

Tape 220 (A/B) Tape 221(A) Work Session: HB 3467A, HB 3469A HOUSE COMMITTEE ON REVENUE AND SCHOOL FINANCE June 3, 1991 8:00 AM Hearing Room A State Capitol Building . . . Members Present: Representative Delna Jones, Chair Representative Carl Hosticka, Vice-Chair Representative Mike Burton (arrived 8:15) Representative Kelly Clark Representative Bev Clarno Representative Mike Nelson (arrived 8:18) Representative Fred Parkinson Representative Jim Whitty Member Excused: Representative John Schoon Staff Present: Dick Yates, Legislative Revenue Office Linda Leach, Committee Assistant Witnesses Present: Tim Martinez, Oregon Banking Association Steven Westfall, Oregon Housing Association Jim Brown, Department of Revenue Quint RaHberger, Bureau of Labor and Industries Keith Leavitt, Legislative Assistant for Representative Stan Bunn, District 29 Jack Kalinoski, Associated General Contractors Dan Faddis, Central Electrical/JATC TAPE 220 SIDE A 005 CHAIR JONES called the meeting to order at 8:13. WORK SESSION - HB 346 7A 008 CHAIR JONES reviewed testimony from the banking industry that a current tax credit was not working because of a ten-year mortgage limitation (could not sell loans). HB 3467A would increase the mortgage from ten to twenty years and would separate the tax credit from the loan. 014 REP. HOSTICKA reviewed Proposed Amendments HB 3467-A8 which place a sunset date of January 1, 1996 which allows time for a review (1995 Legislature) of loan sales (two years was not long enough). The Proposed Amendments provide a maximum of two times that a loan can be sold or transferred. He commented that the proposed amendments were developed by a working group. Exhibit 1

- 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. House Committee on Revenue and School Finance June 3, 1991 Page 2 034 Questions and discussion regarding impact on loan value because of the transfer limitation. REP. HOSTICKA explained the purpose to separate the tax credit from the loan is to sell loans and not to sell tax credits. Questions and discussion interspersed. 060 TIM MARTINEZ related that the Banking Association believes the proposed amendments are a good compromise. 065 STEVEN WESTFALL testified in support of HB 3467A and amendments. He provided examples of how the limitation on loan transfers may work. 077 Questions and discussion regarding corporations (not individuals) buying tax credits. 100 JIM BROWN was concerned with tax credits which can be sold. If the committee supported the selling of tax credits, then he was comfortable with HB 3467A. Questions and discussion. 115 MOTION REP. HOSTICKA moved adoption of Proposed Amendments HB 3467 -A8, 5/30/91. 120 ORDER There being no objection, CHAIR JONES so ordered. 120 CHAIR JONES explained a need to review tax credits before HB 3467 is passed out of committee. 124 DICK YATES estimated the revenue impact from HB 3467A and proposed amendments. He reviewed his discussion with other agencies in determining a revenue impact. He estimated \$20 million in loan amounts for the 1991/93 biennium (\$10 million per year). 167 CHAIR JONES acknowledged that Tim Martinez and Steven Westfall agreed with estimates provided by Dick Yates. 173 DICK YATES explained how he arrived with revenue estimates for HB 3467A and proposed amendments. 203 CHAIR JONES commented on a need to review all tax credits and impact on revenue. WORK SESSION - HB 3469A 214 CHAIR JONES explained HB 3469A relates to a youth apprenticeship program. She reviewed testimony the committee received on May 30, 1991 and Proposed Amendments HB 3469-A5, 5/31/91 which were developed by a working group. Exhibit 2

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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 June 3, 1991 Page 3 230 QUINT RAHB ERGER reviewed Proposed Amendments to corrected AEngrossed HB 346 9-A5 which addresses the committee's concerns and testimony received on May 30, 1991. Exhibit 2 100 Questions and discussion interspersed (number of students in program, students to remain in school and continue with regular school work, \$3000 per student, length of time tax credit can be carried forward, what tax years are eligible for the credit). 378 QUINT RAHB ERGER suggested an additional correction to be consistent with other language. Section 6, subsection 2, page 3, line 21 should mirror language in Section 4, Subsection 3 (in proposed amendments). 393 JIM BROWN commented that retaining Section 9 from HB 3469A along with proposed Section 9 may not work. He suggested to delete old Section 9 from HB 3469A and not renumber it Section 10. 437 Questions and discussion regarding suggestion from Jim Brown. TAPE 221 SIDE A 001 Questions and discussion continued. 029 KEITH LEAVITT commented on an appropriate tax credit amount and arrival at \$3000 per student. He noted that Rep. Bunn would need revenue impact numbers. 032 DICK YATES reviewed revenue impact from the proposed amendments. \$210,000 for the 1991/93 biennium and \$300,000 for the 1993/95 biennium. He noted the impact reflects the full \$3,000 for each individual. 046 Questions and discussion regarding limited summer school programs (tax credit available only if student is in school). 063 MOTION CHAIR JONES moved adoption of Proposed Amendments HB 3469-A5, 5/31/91 including the changes described in Section 6, Subsection 2 to mirror the changes in Section 4, Subsection 3 and the deletion of the current Section 9 in HB 3469A. 070 REP. NELSON was concerned with the distribution of the proposed apprenticeship program throughout the state. 077 Questions and discussion regarding concerns noted by Rep. Nelson. 092 Questions and discussion regarding "Katz" education bill and a relationship to HB 3469A (partnership between schools and businesses). 100 ORDER There being no objection, CHAIR JONES so ordered.

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102 CHAIR JONES noted that HB 3469 will not be moved out of committee until a review of the revenue impact. 108 JACK KALINOSKI pointed out that the construction industry will utilize the proposed apprenticeship program. He believed the number of students should be 1000 instead of 100 and he reviewed an education priority in the construction industry. 150 Questions and discussion comparing apprenticeship needs in construction and other fields. 180 REP. BURTON noted concern about the application of HB 3469A and if the application supports the intent. 199 CHAIR JONES related detailed work in the House Committee on Education on HB 3469A and an attempt to encourage young people to participate in apprenticeship programs. She commented on the revenue issue of the proposed tax credit. 229 Questions and discussion regarding what industry areas the apprenticeship program will cover. 240 Questions and discussion regarding high school vocational courses and how applied to an apprenticeship program. 307 REP. BURTON was concerned with high credit granting and how evaluations are made. 313 QUINT RAHB ERGER addressed guidelines for apprenticeship programs and reviewed a training agent. 355 REP. BURTON questioned if the apprenticeship programs involves the timber and agriculture industries. 374 Questions and

discussion regarding the funding of apprenticeship programs from the Associated General Contractors dues (basic trades). 409 CHAIR JONES reminded the committee that the proposed program is small and commented on the importance that the apprenticeship program not be viewed as a Portland program. TAPE 220 SIDE B 001 Questions and discussion regarding proposed four year sunset date. 018 DAN FADDIS commented on possible abuse of the proposed program and supported a two year sunset date. He noted agreement with Proposed Amendments but questioned the economic effect of same.

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055 Questions and discussion regarding testimony received in the House Education Committee and comparisons made to European apprenticeship programs. CHAIR JONES commented on a relationship to HB 3465. 088 CHAIR JONES conducted administrative business and adjourned the meeting at 9:16.

Linda Leach, Committee Assistant Kimberly Taylor, Office Manager EXHIBIT SUMMARY 1. Proposed Amendments HB 3467-A8, 5/30/91, LRO - HB 3467 2. Proposed Amendments to Corrected A-Engrossed, HB 3469-A5, LRO, 5/31/91 - HB 3469

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