

April 12, 1991 8:00 AM 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 Steve Bender, Legislative Revenue Office Linda Leach, Committee Assistant
Witnesses Present: Terry Rogers, Governor's Office Mike Lindberg, Portland City Commissioner Senator Jane Cease, District 10 Steve Marks, representing Senate President Kitzhaber Brian Booth, State Park and Recreation Commission Dave Talbot, Oregon State Parks Dan Van Dusen, Oregon Soft Drink Association Kelly Reed, Pepsi Cola Bottling, Eugene Jerry Davis, Benton County, Oregon Parks Association · Jan Stewart, Friends of Silver Falls Ruth Pennington, Friends of Tryon Creek Gary Combs, Coos County Parks Richard Holoch, Defenders of Wildlife, Trust Fund Board Sara Vickerman, Defenders of Wildlife, Trust Fund Board Geoff Pampush, Defenders of Wildlife, Trust Fund Board Mike Houck, Portland Audobon Society (check this) Bob Keefer, Lane County Parks Claire Puchy, Department of Fish and Wildlife Guido Rahr Richard Daulin, Metropolitan Service District Liz Frenkel, Sierra Club John Powell, Northwest Automatic Vending Association

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 12, 1991 Page 2

Witnesses (cont): Genoa Ingram, Oregon Association of Realtors Don McIntire, Gresham BJ Smith, League of Oregon Cities Glenn Klein, League of Oregon Cities Barbara Seymour, Legislative Counsel Larry Dully, Portland Development Commission Jack Caldwell, Oregon City Ozzie Rose, Education First Coalition John Danielson, Oregon Education Association (OEA) TAPE 154 SIDE A 005 CHAIR JONES called the meeting to order at 8:10 as a subcommittee until a quorum was reached at 8:12. She conducted administrative business. PUBLIC HEARING - HB 213 6 027 TERRY ANN ROGERS supported HB 2136 and read her prepared testimony. Exhibit 1 066 MIKE LINDBERG testified in support of HB 2136 and summarized his prepared testimony. Exhibit 2 112 Questions and discussion regarding taxing soda pop syrup. 120 Questions and discussion regarding pop can litter and Governor Robert's support of Oregon Parks. 144 Questions and discussion regarding a tax on pop ingredients v. pop can. 177 STEVE BENDER reviewed HB 2136 Carbonated Beverage Tax For Parks. Exhibit 3 202 SEN. CEASE supported HB 2136 and referred to her prepared testimony. She presented Proposed Amendments to HB 2136-1, 4/11/91. Exhibits 4, 5 269 Questions and discussion. 282 STEVE MARKS noted Sen. Kitzhaber's support of HB 2136-1 Proposed Amendments. 295 Questions and discussion. 322 BRIAN BOOTH supported HB 2136 and summarized his prepared testimony. Exhibit 6

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 12, 1991
Page 3

TAPE 155 SIDE A 007 DAVID TALBOT supported HB 2136 and summarized his prepared testimony. He referred to Surveys Regarding State Parks Funding. Exhibits 7,8 017 Questions and discussion regarding impact from Ballot Measure 5, competing issues and new revenue sources. 123 DAN VAN DUSEN opposed HB 2136 and read his prepared testimony. ,Exhibit 9 170 KELLY REED opposed HB 2136 and read his prepared testimony. Exhibit 10 202 Questions and discussion regarding a proposed tax on carbonated beverages v. all bottled drinks. 248 Questions and discussion regarding a past bottle bill. 274 Questions and discussion regarding improving the environment. 306 JERRY DAVIS supported HB 2136 and Proposed Amendments to HB 21361. He reviewed his efforts in the development of HB 2136. 317 JAN STEWART described her ten years of volunteer work for Oregon State parks. She supported HB 2136. 384 RUTH PENNINGTON described the mission of Friends of Tryon Creek and supported HB 2136. TAPE 154 SIDE B 015 GARY COMBS provided his background in parks and recreation and supported HB 2136. He related the impact on Coos County from Ballot Measure 5. 049 RICHARD HOLOCH supported HB 2136 and presented testimony from Russ Hoeflich. Exhibit 11 090 Questions and discussion regarding HB 2347 in House Environment and Energy Committee. 108 SARA VICKERMAN supported HB 2136 and proposed amendments from Sen. Cease. She read her prepared testimony. Exhibit 12 166 Questions and discussion regarding coordination of HB 2136 with other related bills. 182 GEOFF PAMPUSH supported HB 2136 and read his prepared testimony. Exhibit 13

