

Tapes 63-64 A/B  
Public Hearing SB 13A SB 276 SB 347  
Work Session SB 273 SB 57 SB 58

SENATE COMMITTEE ON  
REVENUE AND SCHOOL FINANCE

-  
MARCH 2, 1993 1:00 AM HEARING ROOM A STATE CAPITOL BUILDING

Members Present: Senator Shirley Gold, Chair

Senator Brady Adams

Senator Ron Cease

Senator Rod Johnson

Senator Paul Phillips

Senator Tricia Smith

Members Excused: Senator Peg Jolin

Witnesses Present: John Matthews, Association of Oregon Recyclers

Bob Castagna, Oregon Catholic Conference

Chuck Sheketoff, Oregon Human Rights Coalition

John Mullen, Clackamas County Social Services.

Ellen C. Lowe, Ecumenical Ministries

Rick Hansen, Senator Roberts' Office

Susan Schneider, Government Relations, City of  
Portland

Catherine Collis, Bureau of Environmental  
Services, City of Portland

Staff: Steve Meyer, Legislative Revenue Office  
Richard Yates, Legislative Revenue Office  
Jennifer Belkle, Committee Assistant

TAPE 63 SIDE A

005 CHAIR GOLD called the meeting to order at 1:25 p.m.

006 CHAIR GOLD conducted the meeting as a subcommittee, for the purpose of public hearings, until other members arrive.

010 CHAIR GOLD opened the public hearing on SB 13A.

013 JOHN MATTHEWS testified in support of SB 13A. Exhibit 1.

033 CHAIR GOLD opened the public hearing on SB 276.

035 BOB CASTAGNA testified in favor of SB 276. He discussed the need for a state earned income tax credit in Oregon.

~:

— — —  
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.  
Senate Committee

on

Revenue and School Finance March 2, 1993 Page 2

088 SEN. CEASE inquired about the cost of such program.

097 DICK YATES responded that the cost of the program would be approximately \$20 million dollars per year.

Questions and discussion.

115 CHUCK SHEKETOFF testified in favor of SB 276. He stated that the earned income tax is one of the best ways to make work pay and help people get out

of poverty. He asserted that this program is consistent with the Oregon Benchmarks. He discussed ways to pay for this program.

165 JOHN MnLLEN testified in favor of SB 276. He stated that this income tax credit is an important part of helping people to become self-sufficient.

189 ELLEN LOWE testified in favor of SB 276. She asserted that the earned income tax credit was a pro-family and prowork ethic legislative bill.

249 SEN. CEASE raised the issue of the shortfalls in the current budget and the difficulty of funding all the worthwhile programs brought before this Legislature.

274 ELLEN LOWE discussed the relationship between the earned income tax credit and tax code restructuring.

Questions and discussion.

375 DICK YATES clarified the rate structure issues raised.

400 CHAIR GOLD opened the public hearing on SB 347.

406 DICK YATES briefly explained SB 347 which gives a refundable tax credit for sewage treatment works connection.

TAPE 64 SIDE

A

001 SEN. CEASE inquired about the revenue impact of this bill.

005 DICK YATES gave an estimate of a revenue impact of an additional \$2.5 million dollars in the 1993-1995 biennium. He spoke about factors that would cause this additional revenue burden.

Questions and discussion.

044 DICK YATES discussed tax credits and refundable credits.

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.

Senate Committee

on

Revenue and School Finance March 2, 1993 Page 3

049 SEN. CEASE inquired about a sunset on the basic tax credit.

050 DICK YATES discussed the provisions of SB 347.

060 RICK HANSEN testified on behalf of Senator Frank Roberts in favor of SB 347 . Exhibits 2 & 3.

090 SUSAN SCHNEIDER testified in favor of SB 347.

Exhibit 4.

She stated that when property owners were required to connect to sewers, then state credits for doing so should be available to all, regardless of their tax liability.

Questions and discussion.

128 CHAIR GOLD opened the Work Session on SB 273.

130 STEVE MEYER directed members' attention to the SB 273-2 amendments and explained the effects of these amendments.

Exhibit 5.

