

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 3017, SB 333A  
Public Hearing and Work Session SB 329 A  
Tapes 166-168 A & B, 169 A

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

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

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

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Members Present: Rep. John Schoon, Chair  
Rep. Lee Beyer (excused late arrival, 9:08 a.m.)  
Rep. Tony Federici, Vice Chair  
Rep. Tim Josi  
Rep. Jane Lokan  
Rep. Anitra Rasmussen  
Rep. Ken Strobeck  
Rep. John Watt (excused 9:10 a.m. late arrival)  
Rep. Jim Welsh

Witnesses Present: Dan Adelman, Insurance Division of the Department of  
Consumer & Business Services  
Patricia O'Sullivan, Department of Administrative Services  
Karen Hightower, Judicial Department  
Lloyd Athearn, Health Division Legislative Liaison  
Phil Ward, Oregon Department of Agriculture  
John Brenneman, Manufactured Housing  
Frank Brawner, Oregon Bankers Association  
Dan Miner, Oregon Manufactured Housing Association  
Genoa Ingram-Read, Oregon Association of Realtors  
Lloyd Adner, Department of Agriculture  
Tom Clifford, Legislative Counsel  
Mike Brady, Department of Energy  
Bob Cantine, Association of Oregon Counties (OAC)  
Noel Kline, Metro Regional Government  
BJ Smith, League of Oregon Cities

Staff: James Scherzinger, Legislative Revenue Officer  
Laura Sherwood, Committee Assistant  
Dick Yates, Legislative Revenue Office  
Steve Meyer, Legislative Revenue Office

TAPE 166 SIDE A

004 Chair Schoon -calls the meeting to order at 8:35 am and conducts  
administrative business

-OPENS WORK SESSION ON HB 3017

HB 3017

Chair Schoon -explains HB 3017 establishes College Opportunity Bond Program

for educational finance at higher education institutions and community  
colleges

-MOVES TO RESCIND HB 3017 SUBSEQUENT REFERRAL TO WAYS AND MEANS AND SEND HB

3017 TO THE FLOOR AS AMENDED WITH A DO PASS RECOMMENDATION

-ROLL CALL VOTE: MOTION PASSES 7-0, MEMBERS VOTING AYE: REPS.: JOSI, LOKAN,

RASMUSSEN, STROBECK, WELSH, FEDERICI, SCHOON. EXCUSED: BEYER, WATT

-CLOSES WORK SESSION ON HB 3017

-OPENS WORK SESSION ON SB 333A

SB 333 A

061 Yates -explains SB 333 A freezes all state agency fees effective January

1, 1995

062 -distributes SB 333 A Amendments, -12 - 4, -17-20, & 22 - 24 (Exhibit A)

140 All -general questions and discussion

216 Yates -further explanation of SB 333 A

340 All -general questions

TAPE 167 SIDE A

Yates -continues explanation of SB 333 A  
090 All -general comments and questions  
117 Rep Strobeck -asks about assessments on premiums charged by the Insurance

Division of the Department of Consumer & Business Services

Dan Adelman -refers to line 12, page 1, of SB 333  
-replies most charges of the Insurance Division are fees  
-explains exemption on insurance investments (rates have been established  
annually)

261 All -questions and discussion  
311 Rep Beyer -refers to page 3, lines 8-10, and asks why charges are  
exempted to employees for benefits and services  
342 Patricia O'Sullivan -explains exemption for employees benefits and  
services  
-explains fees are in statute

388 Rep Strobeck -states questions from Oregon Department of Transportation  
(ODOT) regarding electronic processing

TAPE 166 SIDE B

All -questions and comments  
127 Chair Schoon -recesses meeting at 9:41 a.m.  
133 -reconvenes at 10:04 a.m.  
135 Yates -explains amendments to SB 333 A (refer to Exhibit A)  
169 Chair Schoon -MOVES ADOPTION OF SB 333 A-12 AMENDMENTS  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
196 Karen Hightower -refers to SB 333 A-13 amendment which excludes the  
Judicial Department, and explains why the Department should be excluded  
260 Rep Beyer -comments the fees bill should be regulated across the board  
and not have exclusions  
Rep Watt-concurs with Rep. Beyer  
Rep Lokan -expresses concerns of the public  
Rep Welsh -concurs with Watt, Beyer, and Lokan  
336 Chair Schoon -MOVES TO AMEND SB 333 A-13 AMENDMENT TO DELETE "DOES NOT"  
AND CHANGE "INCLUDE" TO "INCLUDES" (JUDICIAL DEPARTMENT)  
383 Rep Watt-MOVES TO AMEND MOTION TO DELETE THE LAST "AND," ADD COMMA AFTER

