

Public Hearing and Work Session: HB 2431 Public Hearing:
HB 212 5 Work Session:
B3451 Tapes 112-113 A/B 114 A

HOUSE COMMITTEE ON
REVENUE AND SCHOOL FINANCE
SUBCOMMITTEE ON INCOME TAXATION

JUNE 4, 1993 8:00 AM HEARING
ROOM 170 STATE CAPITOL BUILDING

Members Present: Representative John Schoon, Chair (11:~
departure)
Representative Ron Adams
Representative Tony Federici
Representative Delna Jones, Ex Officio
Representative Gail Shibley
Representative Greg Walden

Witnesses Present: Sharon Kidder, Employment Division
Joe Gilliam, National Federation of
Independent Businesses (NFIB)
Bill Braly, Department of Education
Jim Manary, Department of Revenue (DOR)

Jan Sullivan, Secretary of State's Office
Bruce Anderson, Boxing/Wrestling Commission
Dean Renfrow, State Police
Valerie Paulson, League of Oregon Cities
Mike Dewey, Oregon Cable Television Assoc.
Terry Dillon, Viacom Television

Staff: Richard Yates, Legislative Revenue Office
Mary Gottlieb, Committee Assistant

TAPE 112 SIDE A

005 CHAIR SCHOON called the meeting to order at 8:02.

006 CHAIR SCHOON opened the work session on HB 3451, which allows state income tax credit based upon wages paid to employ youth from disadvantaged families having income 70 percent or less of Bureau of Labor Statistics lower living standard.

010 DICK YATES introduced Exhibit 1, HB 3451-6, showing the current changes.

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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043 REP. ADAMS stated that he and REP. FEDERICI worked on the amendment and made appropriate changes. However, the amendment did not reflect all their ideas. In Section 3, the figure should be 100 not 1,000.
Discussion and comments concerning Amendment 6.

131 SHARON KIDDER offered to help with the language when drafting a new amendment.

Discussion .

196 JOE GILLIAM stated that the compensation program would be easy to imitate. It would eliminate the use of vouchers, etc., and simplify the existing program.

Discussion with Section 2, HB 34516.

253 JOE GILLIAM saw no problem with having an apprenticeship program. However, he does see a problem with unions. He recommended the committee talk to his board chairman, who has a lot of expertise in this field.

283 SHARON KIDDER was not familiar with the youth apprenticeship program but feels that this would work effectively with existing programs. The Employment Division in the Portland area is very enthusiastic about youth apprenticeship programs.

305 BILL BRALY added that, with school reform, there is increased emphasis on "work place learning." Young people can learn as much or more from a work based environment as they can in a classroom. He believes the career education process should be started very young with field trips, exposure to the work place, etc, and gradually get more sophisticated. By the time a youth is of employment age, he/she can begin to make informed choices. Although the youth apprenticeship program was designed for gangaffected youths, all young people will benefit.

Discussion and comments.

TAPE 113 SIDE A

001 Discussion continues with BILL BRALY and SHARON KIDDER.

076 REP. WALDEN stated that job opportunities should also be available to the students that remain in school, because the incentive should be to stay in school rather than drop out.

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088 CHAIR SCHOON closed the work session on HB 3451.

096 CHAIR SCHOON opened the public hearing on HB 2431, which provides for phased-in centralized business information and registration system.

105 JIM MANARY stated that HB 2431 would help business by helping government be more effective in dealing with new companies, because when a business starts, there are many forms to fill out and regulations to follow. This bill would have two components: a central information system and a single identification number for businesses. The Information Center would be housed in the Secretary of State's office. Once a business is registered, all necessary divisions would be notified, using the new identification number. This bill would simplify the requirements and consolidate many details. He illustrated the similarity between this process and the process of withholding.

Discussion and questions.

281 JAN SULLIVAN testified that the program would cost 4 full-time employees (FTE), printing, equipment, mailing costs, telephones, toll free numbers, etc.

Discussion and questions.

330 CHAIR SCHOON recessed at 8:55 and reconvened at 11:20.

336 JIM MANARY introduced Exhibit 3, Central Business Information and Registration System. He commented that the federal identification numbers would not be appropriate because of the delay in the federal process. With the new identification number, businesses can be registered immediately with all the required agencies.

Discussion and questions.

403 JOE GILLIAM testified that his organization did a study to determine if this new system would be effective. After going through the registration routine with five new businesses, the study group had visited 22 state agencies and 7 divisions of the federal government.

