

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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Reconsider LC Draft 3830
Public Hearing HB 2798
Work Session HB 2798
Tapes 116-118 A & B

House Committee on
State and School Finance
March 17, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

MARCH 17, 1995 8:30 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Ron Adams
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair (8:19 am unexcused late arrival)
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anitra Rasmussen
Rep. Ken Strobeck
Rep. Jim Welsh

Witnesses Present: Greg Grant, Teacher from Morrow County
Justin Madison, Heppner
Sherry Madison, Heppner
Chuck Madison, Heppner
John Reekman, School Board Member, Heppner
Ozzie Rose, Confederation Oregon School Administrators (COSA)
Jim Manary, Department of Revenue
Debra Buchanan, Department of Revenue

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

TAPE 116 SIDE A

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

-INVITED TESTIMONY ON HB 2275

011 Rep Lundquist -introduces constituents from Morrow County, representing largest geographic school district in Oregon

030 Greg Grant -refers to Exhibit A, Written Testimony, detailing comparison between Morrow County School District and Milton-Freewater School District

147 Justin Madison -explains difference between high school classes in Redmond and Heppner

220 Sherry Madison -explains bond issue for Morrow County will offer only one

year solution

243 Chuck Madison -describes elimination of fundamental courses at Heppner schools

291 Grant -requests returning local choice to communities

351 -remarks equity has worked, but isn't universally applicable to all districts

-advocates use of corporate kickers to fund schools

-[kicker defined: "the 2% surplus kicker gives taxpayers an income tax

credit if actual revenue comes in more than 2% higher than it was forecast

at the time the budget was adopted." (Research Report, 1/90, May 17, 1990)]

TAPE 117 SIDE A

004 -suggests allowance in school formula for inflation

LC 3830

051 Chair Schoon -explains incorrect relating clause to LC 3830

-MOVES TO RECONSIDER VOTE TO INTRODUCE LC DRAFT 3830 AS COMMITTEE BILL

-THERE BEING NO OBJECTION THE CHAIR SO ORDERED

HB 2275

081 All -questions and discussion

126 John Reekman -explains equal dollars does not mean equal education

-comparable teacher salaries must be offered potential educators to

compensate for isolation of Morrow County
-have altered educational schedule to 4 day school week to save \$
369 Ozzie Rose -stresses all school districts have collective bargaining
units which dealt with PERS reduction
TAPE 116 SIDE B
008 Vice Chair Federici -OPENS PUBLIC HEARING ON HB 2798
018 Steve Bender -explains stricter relating clause for taxation
-summarizes two provisions: when taxpayer, who has been notified by Revenue

to file a tax return, does not respond, then declares bankruptcy, provision

would disallow taxes from being discharged

-section 4 housekeeping measure changing language to conformance with US
Bankruptcy code

-sections 3 and 5 deal with penalty provisions, eliminating penalties if
taxpayer doesn't pay all of tax because he makes an error on return, or if
taxpayer files amended return, doesn't need to pay penalty if additional
tax paid within 30 days

-refers to Exhibit B, Revenue Impact
066 Jim Manary -further explains Department of Revenue (DOR) procedure: when
taxpayer doesn't file return, they receive a letter from DOR, if no
response, 2nd letter, then notice and demand for tax return, then 30 days
from that notice before Revenue Department estimates their taxes,
Manary sends notice to taxpayer, then gives another 90 days before it
becomes final

-new language says if preliminary procedures are followed, taxpayer will
not be officially filing return if he has declared bankruptcy
-explains Revenue Department notice is not an official return, simply an

estimate

133 -summarizes historically, penalties assumption is that taxpayers know
the law and need to comply with it

-this new provision allows that tax laws are not easy to understand, and
calculation errors do occur

-penalty clause assumes taxpayers are operating in good faith, therefore
penalties need to be decreased

-penalty would apply to actual taxes, not calculation

-if billing is paid within 30 days, taxpayers pay tax and interest, but no

penalty

191 All -questions and discussion

278 Debra Buchanan -further explains provisions of HB 2798

388 Manary -explains Revenue Department works with people to develop

installment payments, or will put payment on hold

TAPE 117 SIDE B

005 Vice Chair Federici -CLOSES PUBLIC HEARING ON HB 2798

013 -OPENS WORK SESSION ON HB 2798

019 Rep Josi-MOVES HB 2798 BE SENT TO THE FLOOR WITH DO PASS RECOMMENDATION

-ROLL CALL VOTE: MOTION PASSED, MEMBERS VOTING AYE: REPS.: BEYER, JOSI,

LOKAN, RASMUSSEN, STROBECK, FEDERICI, WELSH. MEMBERS ABSENT: ADAMS, SCHOON

030 Vice Chair Federici -Rep Welsh will carry to floor

040 Vice Chair Federici -CLOSES WORK SESSION ON HB 2798

045 -recesses meeting at 9:30 am

061 Chair Schoon -reconvenes meeting at 10:01 am

063 -adjourns meeting at 10:02 am

Rhonda Wehler, Committee Assistant

Kimberly Taylor James, Office Manager

Exhibit Summary

A. HB 2275, Grant, Written Testimony

B. HB 2798, Bender, Revenue Impact, 3/17/95

C. HD 2255, Myers, Written Testimony, 1/11/95