SECRETARY OF STATE ON LINE 25, PAGE 1

-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
375 -MOVES TO AMEND LINE 25, PAGE ONE OF SB 333 A INSERT COMMA AFTER "STATE,"

DELETE "AND", AND AFTER "TREASURER", INSERT "AND THE JUDICIAL DEPARTMENT"

AND TO ADOPT SB 333 A-13 AS AMENDED

-THERE BEING NO OBJECTION THE CHAIR SO ORDERS

TAPE 167 SIDE B

027 Chair Schoon -MOVES TO ADOPT SB 333 A -14 AMENDMENTS  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
064 Lloyd Adner -explains fee exemption for laboratory, analytical and  
consulting fees charged by the State Department of Agriculture (DOA)  
100 All -general discussion and questions  
200 -discuss tightening definition of "new" or "additional fee"  
215 Chair Schoon -proposes adding "to the extent that an increase results  
from increased costs" on C, line 3  
260 Rep Beyer -policy intent is to limit fee increases, but some situations  
exist where exemptions are necessary  
279 Vice Chair Federici -proposes on page 3, line 5, section D, to add "fees  
created or authorized by statute or administrative rule"  
299 O'Sullivan -agrees Vice Chair Federici's language would work  
299 Phil Ward -states language would not help DOA, since lab fees are not  
calculated for each individual  
-DOA needs flexibility in how they adjust their fees for their labs  
All -discussion

TAPE 168 SIDE A

-continued discussion on SB 333 A  
092 Rep Watt-asks about line 3, page 3, of SB 333 A  
102 Tom Clifford -explains laboratory fees and health care services fees are  
two separate issues and need to be view that way  
131 Chair Schoon -explains the bill needs to be resolved today  
203 Ward -comments on established hourly rate of DOA  
231 Rep Watt-MOVES TO AMEND SB 333 A TO DELETE LINE 3, PAGE 3  
Vice Chair Federici -objects  
-ROLL CALL VOTE: MOTION PASSES 5-3, MEMBERS VOTING AYE: REPS., LOKAN,  
STROBECK, WATT, WELSH, SCHOON. MEMBERS VOTING NAY: BEYER, RASMUSSEN,  
FEDERICI. EXCUSED: JOSI  
237 Chair Schoon -asks if any member wants to move adoption of SB 333 A-17  
amendments  
240 -no member responds  
275 Yates -explains SB 333 -18 amendment deals with Department of Energy  
-assessment amount for energy suppliers varies  
272 Mike Brady -explains exemption of Department of Energy assessments  
required by ORS 469.421 (8) and 469.681  
All -discussion  
339 Rep. Watt -MOVES ADOPTION OF SB 333 A -18 AMENDMENTS  
THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
370 Vice Chair Federici -MOVES ADOPTION OF SB 333 A -19 AMENDMENTS  
396 Rep Watt-objects  
-ROLL CALL VOTE: MOTION FAILS 4-4, MEMBERS VOTING AYE: REPS.: BEYER,  
RASMUSSEN, FEDERICI, SCHOON. MEMBERS VOTING NAY: LOKAN, STROBECK, WATT,  
WELSH. EXCUSED: JOSI

TAPE 169 SIDE A

Yates -explains SB 333 A-20 amendments deals with exemption of State Fair  
fees  
All -discussion  
028 Rep Watt-MOVES ADOPTION OF SB 333 A-20 AMENDMENTS  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
037 Yates -explains SB 333 A-22 amendments, which allow agencies to  
temporarily decrease a fee for competitive or promotional reasons or due to

