

Tapes136-137(A/B) Work Session: HB 2178A HB 2531 SB 815A

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE

March 28, 1991 8:00 AN Hearing Room A State Capitol Building

Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Representative Jim Whitty

Staff Present: Jim Scherzinger, Legislative Revenue Officer Dick Yates, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Terrie Heer, Administrator, Oil Heat Commission Lynn Frank, Five Stars International Jim Brown, Department of Revenue Ozzie Rose, Confederation of Oregon School Administrators John Marshall, Oregon School Boards Association, Education First Coalition TAPE 136 SIDE A 005 CHAIR JONES called the meeting to order at 8:14 as a subcommittee until a quorum was reached at 8:16. She conducted administrative business. WORK SESSION - HB 2178A 070 DICK YATES reviewed HB 2178 which deals with the Oil Heat Commission and a potential problem in collecting revenues from oil marketers. Section 4 of HB 2178 is the reason why the bill is in Revenue Committee which allows a deduction for money calculated as taxable income when the Oil Heat Commission pays for a leaking oil tank. He pointed out a problem with language in HB 2178A regarding a double deduction which is dealt with in Proposed Amendments HB 2178-A2. Exhibit 1 104 DICK YATES pointed out a need for a further amendment because of language of "person" on line 16 of HB 2178A which should be "an individual" to make consistent with other chapters.

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. House Committee on Revenue and School Finance March 28, 1991 Page 2 118 Questions and discussion regarding separation of issues (cost of cleaning soil v. cost of oil tank). 137 Questions and discussion. 154 CHAIR JONES discussed federal and state issues relating to Oil and Heat Commission. She related situations from various individuals regarding filing income tax returns. 180 Questions and discussion regarding clean up of leaky oil tanks. 287 Questions and discussion regarding state-wide concern for oil spill clean up relating to federal and state tax liability. 365 JIM BROWN explained two reasons why an Oregon subtraction should be dealt with in HB 2178A. HB 2178A has a retroactive provision to January 1988. He suggested to deal with affecting federal tax treatment in a separate bill. 408 Questions and discussion regarding tax treatment of similar programs (methlab cleanup and oil spill cleanup). TAKE 137 SIDE A 001 Questions and discussion. 063 JIM SCHERZINGER reviewed Proposed Amendment HB 2178-A2 which clarify an individual on personal income tax and allowing an additional deduction. He suggested to add "not otherwise deductible" at the end of line 2. 094 Questions and discussion regarding use of "person". 106 MOTION REP. BURTON moved to adopt Proposed Amendments to HB 2178-A2, 3/25/91, including "not otherwise deductible" on line 2. 120 ORDER There being no objection, CHAIR JONES so ordered. 122 MOTION REP. SCHOON moved HB 2178A as amended to the floor with a do pass recommendation. 130 VOTE In a roll call vote, the motion was adopted (8-0). AYES: Rep. Nelson, Rep. Parkinson, Rep. Schoon, Rep. Burton, Rep. Clark, Rep. Clarno, Rep. Hosticka, Rep. Jones. EXCUSED:

Rep. Whitty. 135 Questions and discussion.

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157 REP. HOSTICKA was not comfortable with a procedure for a distribution formula based upon potential legislation. 163 Questions and discussion regarding amount of replacement dollars. 178 Questions and discussion regarding impact from urban renewal decisions on replacement dollars, WOST offsets and a proposal for proration. 205 Questions and discussion regarding work on urban renewal in , Subcommittee on Property Taxation. 240 Questions and discussion regarding estimating revenue. 251 OZZIE ROSE pointed out an essential difference between his previous testimony and today is a loss of \$30 million. 299 Questions and discussion regarding forthcoming school finance simulations. 320 JOHN MARSHALL explained his handout of Legislative Highlights is before the disappearance of \$30 million. Exhibit 4 307 JIM SCHERZINGER referred to Sources of Adjustments to State Constitutional Responsibility for 1991/92 and reviewed a \$30 million loss. Exhibit 5 Questions and discussion interspersed regarding value growth change. TAPE 137 SIDE B 001 Discussion continued regarding percentage growth compared to a figure for new construction. 043 JIM SCHERZINGER continued with his review of 1990-91 data. Exhibit 5 078 Discussion regarding 1989 Legislative Session and WOST account. 090 JIM SCHERZINGER continued with decline of targeted offsets. Questions and discussion interspersed. Exhibit 5 140 Questions and discussion regarding two ways to calculate state replacement obligation. 164 CHAIR

JONES explained that the \$211.6 million is the total school responsibility. Exhibit 5 176 JIM SCHERZINGER pointed out the breakdown of \$211.6 million is \$15.7 for community colleges, \$13.3 for ESD's and \$182.6 for K-12.

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Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments to A-Engrossed HB 2178, HB 2178-A2, 3/25/91, DOR - HB 2178 2. Proposed Amendments to HB 2531-1, 3/27/91, DOR - HB 2531 3. Proposed Amendments to HB 2531-2, 3/27/91, DOR - HB 2531 4. Legislative Highlights, Ozzie Rose, John Marshall, 3/22/91 - SB 815 5. Sources of Adjustments to State Constitutional Responsibility, LRO, 3/26/91 - SB 815 6. Fiscal Analysis HB 2178A, 3/1/91, LFO - HB 2178 7. Staff Measure Summary HB 2178A, House Committee on Business and Consumer Affairs, 3/28/91 - HB 2178

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