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 12, 1991
Page 4 205 Questions and discussion. 224 MIKE HOUCK provided his background and supported HB 2136. He reviewed regulatory programs, incentives to property owners, and funding needs. 286 BOB KEEFER testified in support of HB 2136 and Proposed Amendments HB 213 6-1. 306 CLAIRE PUCHY supported HB 2136 and Proposed Amendments HB 2136-1. She summarized her prepared testimony and presented a booklet entitled Habitat Conservation Plan. Exhibits 14, 15 348 GUIDO RAHR supported HB 2136 and reviewed funding needs for the Habitat Conservation Fund. 412 RICHARD DAULIN supported HB 2136 and Proposed Amendments HB 21361. TAPE 155 SIDE B 010 RICHARD DAULIN continued with his testimony and related how the environment and parks are important to the welfare of juvenile and adult offenders. 025 LIZ FRENKEL supported HB 2136 and HB 2136-1 Proposed Amendments. She requested consideration of an amendment to the statutory mandate for state parks ORS 390.010 which does not adequately cover the breadth and direction of state parks. 055 Questions and discussion. 071 JOHN POWELL opposed HB 2136 for two reasons: 1) Specific tax on individual product. 2) Nature of the vending industry. 093 Questions and discussion regarding public perception "dedicated revenue v. general fund). 117 CHAIR JONES conducted administrative business. She recessed the meeting at 9:43 and reconvened at 9:59. WORK SESSION - HB 260 9 129 CHAIR JONES referred to Proposed Amendments to HB 2609-8, dated 4/11/91 relating to urban renewal. Exhibit 19 150 REP. CLARK reviewed HB 2609-8 Proposed Amendments which reflect Rep. Hayden's

"fallback" position of an optional special election for the governing body of a municipality (Section 8a). The balance of the amendments are mostly technical. Exhibit 19

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 12, 1991 Page S 175 Questions and discussion regarding election timing and notification requirements in Proposed Amendments HB 2609-8.

223 Discussion regarding committee procedure. 238 REP. WHITTY commented on the language of "real property taxpayer". 250 Questions and discussion regarding notification mailings (timing, mail along with other information, etc.). 304 GENOA INGRAM supported the use of tax increment financing for urban renewal projects and read her prepared testimony. Exhibit 20 353 Questions and discussion. 376 DON MC INTIRE supported a vote of the people for urban renewal projects which is not included in Proposed Amendments HB 2609-8. TAPE 156 SIDE A 001 DON MC INTIRE referred to a Charter from the City of Gresham which provides for an election of an urban renewal district. He discussed the limits of Ballot Measure 5 and predicted urban renewal issues will be in court. 039 Questions and discussion regarding possible court cases because of the limits of Ballot Measure 5. 060 DON MC INTIRE discussed potential growth of urban renewal districts and provided examples (Portland urban renewal districts and tax statements). He believed a vote was essential and would mitigate potential court action. 093 Questions and discussion regarding Port of Portland. 109 Questions and discussion regarding property tax relief and the intention of Ballot Measure 5. 121 BJ SMITH explained that the League of Oregon Cities has concerns with notification and the language in Section 8a of Proposed Amendments HB 2609-8 (which may not provide in lieu of notification). She preferred HB 2609-7 Proposed Amendments. (See Exhibit 7 from House Revenue Committee 4/11/91 meeting) 154 GLENN KLEIN reviewed line 13, page 11 in Section 8a of HB 2609-8 which refers to approval of a plan amendment. He suggested the addition of "substantial" on line 13. 160 Questions and discussion regarding definition of "substantial plan amendment", page 7, line 20. Exhibit 19

