

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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Work Session HB 2255, 2261
Public Hearing HB 2255

House Committee on
State and School Finance
March 8, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 8, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Lee Beyer (left at 11:00 am)
Rep. Tony Federici, Vice Chair
Rep. Tim Josi (left at 11:15 am)
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Members Excused: Rep. Adams

Witnesses Present: Sharon Kidder, Employment Department
Rep. Avel Gordly, District 19
Joe McHenry, Associate Director, Portland Oregon Industrialization
(POIC) Rep. Margaret Carter, District 18
George Permsteiner, Higher Education
Doug Hutchinson, Oregon Commission on Indian Services

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

TAPE 100 SIDE A
004 Chair Schoon -calls the meeting to order at 8:30 am and conducts
administrative business
007 OPENS PUBLIC HEARING ON HB 2255
010 -explains history of gang related tax credit amendment
054 Avel Gordly -expresses support of HB 2255 amendment
-summarizes history of serving youth in Portland
-provides incentive for employers to hire young people
110 Joe McHenry -expresses support of HB 2255 tax exemption
-bill allows significant numbers of youth to be employed, since many
employers can't afford to hire youth above minimum wage
McHenry -notes 57% of youth in NE Portland are unemployed
246 Sharon Kidder -refers to Exhibit A, Written Testimony, supporting HB 2255
-says Employment Department would administer program if passed
321 Rep Lokan -asks about community based organizations
325 Kidder -replies Urban League, NE Work Force Center, skill centers through

community colleges, depending upon community
349 Rep Josi-asks about rural areas who may not have community based
organizations
362 Kidder -replies amendment could be more broadly defined to include
schools and others working with juveniles

TAPE 101 SIDE A
005 Chair Schoon -informs every county now has Commission on Youth and
Familiesfor consultation
-refers to Exhibit B, Proposed Amendment to HB 2255
034 All -questions and discussion
076 Kidder -says any incentive to hire youth who would have difficulty in
competitive environment is an advantage
094 Chair Schoon -clarifies no cap on number hired, but cap on \$ amount
necessary
135 -says language broadened to include those who are at risk of becoming
gang-involved
146 Steve Bender -explains Exhibit B

-says school districts included in community based organization
 -credit would apply to employee for two years
 -in first year credit up to \$1,000,- or 50% of wages, whichever is lower
 -in second year, second credit same as first, but in order to receive it
 must provide training to employee (page 2, line 9)
 -credit has 5 year carry forward for employer
 -no limitation to number of employees that can be used in a given year
 -same youth could be hired by more than one employer during the course of
 the year, each employer would be eligible for credit
 234 All -questions and discussion
 259 Chair Schoon -confirms employer can terminate employee
 263 Bender -Exhibit B, page 3, lines 10-13, indicate wage credit not
 available if employer receives federal funds for on-the-job training of
 individual
 319 Rep Rasmussen -suggests including language to include both genders
 357 Chair Schoon OPENS WORK SESSION ON HB 2255
 -clarifies "qualified youth" broadened to include at risk of becoming
 gang-involved
 391 All -questions and discussion
 TAPE 100 SIDE B
 044 Chair Schoon -asks for \$2 million limitation per biennium
 065 -suggests 6 year sunset for credit
 -refers to page 2, line 9, Exhibit B, requiring \$ amounts and hours for
 training
 087 Vice Chair Federici -suggests 80 hours of training directly provided by
 employer, translate \$ amount by multiplying minimum wage (approximately
 \$400)
 123 Chair Schoon -says 2nd year could be eliminated, alternative to job
 training, or by adding "in a regularly established educational program"
 137 Rep Welsh -suggests not becoming too restrictive
 183 Rep. Carter -explains history of Youth Employment Empowerment Board
 -call to action includes both education and employment
 296 -recommends including educational requirement in bill
 372 Rep Strobeck -recommends not including specific limitations, page 2 line
 17, 26
 TAPE 101 SIDE B
 012 Chair Schoon -recesses meeting at 10:00 am
 013 -reconvenes meeting at 10:23 am
 OPENS WORK SESSION ON HB 2261
 021 Steve Meyer -refers to Exhibit D, Description of Tax Credits
 -bill sunsets in 1996
 -refers to HB 2261-1 Amendments, Exhibit E, changing assessment year to
 equal tax year
 048 -Page 1, Section 1, line 14, of bill changes sunset date
 061 -amendment Section 2, line 4, page 3, line 14, need to reference both
 statutes to change sunset dates to 2002
 -value of property estimated at \$100 million, total cost to higher ed if
 taxable would be 1.5 million
 084 Meyer -explains history of exemption
 116 All -questions and discussion
 146 George Permsteiner -says if bill is not passed, parking fees increase 34%
 for college students
 211 All -express support of higher education parking tax exemption
 TAPE 102 SIDE A
 005 Steve Meyer -explains Tribal Land Being Placed in US Trust, Pages 1,2,
 Exhibit D
 -exemption applies retroactively to 1991-92
 -purpose to help tribes keep up on property taxes on few small parcels
 048 -explains unclear language could be interpreted that after land acquired
 with owed taxes, they could be refunded
 086 -will work with counsel to clarify language
 105 Chair Schoon -clarifies no casino can be built until land in trust
 110 Doug Hutchinson -clarifies land must be placed into trust before anything
 is built on it, eligible for all state taxes if breached
 -once in trust, falls into federal definition of Indian land
 -must be residing there, working there and be of Indian heritage to be
 exempt from state income tax
 -cites Kahnneeta, Umatilla, saw mill at Warm Springs as examples
 189 Steve Meyer -discusses Recreation Facility of Federal Land, page 2,
 Exhibit D
 -of fees collected, 25% is returned to counties
 218 Rep Rasmussen -asks about net loss
 221 Steve Meyer -loss .5 million per year, compared to .25 million given to
 counties from fees now
 289 -explains Summer Homes of Federal Land, page 2, Exhibit D
 -most homes affected are in Clackamas County
 327 Rep Lokan -asks gain for schools if homes were taxed
 334 Steve Meyer -answers \$410,000, but Forest Service Fee wouldn't change
 -Forest Service sets fees at percent of market value
 391 Rep Rasmussen -expresses concern at including this in bill
 297 Steve Meyer -explains Cargo Containers, page 4, Exhibit D
 TAPE 103 SIDE A
 004 -must be designed to carry goods on more than one mode of transportation
 -sunsets extended to July 1, 2002
 088 Vice Chair Federici -CLOSES WORK SESSION HB 2261
 -adjourns meeting at 11:32 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

- A. HB 2255, Kidder, Written Testimony
- B. HB 2255, Bender, Proposed Amendments, 3/8/95
- C. HB 2255, Bender, Revenue Impact, 2/15/95
- D. HB 2261, Meyer, Description

E. HB 2261, Meyer, Proposed Amendments
F. HB 2261, Meyer, Fiscal Impact