

Tapes 147-148, (A/B) Tape 149 (A) Public Hearing: HB 2949 Work Session:
HB 215 2, SB 815A

HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE

April 5, 1991 8:00 AM Hearing Room A State Capitol Building Members Present: Representative Delna Jones, Chair Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson Representative Fred Parkinson Representative John Schoon Members Excused: Representative Carl Hosticka, Vice-Chair Representative Mike Burton Representative Jim Whitty Staff Present: Jim Scherzinger, Legislative Revenue Officer Steve Bender, Legislative Revenue Office Terry Drake, Legislative Revenue Office Steve Meyer, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Mike McCallum, Oregon Restaurant Association Harold Pollin, Portland, Oregon Don Elliott, Portland, Oregon Brent DeMesquita, Taco Time International Rob Nicholas, Rob's Restaurant, Seaside, Oregon Bob Cantine, Association of Oregon Counties Sharon Kelly, Multnomah County BJ Smith, League of Oregon Cities Bud Hart, City of Klamath Falls Linda Lynch, City of Eugene - Greg Mindt, Oregon Lodging Association John Radford, Executive Department TAPE 147 SIDE A 005 CHAIR JONES called the meeting to order at 8:10 as a subcommittee until a quorum was reached at 8:29. She conducted administrative business. PUBLIC HEARING - HB 2949 017 STEVE BENDER reviewed HB 2949 which imposes a restriction on local jurisdictions and their authority to tax the service or furnishing of food, drink or meals until the state enacts a general sales tax.

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 April 5, 1991 Page 2 043 MIKE MC CALLUM supported HB 2949 and summarized his prepared testimony. Exhibit 1 103 Questions and discussion. 119 HAROLD POLLIN testified in support of HB 2949. 155 DON ELLIOTT supported HB 2949 and explained an impact on the hotel industry from a local sales tax on food. 170 BRENT DE MESQUITA testified in support of HB 2949 and was concerned with local agencies determining taxation on restaurants. He discussed additional burdens placed on the restaurant industry and consumers if a local sales tax on food was enacted. 202 ROD NICHOLAS supported HB 2949 and explained 65% of his business is local. A local sales tax on service or furnishing of food would hurt Oregonians. 234 Questions and discussion regarding a letter the members received from Newport Bay Restaurant. 273 Questions and discussion regarding cost of equipment relating to a sales tax. 311 Questions and discussion regarding litter from carry out food and a suggestion of a surcharge on fast food products to pay for litter clean-up. TAPE 148 SIDE A 001 Questions and discussion continued regarding litter from fast food. 030 BOB CANTINE testified in opposition to HB 2949 and summarized his prepared testimony. Exhibit 2 070 Questions and discussion. 095 SHARON KELLY agreed with testimony from Bob Cantine. She reviewed Multnomah County's loss of revenue from Measure 5. 116 Questions and discussion regarding replacement revenue policy considering the impact from Measure 5. 194 Questions and discussion regarding impact on Multnomah County from Ballot Measure 5. 215 REP. CLARK was concerned with local government actions which could affect a state-wide effort for replacement revenue.

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290 BJ SMITH presented letters from the Mayors of Newport and Bend in opposition to HB 2949. She reviewed the policy of the League of Oregon Cities historical opposition to any form of state preemption of local taxation decisions because these decisions should be decided on the local level (service level and method of taxation). She reviewed impact from Ballot Measure 5 on cities. Exhibits 4, 6 343 BUD HART opposed HB 2949 and reviewed the impact from Measure 5 on Klamath Falls. The local communities should be able to decide on local taxation. 366 Questions and discussion regarding a situation in Klamath Falls regarding a local tax proposal. TAPE 147 SIDE B 001 Questions and discussion continued regarding Klamath Falls tax rate. 007 Questions and discussion regarding a city's ability to impose a selective sales tax. 029 Questions and discussion regarding hotel/motel room taxes. 053 LINDA LYNCH discussed the impact from Measure 5 on Eugene and opposed HB 2949. She referred to a letter from the City of Eugene and Lane County. Exhibit 3 097 GREG MINDT noted Oregon Lodging Association's opposition to a selective tax on any industry and support of HB 2949. 150 CHAIR JONES recessed the meeting at 9:17 and reconvened the meeting at 9:54. WORK SESSION - HB 215 2 156 STEVE MEYER reviewed HB 2152 which relates to a state-wide property tax levy for payment of principal and interest on state bonded indebtedness which cannot be repaid from other revenue sources. He reviewed each section of HB 2152. 236 STEVE MEYER reviewed Proposed Amendments to HB 2152-1 dated 4/4/91. Exhibit 9 255 JOHN RADFORD interjected approval of HB 2152-1 and HB 21522 amendments. 259 STEVE MEYER continued review of HB 2152-1 amendments. 313 STEVE MEYER reviewed Proposed Amendments to HB 2152-2, dated 4/5/91. Exhibit 10

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Linda Leach, Committee Assistant

Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Testimony from Oregon Restaurant Association, 4/5/91 - HB 2949
2. Testimony from Association of Oregon Counties, 4/5/91 - HB 2949
3. Testimony from Lane County and City of Eugene, 4/5/91 - HB 2949
4. Testimony from City of Newport, 4/4/91 - HB 2949 5. Testimony from Carolyn Wood, The Dalles City Council, 4/3/91 - HB 2949
6. Testimony from City of Bend, 4/4/91 - HB 2949 7. Testimony From City of Salem, 4/5/91 - HB 2949 8. Fiscal Impact, LFO, 4/3/91 - HB 2949 9. Proposed Amendments to HB 2152-1, 4/4/91 - HB 2152 10. Proposed Amendments to HB 2152-2, 4/5/91 - HB 2152 11. Fiscal Impact Assessment, LFO, 4/3/91 - HB 2152 12. Memo from Confederation of Oregon School Administrators, 3/29/91 - SB 815
13. May 1991 School District Levy Elections, LRO - SB 815
14. Blackboard Illustration, LRO, 4/5/91 - SB 815

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