADAMS, BEYER, JO SL LOKAN RASMUSSEN,
 WELSH, FEDERICL SCHOON, MEMBERS VOTING NAY: REP.
 STROBECK
 009 Chair Schoon -closes work session
 HB -2275
 034 Jim Scherzinger -explains Equalization Options, Exhibit E
 048 Rep Beyer -expressses support of lower tier per student target because
 of
 077 Portland's unique needs
 Scherzinger -relays many districts will be flat funded in next biennium
 if 4 year
 phase in is adopted
 090 Rep Rasmussen -expresses Portland's desire to make decison based on best
 interest of
 all
 137 -reads list of small districts above per student target
 153 Scherzinger -affirms that pennanent proposal is not a straight line for
 funding,
 especially for districts with high transportation costs
 177 -relays Revenue Department keeping consistent set of runs, accepting
 no more new data
 190 Rep Josi -requests representative from Goveomor's office to advise
 201 Chair Schoon -notes Committee must first draR a recommendation
 206 Rep Welsh -comments that \$4 45 per student target is most realistic
 219 Rep Lokan -agrees
 239 Rep. Adams -expresses desire to equalize in 3 years at \$4668 per
 student, Option 1,
 Exhibit F
 291 Rep Strobeck -relays concern that option chosen accomplish two purposes:
 -make progress every year towards equalization
 - be affordable to state
 368 ~Im Scherzinger -encourages examination of intent: to determine what
 equity is or to

make a statement about level of funding for schools (usually a Ways and Means decision)

TAPE 28 SIDE B

027 Rep Rasmussen -asks that 1992 figures not be used to judge Portland, since many cuts

have been made since then

044 Rep Welsh -relays constituent's concern that extra \$ be implemented properly

079 Rep Lokan -expresses constituent's concerns about cost to educate public students

compared to private schools

094 Chair Schoon -reiterates efforts are to provide funding, not be the School Board

105 Rep Rasmussen -reminds that School Board members are elected without pay to be

voice of community (check built into the system)

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

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134 Rep Beyer -reminds members Committee's job to provide equitable and adequate

formula

260 All -questions and discussion

332 Chair Schoon -adjourns meeting at 10:20 am

Taylor

Rhonda Wehler, Committee Assistant Kimberly Office Manager

Exhibit Summary

A. HB 2200, Bender, Proposed Amendments, 1/27/95

B. HB 2200-2, Bender, Letter from Counsel, 1/27/95

C. HB 2199, Yates, Revenue Impact, 1/27/95

D. HB 2199, Browning, Response to Questions Raised by Committee, 1/27/95

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