. .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 12, 1991 Page 6

193 Questions and discussion regarding language in Section 8a being consistent with language in Section 8. Glenn Klein recommended the deletion of "amendment or the issuance of bonded indebtedness under the plan" (lines 13 and 14, page 11). Exhibit 9 216 Questions and discussion regarding timing and what is included in the optional vote 245 Questions and discussion regarding Section 16 (grandfather clause) and Section 8a. 300 GLENN KLEIN wanted the record to show that Section 8 and Section 8a do not affect existing urban renewal projects. 307 CHAIR JONES clarified existing plans are not affected by new changes unless there is a substantial plan amendment. 322 Questions and discussion. 357 CHAIR JONES read suggested language to Section 8a, lines 10-16. Exhibit 19. 378 GLENN KLEIN and BARBARA SEYMOUR agreed with language read by Chair Jones. TAPE 157 SIDE A 001 Discussion continued regarding language in Section 8a. 026 Questions and

discussion regarding definition of "substantial plan amendment" in Section 5, page 7. Exhibit 19 098 REP. BURTON requested a response and referred to a statement made from a previous witness about "a false tax statement" relating to an urban renewal district. 104 LARRY DULLY addressed statements made by Don McIntire today. 120 BJ SMITH referred to Downtown Portland - Sequestered Assessed Value: FY 199 0. She reviewed local election requirements which already exist and she viewed as adequate. Exhibit 22 135 Questions and discussion. 164 Questions and discussion regarding how a municipality would make a decision for an election in lieu of notification. 178 REP. BURTON clarified that a public forum would be necessary if a municipality decided not to have an election for an urban renewal plan. 185 BJ SMITH agreed with Rep. Burton. . . .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 12, 1991 Page 7

PUBLIC HEARING - HB 2984 187 CHAIR JONES conducted administrative business. 190 REP. CLARK introduced John Caldwell, an attorney from Oregon City. He reviewed 1989 legislation (HB 2338) which imposed a \$20 recording fee on property transfers. HB 2338 created a situation where the fee is assessed twice in cases relating to the beneficial interest in a land sales contract. HB 2984 will correct the problem. 200 JOHN CALDWELL gave his legal background and summarized his prepared testimony. He supported HB 2984. Exhibit 23 WORK SESSION - SB 815 A 280 CHAIR JONES referred to Proposed Amendments to A-Engrossed SB 815A9, 4/5/91. Exhibit 25 290 OZZIE ROSE reviewed a revised Coalition plan which is reflected in Proposed Amendments SB 815-A9. He emphasized the following aspects: 1) Reinstate the validation of May elections, but add a cap of 12% growth from prior year levy. This cap is because of a concern of a decrease in the proration of the replacement dollar if the total election was allowed. He related the Coalition had consensus on the proposed 12% cap. 2) Appropriation to basic with a hold harmless for school districts with recognition of ADM (average daily membership). 3) Appropriation to an equity account for some districts. 4) All districts guaranteed 6% on the property tax side of revenue sources. 5) Additional 6% to districts whose elections are successful. 6) WOST (Western Oregon Severance Tax) dollars distributed. 7) Provide a manner to deal with a Harney County problem. 8) Proration of replacement dollars. Exhibit 25 355 REP. WHITTY was concerned with school districts in the safety net (without transportation) and their impact from the coalition proposal today. He did not support the Coalition plan as presented today. 394 Questions and discussion regarding example provided by Rep. Whitty. TAPE 156 SIDE B 001 Questions and discussion continued. 013 REP. HOSTICKA questioned the proposed 12% cap relating to elections.

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 12, 1991 Page 8 018 OZZIE ROSE discussed proration and cap issues and acknowledged the 12% does not address every school district's situation. 030 REP. HOSTICKA believed the 12% cap was driven by numbers rather than policy. 037 OZZIE ROSE reviewed progress made for the second-year funding. 035 REP. HOSTICKA related a possible plan of all districts receiving 6% and provide an additional 6% to those districts in the safety net. ,He did not want to talk about numbers, but desired a discussion of policy. 050 Questions and discussion. 055 JOHN DANIELSON

provided examples of districts having an improved tax base but have not utilized the growth in the tax base ("self imposed" safety net districts). He explained why OEA supported a policy which allows districts to utilize the May election. 106 Questions and discussion. 169 REP. BURTON was hopeful that the Coalition plan was moving in the direction of helping districts needing the most help. 182 REP. WHITTY was concerned with the lack of school transportation in Coos Bay. 200 Questions and discussion. 234 JOHN DANIELSON concluded that the Coalition plan is best under the current circumstances (financial resources available for the first year). 239 OZZIE ROSE believed that the majority of the seventy-six school districts have a rationale reason for a May election. 249 CHAIR JONES reviewed committee procedures relating to SB 815A. WORK SESSION - HB 260 9 270 MOTION REP. CLARK moved adoption of Proposed Amendments HB 2609-8 with the addition of "substantial" , on page 11, line 13. 290 DISCUSSION 307 JIM SCHERZINGER presented corrections to pages 7, 10, 11 and 24 (HB 260 9-9) as directed by the committee (during 4/12/91 meeting). Exhibit 26