150 JERRY HANSON explained the purpose of SB 273.

Questions and discussion.

231 JERRY HANSON discussed the proposed amendments and how these changes affect the content and appeal process in SB 273.

300 JERRY HANSON summarized the bill section by section.

380 GREG SWEET discussed the process of placing the values of appeals in a refund account.

Questions and discussion.

407 JERRY HANSON discussed examples of large refund situations to illustrate the problems facing the assessors.

TAPE 63 SIDE

B

001 JERRY HANSON continued his testimony on SB 273 and the appeal process.

Questions and discussion.

072 CHAIR GOLD opened the work session on SB 57.

075 STEVE MEYER introduced and briefly explained SB 57. He directed members' attention to the proposed 57-1 amendments.

(See meter #  
118 )

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.  
Senate Committee on

Revenue and School Finance March 2, 1993 Page 4

082 JERRY HANSON explained the changes that would result with the adoption of the 57-1 amendments.

118 STEVE MEYER clarified that the 57-3, not the 57-1, amendments are the current version of amendments being discussed. Exhibit 6.

130 SEN. CEASE inquired whether or not there are changes to the delinquencies and penalties provisions in this bill.  
Questions and discussion.

160 JIM MANARY stated that his department is not aware of any study on penalties that would demonstrate whether or not increases in penalties impact the timeliness of taxpayers' payments.

Questions and discussion. -

210 STEVE MEYER discussed and clarified the revenue impact statement.

Questions and discussion.

218 SEN. SMITH raised the issue that this bill will be setting a precedent for the assessor to choose whether or not to take an exemption.

225 STEVE MEYER completed his discussion of the revenue impact statement.

Questions and discussion.

255 KEVIN SMITH stated that the reason for the Governor's task force was solely to investigate ways to make local governments more efficient and cost effective. He believed that the option in this bill was left to local assessors so that the assessor for each county could determine whether or not this measure would be beneficial to their particular county.

265 SEN. SMITH discussed problems with inequities in the assessments for property for taxpayers residing in different counties due to this proposal.

275 JERRY HANSON discussed assessment options. He stated that there is a great deal of debate between counties on the merits of this proposal. He stated that his organization's legislative committee decided that any exemption should be mandatory and statewide to avoid potential inequities in the system.

!

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.  
Senate Committee on

Revenue and School Finance March 2, 1993 Page 5

311 SEN. SMITH inquired about the efficiency focus of the study and compensation to the counties for loss of revenue due to the proposed changes.

323 KEVIN SMITH explained the results of the task force findings.  
Questions and discussion.

380 STEVE MEYER clarified the costs to the state involved with this bill.

410 CHAIR GOLD opened the Work Session on SB 58.

415 SEN. CEASE discussed the proposed amendments to SB 58. Exhibit 7.

430 MOTION SEN. CEASE moved for the adoption of the 58-1

amendments.

TAPE 64 SIDE B

001 ORDER: Hearing no objections, CHAIR GOLD so ordered.

005 MOTION: CHAIR GOLD moved for the amended SB 58 to the  
Committee on Trade and Economic Development  
with a "do pass" recommendation.

011 ROLL CALL: The motion passed 6-0. Members voting Aye:

VOTE Senators Adams, Cease, Johnson, Smith, Phillips  
and Gold. Members Excused: Senator Jolin.

025 CHAIR GOLD adjourned the meeting at 2:51 p.m.

Je ~ fer Belkl Committee Assistant

Kimberly Taytor, Office Manager

Exhibit Summary

1. Matthews, Testimony in support of SB 13A, 3-2-93 2. Hanson, Testimony in  
support of SB 347, 3-1-93 3. Hanson, Constituent letter to Senator Roberts,  
5-4-92

4. Schneider, Testimony in support of SB 347, 3-1-93

5. Proposed Amendments, SB 273-2, 2-26-93

6. Proposed Amendments, SB 57-3, 3-2-93

7. Proposed Amendments, SB 58-1, 2-25-93

..

These minutes paraphrase and/or summarize statements made during this  
meeting. Text enclosed in quotation marks reports the speaker's exact words.  
For complete context of proceedings, please refer to the tape recording.