

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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Public Hearing & Work Session SB 323, HB 2860, HB 3005
Work Session HB 2260, HB 2261, HB 2196 HB 2630, HB 3133
Tapes 195 -198, Sides A & B

House Committee on
State and School Finance
April 28, 1995 Page

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HOUSE STATE AND SCHOOL FINANCE COMMITTEE

APRIL 28, 1995 8:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Rep. John Schoon, Chair
Rep. Lee Beyer
Rep. Tony Federici, Vice Chair
Rep. Tim Josi
Rep. Jane Lokan
Rep. Anita Rasmussen
Rep. Ken Strobeck
Rep. John Watt
Rep. Jim Welsh

Witnesses Present: John Hull, Portland Economic Development Corporation
Gary Carlson, Associated Oregon Industries
Jim Craven, American Electronics Association
Sen Paul Phillips, District 04
Gayle Attiberry, Oregon Right to Life
Ron Wagner, Oregon Department of Revenue
Rep. Cynthia Wooten, District 41

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

TAPE 195 SIDE A

004 Chair Schoon -calls the meeting to order at 8:00 am and conducts
administrative business
-states the tax credits will not move out of committee today or Saturday
because of the Veto of the School Funding bill and the budget
-OPENS WORK SESSION ON HB 2260

HB 2260
-explains HB 2260 eliminates specific termination dates for existing
enterprise zones
038 John Hull -discusses an enterprise zone in Portland and notes previously
submitted testimony and map of the enterprise zone referring to in Portland
070 -discussion
-CLOSES WORK SESSION ON HB 2260
-OPENS PUBLIC HEARING ON SB 323A

SB 323 A
-allows deferral of gain, for purposes of state personal income taxes, on
sale or other disposition of capital assets if proceeds are reinvested in
qualified business interest, qualified investment fund or qualified
business asset.

125 Steve Bender -explains bill, refers to Exhibits A-E
190 Gary Carlson -refers to Written Testimony Exhibit F
288 Jim Craven -discusses tax deferral incentive on capital gains
-disagrees with the 17 million dollar reduction of revenue to the General
Fund as stated in the Revenue Impact Statement

TAPE 196 SIDE A

-general discussion
016 Sen Phillips -states that this bill has no legal consequences, also the
bill allows taxpayers 12 months to make a qualified reinvestment of gain.
If there is no reinvestment then the taxpayer pays capital gains tax plus
interest.
094 Chair Schoon -asks if there is only one deferral opportunity per taxpayer
Bender -answers yes

115 Sen Phillips -states that every type of taxpayer can benefit from this,
it is not just for the rich people of Oregon
128 -general discussion
142 Chair Schoon -asks if Sen Phillips recommends sending the bill out right
away
155 Sen. Phillips -recommends the committee pass out SB 323 A quickly
All -general discussion
200 Jim Craven -states this bill is a personal income tax related issue
213 All -general discussion
262 Bender -continues with discussion of the bill and refers to Exhibit E, -9

amendments to SB 323 A.
-general questions & discussion

TAPE 195 SIDE B
-further questions and discussion
074 Chair Schoon -CLOSES PUBLIC HEARING ON SB 323 A
-OPENS WORK SESSION SB 323 A

SB 323 A
Bender -discusses SB 323 A-9 amendments
120 All -general discussion
193 Chair Schoon -MOVES ADOPTION OF SB 323 A-9 AMENDMENTS
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
197 -MOVES SB 323A AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS
RECOMMENDATION
Rep Beyer -discussion regarding opposition to SB 323 A as amended
Vice Chair Federici
252 Rep Strobeck -speaks in favor of passing SB 323 A as amended
270 -further discussion
287 Chair Schoon -ROLL CALL VOTE: MOTION PASSES 5-4, MEMBERS VOTING AYE:
REPS.: LOKAN, SCHOON, STROBECK, WATT, WELSH. MEMBERS VOTING NAY: BEYER,
FEDERICI, JOSI, RASMUSSEN
Reps Beyer & Rasmussen -serve notice of Minority Report
Chair Schoon -CLOSES WORK SESSION ON SB 323A
310 -recesses meeting at 9:30 a.m.
312 Vice Chair Federici -reconvenes meeting at 9:55 a.m.
Bender -explains handouts that will be covered later in the meeting
Chair Schoon -OPENS PUBLIC HEARING ON HB 2860