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TAPE 112 SIDE B

001 JOE GILLIAM continued his testimony concerning the documents necessary for a small business to begin a business. He believes that there is a real need for a central registration system.

Discussion and questions.

164 JIM MANARY commented that an equitable balance on the council would be welcomed by DOR.

Discussion and questions.

213 REP. ADAMS, Acting Chair, closed the public hearing on HB 2431A and opened the work session on HB 2431A.

217 MOTION REP. WALDEN moved that the line 32, page 2, delete the "a" and insert "three" representatives from the private business community appointed by the Governor.

DISCUSSION

246 ORDER REP. ADAMS, hearing no objections, so ordered.

250 MOTION REP. WALDEN moved to refer HB 2431A, as amended, to the full committee with a do-pass recommendation.

DISCUSSION

263 VOTE Motion passed 4-0. Ayes: REP. ADAMS, REP. FEDERICI, REP. SHIBLEY, REP. WALDEN. Excused: REP. JONES, REP. SCHOON.

273 REP. ADAMS, Acting Chair, closed the work session on HB 2431A and opened the public hearing on HB 2125A.

290 STEVE BENDER presented an overview of the bill and introduced Exhibit 6, Boxing Tax. HB 2125A expands the boxing tax and prohibits local governments from collecting fees in franchise agreements for cable TV operators based on gross receipts from payfor-view boxing and wrestling events. Agreements would have to be

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modified so that any receipts attributable to pay-for-view boxing/wrestling would be deducted from gross receipts subject to the fee.

TAPE 113 SIDE B

001 BRUCE ANDERSON (with DEAN RENFROW) testified that, historically, the

national promoter sells the rights for closed circuit locations to a regional promoter, who may sell the rights to a local promoter, who sometimes sells the rights to a city or yet another promoter. This is not the case for pay-for-view. National promoters retain the rights for pay-for-view and never sell them to a second promoter. He introduced Exhibit 7, a letter from a Florida promoter, and Exhibit 8, HB 2125-A6. Discussion and questions.

102 DEAN RENFROW stated that he would defer any comments on this bill so that the committee could move ahead. However, SB 167 would put the Boxing and Wrestling Commission under the auspices of the State Police. Discussion and comments.

124 VALERIE PAULSON (with STUART TAYLOR) stated that city franchises are very important because they represent significant revenue. In large cities, franchise revenue goes to the general fund and represents 7 to 12 percent of that general fund. In small cities, franchise revenue could represent 25 to 50 percent.

175 MIKE DEWEY (with TERRY DILLON) stated that the cable business supports HB 2125A, but not Amendment 6. This bill would set a precedence that would effect all cable businesses throughout the country because of the huge amount of money involved in sporting events. Discussion and questions.

375 STEVE BENDER answered a question by REP. WALDEN by stating that he does not expect any sporting events being held in Oregon for which television rights would be sold but if there are, they would be subject to the tax. TAPE 114 SIDE A

001 Discussion continued with MIKE DEWEY and STUART TAYLOR.

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036 TERRY DILLON stated the main concern of the cable companies is that the pay-for-view will not be profitable.

070 BRUCE ANDERSON stated that the sale of television rights means the sale by a local promoter of rights to HB O or USA, etc. In other words, what a promoter would get from that company for allowing them to film an Oregon sporting event. He cited a situation in Florida where no cable companies have refused to carry the events.

093 REP. ADAMS closed the public hearing on HB 2125.

095 REP. ADAMS, Acting Chair, adjourned the meeting at 12:28.

Mary Gottlieb, Committee Assistant
Kimberly Taylor James, fice Manager

EXHIBIT SUMMARY

1. Proposed Amendments to HB 3451-6, Dick Yates, Legislative Revenue Office.
2. Fiscal Analysis of Proposed Legislation, Legislative Fiscal Office.
3. Central Business Information & Registration System, Jim Manary, Department of Revenue.
4. Project Summary on State and Federal Agency Oversight, Regulatory Authority and Paperwork Requirements on Oregon Independent Businesses, Joe Gilliam, National Federation of Independent Business.
5. Oregon Small Business Coalition Inventory of Documents, Joe Gilliam, National Federation of Independent Business.

6. HB 2125-A Boxing Tax, Steve Bender, Legislative Revenue Office.
7. Letter to Bruce Anderson, Bruce Anderson, Boxing/Wrestling Commission.
8. Proposed Amendments to A-Engrossed HB 2125-A6, Steve Bender, Legislative Revenue Office.
9. Fiscal Analysis of Proposed Legislation, HB 2125-A, Legislative Fiscal Office.

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