

Work Session: HB 3676
HJR 10
Tapes
170 -171
A/B

HOUSE COMMITTEE ON
REVENUE AND SCHOOL
FINANCE

JUNE 25, 1993 8:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Representative Delna Jones, Chair
Representative John Schoon, Vice Chair
Representative Ron Adams
Representative Tom Brian
Representative Mike Burton
- Representative Margaret Carter
Representative Tony Federici
Representative Fred Girod
Representative Gail Shibley
Representative Greg Walden
Representative Jim Whitty
Staff: James Scherzinger, Legislative Revenue Officer
Steve Bender, Legislative Revenue Office
Steve Meyer, Legislative Revenue Office
Paula McBride, Committee Assistant

TAPE 170 SIDE A

009 CHAIR JONES called the meeting to order at 10:21 and conducted administrative business.

030 REP. SCHOON gave a report from the Income Tax Subcommittee. He said there have been two subjects not dealt during Session, and an Interim study would be required. The first was presented in bill form and was about "check-offs" that are part of the Oregon Personal Income Tax Form.

043 CHAIR JONES clarified the procedure of organizations qualifying as a "check-off" on the Income Tax Form.

053 REP. SCHOON continued his report on issues surrounding "checkoffs" on the Personal Income Tax Form.

Discussion

076 CHAIR JONES described the composition of an Interim Joint Revenue and School Finance Committee, and procedures for meetings.

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084 REP. SCHOON related that the second subject, also in bill form, was "Medical IRA," and he described the issue. He specifically mentioned the desire to begin a drive downward of medical costs, and he explained the proposal. He mentioned members who had already done work on this issue and/or had an interest in pursuing it. Because the Subcommittee thought the issue was more a tax one than an insurance & finance one, they recommended an Interim study on the issue.

Discussions

156 CHAIR JONES opened the Work Session on HB 3676.

157 STEVE MEYER pointed out the amendments HB 3676-5 and other paperwork for the bill, which related to the racing industry (animal racing). He

explained the intent of HB 3676 and the changes that would occur because of the amendments. Exhibits 1-4

219 MOTION REP. BRIAN moved to adopt the amendments HB 3676-5 to HB 367 6.

DISCUSSION

221 REP. BRIAN described the need for HB 3676, specifically because of the effects of video poker on the racing industry.

245 CHAIR JONES revealed why HB 3676 would go to the House Appropriations Committee, and she spoke about various provisions of the bill.

268 REP. BURTON stated his opposition to the amendments HB 3676-5, although he supported the bill itself, due to the addition of language in Section 13 due to influence from the Governor's Office. He explained the change.

Exhibit 1

291 REP. BRIAN explained by the Subcommittee on Property Taxation changed the language in Section 13 on the rates imposed by the Racing Commission and why the Governor's Office wanted to change this section of HB 3676

DISCUSSION

308 VOTE The motion passed 9-1. Ayes:
REPS. FEDERICI, GIROD, SHIBLEY,
WALDEN, WHITTY, ADAMS, BRIAN,
SCHOON and CHAIR JONES. Nays:

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REP. BURTON. Absent: REP. CARTER.

343 MOTION REP. BRIAN moved HB 3676 as amended to the House Appropriations Committee with a do-pass recommendation.

DISCUSSION

419 VOTE The motion passed 10-0. Ayes:
REPS. BURTON, FEDERICI, GIROD,
SHIBLEY, WALDEN, WHITTY,

ADAMS,

BRIAN, SCHOON, and CHAIR

JONES.

Absent: REP. CARTER.

429 CHAIR JONES closed the Work Session on HB 3676.

TAPE 171 SIDE A

008 CHAIR JONES opened the Work Session on HJR 10 and mentioned the amendments HJR 10-5. Exhibit 5

021 STEVE BENDER discussed the amendments HJR 10-5, specifically the "lead lines" for each section that will allow voters to more easily understand the language of the bill. He read Section 10, subsections (a) and (b).