temporary revenue surplus

All -discussion  
069 Rep Beyer -MOVES ADOPTION OF SB 333 A-22 AMENDMENTS

076 Rep Watt--MOVES TO AMEND MOTION TO DELETE "OR BECAUSE OF UNEXPECTED AND  
TEMPORARY REVENUE SURPLUSES" ON LINE 3, A-22 AMENDMENTS  
092 Rep Rasmussen -objects  
ROLL CALL VOTE: MOTION FAILS 4-4. MEMBERS VOTING AYE: REPS.: BEYER, LOKAN,  
WATT, SCHOON. MEMBERS VOTING NAY: STROBECK, RASMUSSEN, WELSH, FEDERICI  
EXCUSED: JOSI  
105 Chair Schoon -reiterates Rep. Beyer's motion to adopt SB 333 A-22 as  
written  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
118 Yates -explains SB 333 A-23 amendments clarify definitions of exempt fees  
153 Rep Beyer -MOVES ADOPTION OF SB 333 A-23 AMENDMENTS  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
161 Yates -explains SB 333 A-24 amendments allow fees to fluctuate as  
consumer price index changes  
173 O'Sullivan -concurs with -24 amendment  
191 Rep Beyer -MOVES ADOPTION OF SB 333 A-24 AMENDMENTS  
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS  
-CLOSES WORK SESSION ON SB 333  
-OPENS PUBLIC HEARING ON SB 329 A  
SB 329 A  
Steve Meyer -explains SB 329 A places moratorium on local real estate  
transfer taxes  
265 Genoa Ingram-Reed -refers to Exhibit B, Written Testimony, supporting SB  
329 A  
369 Don Miner -supports SB 329 A, since it would contribute to housing  
affordability  
-notes in cases where this issue has been put to vote of people, it has  
passed with wide margins  
384 Frank Brawner -supports SB 329 A  
-comments regarding real estate transfer taxes:  
-real estate transfer is difficult as is and would be even more so if every  
local government had one  
-members would support state-wide real estate transfer tax if it was  
dedicated to affordable housing  
TAPE 168 SIDE B  
015 John Brenneman -disagrees with specific sales tax on housing, because it  
makes housing less affordable  
-states "this is bad government policy"  
056 Bob Cantine -speaks against SB 329 A  
-asserts it is not bad public policy to tax  
-summarizes history of commitment made by legislature to implement this tax  
-original intent of sunset was to review, not terminate Assessment and  
Taxation (A & T) program  
-real estate tax pre-emption intent was for four year period, not to  
make it coincidental with A & T program  
117 BJ Smith-testifies against SB 329 A  
-preemption of local tax authority for 4 years placed in Assessment and  
Taxation bill in 1989 was requested by Realtors Association  
-never intent to pre-empt against local government permanently  
-recognizes real estate tax not difficult to collect or explain to new  
home-owners  
-real estate transfer tax implemented in various parts of country  
170 Noel Klein -testifies against SB 329 A  
-represents Metro Regional Government which was established in 1992 and  
given power by voters to impose real estate transfer tax  
Klein -clarifies before imposing any tax, committee must establish and seek  
advice of tax study committee that includes citizens, business, and  
government in metro area  
-future funding options were examined by this committee, including real  
estate transfer fees, and rejected in 1993-94  
-bill diminishes financial tools available to Metro and they do not want to  
give up authority to impose fee  
196 Chair Schoon -quotes Richard Munn, Department of Revenue, "if assessment  
program is not renewed it would mean a loss of revenue"  
-assessment program was temporary program instituted to help counties catch  
up financially, never intended to be a state-funded function  
-speaks in support of SB 329  
-CLOSES PUBLIC HEARING ON SB 329 A  
-OPENS WORK SESSION ON SB 329 A  
257 Rep Welsh -MOVES SB 329 A BE SENT TO THE FLOOR WITH A DO PASS  
RECOMMENDATION  
-ROLL CALL VOTE: MOTION PASSES 5-1, MEMBERS VOTING AYE: REPS.: LOKAN,  
STROBECK, WATT, WELSH, SCHOON.. MEMBERS VOTING NAY: RASMUSSEN. EXCUSED:  
BEYER, JOSI, FEDERICI  
275 Chair Schoon -volunteers to carry bill in floor debate  
277 -adjourns meeting at 12:05 p.m.

Laura Sherwood, Rhonda Wehler, Kimberly James,  
Committee Assistant Committee Assistant Office Manager  
(Minutes Preparation)

#### Exhibit Summary

- A. SB 333 A, Yates, amendments 12-14, 17-20, and 22-24
- B. SB 329, Ingram-Read, Written Testimony, 4/17/95
- C. SB 329, Cross, Written Testimony, 4/17/95
- D. SB 329 A, Meyer, Revenue Impact, 2/21/95
- E. SB 329 A, Meyer, Fiscal Impact, 2/24/95
- F. SB 329 A, Meyer, Staff Measure Summary, 2/8/95