HB 2860
-establishes Cry of Love Fund consisting of gifts, grants and checkoffs on
Oregon income tax return for use for measures enhancing mother-child
relationship as most important factor in child's life.
387 Bender -explains bill

TAPE 196 SIDE B
028 Gayle Attiberry -refers to Written Testimony, Exhibit H, supporting HB
2860
047 Ron Wagner -discusses Department of Revenue (Department of Revenue)
income tax form relating to the checkoffs available
070 All -discussion regarding checkoffs
105 Vice Chair Federici -reads the checkoffs for 1994
110 -general discussion and questions
145 Chair Schoon -states that this fund would provide a way to help a woman
with the decision of keeping the baby and caring for the baby
165 -further discussion
190 Rep Rasmussen -suggests that the language of mother and child be changed
to parent and child, also expresses concerns of the administration of bill
220 All -general discussion and discussion of language of the bill
291 Chair Schoon -would like to add an amendment
All -further discussion
-CLOSES PUBLIC HEARING ON HB 2860
-OPENS PUBLIC HEARING ON HB 3005

HB 3005
-provides that charity or similar organization listed on Oregon tax return
to receive contributions by means of checkoff be listed for no more than
four tax years

TAPE 197 SIDE A
Rep Wooten -supports HB 3005, distributes written testimony by Lee Smith,
Pres., Oregon Breast Cancer Coalition and Member of the Oregon Breast and
Cervical Cancer Coalition
All -general discussion
059 Chair Schoon -recesses meeting at 10:35 a.m.
062 -reconvenes meeting at 3:37 a.m.
-CLOSES PUBLIC HEARING ON HB 3005
-OPENS WORK SESSION ON HB 3133

HB 3133
075 -expands application of property tax exemption granted for multiple-unit
rental housing in core area to housing in transit corridors, stories added
over commercial buildings, conversion of single-story commercial property
to housing units and housing
Rep Beyer -explains bill
-current statute provides for creating multi family housing in core areas,
bill extends option to areas along transit corridors, bill is permissive
language bill which provides counties another tool to meet state mandates
099 Rep Beyer -MOVES ADOPTION OF HAND ENGROSSED AMENDMENTS-HB 3133-1 (which
adds counties over 300,000)
-further explanation of bill
125 Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
Rep Beyer -MOVES HB 3133 AS AMENDED BE SENT TO THE FLOOR WITH A DO PASS

RECOMMENDATION
135 All -discussion
248 Chair Schoon -ROLL CALL VOTE: MOTION PASSES 5-0, MEMBERS VOTING AYE:
REPS.: LOKAN, STROBECK, BEYER, RASMUSSEN, SCHOON MEMBERS EXCUSED: WELSH,
JOSI, WATT, FEDERICI
* (SEE WELSH VOTE METER 410, FINAL VOTE: 6-0-3)
-CLOSES WORK SESSION ON HB 3133
-OPENS WORK SESSION ON HB 2260

HB 2260 -eliminates specific termination dates for existing enterprise zones
260 Steve Meyer -explains bill and states there are no amendments
308 All -discussion
340 Chair Schoon -recesses meeting at 3:57 p.m.