Exhibit 5

Questions and discussion

048 STEVE BENDER read subsection (2) of Section 10, related to the proposed "reserve fund," and he explained the intent. He also discussed subsection (3), and he described the relevant Oregon Revised Statute cites. Exhibit 5

082 Questions and discussion about the language in subsection (1)(b) of Section 10, related to the "declaration of an emergency" for appropriations beyond the limitation. Exhibit 5

132 STEVE BENDER talked about Section 10a, which outlined the sales tax rate. He discussed the meaning and consequences of the term "on tangible personal property." Exhibit 5

146 CHAIR JONES explained the difficulties Legislative Counsel had with the language in Section 10a on the sales tax rate. Exhibit 5

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Discussion

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186 STEVE BENDER related that further definition of the rate limit was contained in subsection (b) of Section 10a. Exhibit 5

194 CHAIR JONES explained why Legislative Counsel wanted the language in subsection (b) of Section 10a. Exhibit 5

203 Questions and discussion concerning subsection (b). Exhibit 5

218 CHAIR JONES clarified that subsection (b) was designed to prohibit local government from imposing any additional sales tax. Exhibit 5

221 STEVE BENDER explained subsection (2) of Section 10a, which contained the exemptions from the sales tax. Exhibit 5

Questions and discussion

285 CHAIR JONES clarified that subsection (2) would be clarified in statute, in addition to being in this constitutional amendment. Exhibit 5

Discussion

322 STEVE BENDER talked about the dedication of the sales tax, contained in subsection (3) of Section 10a. Exhibit 5

Questions and discussion

344 BARBARA SEYMOUR clarified the use of the terms "refunds and credits" in subsection (3) related to the dedication of sales tax revenues. Exhibit 5

Questions and discussion

TAPE 170 SIDE B

002 Questions and discussion continued with BARBARA SEYMOUR concerning the language in subsection (3) of Section 10a. Exhibit 5

020 BARBARA SEYMOUR stated she would make language changes in subsection (3) to satisfy the concerns of the members.

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Discussion

089 STEVE BENDER explained subsection (4) which prohibited any local sales tax. Exhibit 5

095 CHAIR JONES asked for language changes in subsection (4) of Section 10a. Exhibit 5

099 Questions and discussion about subsection (4) related to the prohibition of a local sales tax. Exhibit 5

160 STEVE BENDER related that subsection (5) repeated the language related provisions of the sales tax being approved by the voters. Exhibit 5

165 STEVE BENDER discussed Section 10b, specifically the "lead line," related to the 1998 "re-vote" by the voters to continue the sales tax beyond June 30, 1999. He read the language referring to the appropriate statutes. Exhibit 5

Questions and discussion about the June, 1999 date in Section 10b.

306 STEVE BENDER discussed Section 4a, labeled "Article XV," that would dedicate 1/2 of the proceeds from the Oregon State Lottery for education. Exhibit 5

322 CHAIR JONES clarified that the 10% in Section 4a would be a change in law, and she wondered if they was consistent with another bill sponsored by REP. BURTON. The 10% was a reduction from the current 16% used for administration of the lottery, and she said this was a policy question that the members would have to decide.

350 Questions and discussion concerning Section 4a.

TAPE 171 SIDE

B

003 Questions and discussion continued about the use of lottery funds, as defined by Section 4a of HJR 105.

011 STEVE BENDER discussed amendments to Article XVII, contained in Section 3 of HJR 10-5. He discussed subsection (1) and subsection (2). Exhibit 5

Discussion

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028 STEVE BENDER said "Paragraph 2" on the last page related to the special election for the sales tax.

035 BARBARA SEYMOUR further explained language in "Paragraph 2" in Section 3, related to the special election. Exhibit 5

041 CHAIR JONES returned to the issue of the 10% for administrative costs for the Lottery, contained in Section 4a, under "Article XV." Exhibit 5

052 REP. BURTON explained his reasoning for requesting that the Lottery administrative number from 16% to 10%. He discussed a related bill, HJR 68, that would allow closer scrutiny of the administration of the Lottery.

Questions and discussion

099 REP. BURTON wrote numbers on the white board related to revenues collected by the Lottery.

Questions and discussion

119 CHAIR JONES reiterated that the members would have to decide what percentage to put into the Section 4a related to Lottery proceeds.

Discussion

134 CHAIR JONES conducted administrative business.

169 CHAIR JONES adjourned the meeting at 11:59.

Paula K. McBride, Committee Assistant

Kimberly Taylor James, Office Manager

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EXHIBIT SUMMARY

1. HB 3676-5, Steve Meyer, Legislative Revenue Office.
2. Staff Measure Summary, HB 3676-5, Steve Meyer, Legislative Revenue Office.
3. Revenue Impact Analysis, HB 3676-5, Steve Meyer, Legislative Revenue Office.
4. Fiscal Analysis of Proposed Legislation, HB 3676-5, Ken Rocco, Legislative Fiscal Office.
5. HJR 10-5, Steve Bender, Legislative Revenue Office.

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