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 12, 1991 Page 9 327 MOTION MODIFIED REP. CLARK modified his motion as follows: Rep. Clark moved adoption of Proposed Amendments to HB 2609-8 with corrections presented by Jim Scherzinger, pages 7, 10, 11 and 24 shown as HB 2609-9. Exhibit 26 334 DISCUSSION 334 MOTION RESTATED REP. CLARK restated his motion as adoption of Proposed Amendments HB 2609-9. 353 DISCUSSION 365 BARBARA SEYMOUR reviewed changes on page 7, 10, 11, and 24. Exhibit 26 TAPE 157 SIDE B 001 DISCUSSION continued. 010 VOTE In a roll call vote, the motion was adopted (7-0). AYES: Reps. Clark, Clarno, Parkinson, Schoon, Whitty, Hosticka, Jones. NAYS: Reps. Burton, Nelson. 020 MOTION REP. CLARK moved HB 2609 as amended to the floor with a do pass recommendation. 024 REP. PARKINSON supported HB 2609 as amended. 032 REP. HOSTICKA noted that his support was reluctant and believed the proposed process in HB 2609 was complicated. 040 REP. NELSON agreed with Rep. Hosticka. 044 REP. BURTON was concerned with cost of notification and the process in HB 2609. 052 CHAIR JONES commented on the difficult issue of tax increment financing. 069 VOTE In a roll call vote, the motion was adopted (9-0). AYES: Reps. Clark, Clarno, Nelson, Parkinson, Schoon, Whitty, Burton, Hosticka, Jones. 075 CHAIR JONES adjourned the meeting at 11:40.

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 12, 1991 Page 10 Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Testimony from Terry Ann Rogers, 4/12/91 - HB 2136 2. Testimony from Mike Lindberg, 4/12/91 - HB 2136 3. HB 2136 Carbonated Beverage Tax For Parks, LRO, 4/12/91 - HB 2136 4. Testimony from Sen. Jane Cease, 4/12/91 - HB 2136 5. Proposed Amendments HB 2136-1, 4/11/91, Sen. Cease - HB 2136 6. Testimony from Brian Booth, 4/12/91 - HB 2136 7. Testimony from David Talbot, 4/12/91 - HB 2136 8. Surveys Regarding State Parks Funding, David Talbot, 4/12/91 - HB 213 6 9. Testimony from Daniel VanDusen, 4/12/91 - HB 2136 10. Testimony from Kelly Reed, 4/12/91 - HB 2136 11. Testimony

from Russ Hoeflich, Nature Conservancy, 4/12/91 - HB 2136 12. Testimony from Sara Vickerman, 4/12/91 - HB 2136 13. Testimony from Geoff Pampush, 4/12/91 - HB 2136 14. Testimony from Claire Puchy, 4/10/91 - HB 2136 15. Habitat Conservation Plan, 1/91 - HB 2136 16. Testimony from Jeff Miller, City of Eugene, 4/12/91 - HB 2136 17. Testimony from Charles Ciecko, Multnomah County, 4/11/91 - HB 2136 18. Fiscal Analysis, LFO, 4/10/91 - HB 2136 19. Proposed Amendments HB 2609-8, 4/11/91, LRO - HB 2609 20. Testimony from Genoa Ingram, 4/12/91 - HB 2609 21. Charter of the City of Gresham, 5/2/78 - HB 2609 22. Downtown Portland - Sequestered Assessed Value: FY 1990, 4/12/91 - HB 2609 23. Testimony from John Caldwell, 4/12/91 - HB 2984 24. Fiscal Analysis HB 2984, LFO, 4/11/91 - HB 2984 25. Proposed Amendments SB 815-A9, 4/5/91 - SB 815 26. Proposed Amendments HB 2609-9, pages 7, 10, 11, 24, LRO, 4/12/91 - HB 2609 27. Preliminary School Finance Coalition - D, LRO, 4/12/91 - SB 815 28. Testimony from Josephine County School District, 3/8/91 - SB 815 29. Follow-up testimony from Parks and Recreation, 4/12/91 - HB 2136

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.