340 -reconvenes meeting at 4:05 p.m.
Rep Beyer -MOVES HB 2260 TO THE FLOOR WITH A DO PASS RECOMMENDATION
360 Chair Schoon -ROLL CALL VOTE: MOTION PASSES 5-0, MEMBERS VOTING AYE:
REPS.: BEYER, LOKAN RASMUSSEN, WELSH, SCHOON, MEMBERS EXCUSED: FEDERICI,
WATT, STROBECK, JOSI
-CLOSES WORK SESSION ON HB 2260
Chair Schoon -OPENS WORK SESSION ON HB 2196
HB 2196 -requires sellers or purchasers of timber in Eastern Oregon to
report particulars of sale to Dept. of Revenue
410 Chair Schoon -suspends rules for Rep Welsh's vote on HB 3133
Rep Welsh -votes AYE
TAPE 198 SIDE A
Dick Yates -explains bill and -2 amendments
028 All -general discussion
040 Rep Welsh -MOVES ADOPTION OF HB 2196-2 AMENDMENTS
Chair Schoon -THERE BEING NO OBJECTION THE CHAIR SO ORDERS
Rep Welsh -MOVES HB 2196 AS AMENDED TO THE FLOOR WITH A DO PASS
RECOMMENDATION
Chair Schoon -ROLL CALL VOTE: MOTION PASSES 5-0, MEMBERS VOTING AYE: REPS.
LOKAN, BEYER, RASMUSSEN, WELSH, SCHOON. MEMBERS EXCUSED: FEDERICI, WATT,
STROBECK, JOSI
-asks Rep Welsh to carry bill in floor debate
-CLOSES WORK SESSION ON HB 2196
056 -OPENS WORK SESSION ON HB 2261
HB 2261 -extends repeal date for certain property tax exemptions from 1996
to 2002
061 Meyer -explains bill
All -general discussion
111 Chair Schoon -MOVES -1 AMENDMENTS BE ADOPTED INTO HB 2261
-NO OBJECTION, SO ORDERED
104 Rep Beyer -MOVES HB 2261 AS AMENDED TO THE FLOOR WITH A DO PASS
RECOMMENDATION
-ROLL CALL VOTE: MOTION PASSES 5-0, MEMBERS VOTING AYE: REPS.: BEYER,
LOKAN, RASMUSSEN, STROBECK, SCHOON, MEMBERS EXCUSED: FEDERICI, WATT, WELSH,
JOSI
Chair Schoon -CLOSES WORK SESSION ON HB 2261
135 All -general discussion
140 Chair Schoon -withdraws HB 2860 from agenda
145 All -general discussion
-OPENS WORK SESSION ON HB 3005
HB 3005
173 Bender -explains amendments submitted by Rep. Wooten
-suggests technical changes:
-page 2, line 7, after "checkoffs" deleting "in any one of" and inserting
"four"
-page 4, line 1, deleting "any one of"
-suggests adding checkoffs to be exempted from four year limitation if
desired
All -general discussion
273 Rep Strobeck -MOVES ADOPTION OF HB 3005 CONCEPTUAL AMENDMENTS WHICH WOULD
LIMIT CHECKOFFS TO FOUR YEARS, MAKE THEM INELIGIBLE FOR FOUR YEARS BEFORE
FURTHER ELIGIBILITY
Chair Schoon -explains conceptual amendments
-THERE BEING NO OBJECTION THE CHAIR SO ORDERS
315 Rep Strobeck -MOVES HB 3005 AS AMENDED BE SENT TO THE FLOOR WITH A DO
PASS RECOMMENDATION
ROLL CALL VOTE: MOTION PASSES 5-0. MEMBERS VOTING AYE: REPS.: STROBECK,
BEYER, RASMUSSEN, LOKAN, SCHOON. MEMBERS EXCUSED: FEDERICI, WATT, JOSI,
WELSH
-Rep Wooten to carry bill in floor debate
-CLOSES WORK SESSION ON HB 3005
-OPENS WORK SESSION ON HB 2630
HB 2630 -grants elderly rental assistance to a qualifying senior citizen who
rents land upon which manufactured structure owned by senior citizen is
located
310 Meyer -explanation of bill
TAPE 197 SIDE B
All -general discussion
-CLOSES WORK SESSION ON HB 2630
030 Chair Schoon adjourns meeting at 4:43 p.m.

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

Exhibit Summary

A. Tax Credits, Bender, Taxation of Capital Gains, 2-2-95
B. SB 323 A, Bender, Revenue Impact Statement, 2-23-95
C. SB 323 A, Bender, Legislative Fiscal Impact Assessment, 2-28-95
D. SB 323 A, Bender, SMS from Gov't. Fin. & Tax Policy Committee
E. SB 323 A, Bender, -9 Amendments
F. SB 323 A, Carlson, Written Testimony
G. HB 2860, Bender, Revenue Impact Statement, 4-28-95
H. HB 2860, Attiberry, Oregon Right to Life
I. HB 3005, Rep. Wooten, Written Testimony by Lee Smith
J. HB 3133, Chandler, Written Testimony
K. HB 3133, Bottomly, Written Testimony
L. HB 2261 A, Meyer, Revenue Impact Statement and Staff Measure Summary
M. HB 3005, Bender, Revenue Impact Statement and Fiscal Impact Statement
N. HB 3005, Bender, Fiscal Impact, 4/26/95
O. HB 2261, Meyer, Staff Measure Summary